



LEGISLATIVE BUDGET BOARD

Fiscal Size-up 2024–25 Biennium

SUBMITTED TO THE EIGHTY-EIGHTH TEXAS LEGISLATURE

PREPARED BY LEGISLATIVE BUDGET BOARD STAFF

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JULY 2024

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FISCAL SIZE-UP: 2024–25 BIENNIUM

July 2024

The Legislative Budget Board marks its seventy-fifth anniversary in 2024. Prior to the establishment of the Legislative Budget Board, budgeting was assigned to the Board of Control, the state's purchasing agent. Senate Bill 387, Fifty-first Legislature, Regular Session, 1949, established the initial State Budget Board, later renamed the Legislative Budget Board (LBB). The legislation required all state agencies to submit their budget requests to the LBB for review and recommendations. Over time, the functions of the LBB staff have statutorily evolved to meet the needs and requests of Board members, the Texas Legislature, and the public.

This publication, the *Fiscal Size-up*, continues a long-standing responsibility of the LBB staff to report on the budget and other fiscal actions of each Legislature and to provide contextual information about the structure, operation, and fiscal condition of Texas state government. The *Fiscal Size-up* serves to inform members of the Legislature, state entities, and Texas taxpayers with a comprehensive review of how tax dollars were directed by the Eighty-eighth Legislature during the Regular and Called sessions in 2023.

The first three chapters of the *Fiscal Size-up* summarize the overall fiscal condition of the state as it was when the Eighty-eighth Legislature deliberated the current budget. These opening chapters provide a high-level overview of the 2024–25 biennial state budget, describe the major revenue sources and funds, examine economic indicators for Texas and the U.S., and highlight legislation passed by the Eighty-eighth Legislature, 2023, that may have a significant fiscal impact.

Following this summary, the subsequent chapters of the *Fiscal Size-up* focus in turn on each function of state government, providing comprehensive descriptions of programs and services within the state budget. We approach this discussion by placing significant budget issues within the context of programs, activities, and services of the agencies and institutions that support each function. Certain information also is available in an interactive format online at www.lbb.texas.gov/interactive_graphics.aspx. This format enables quick extraction of detail by article, agency, and method of finance. Along with other LBB publications, the 2024–25 *Fiscal Size-up* is available at www.lbb.texas.gov.

I am extremely grateful for the ongoing commitment and consistent quality work of the LBB staff and for the many state officials and staff that provided the information necessary to compile this publication. The presentation of this information and its associated analysis are solely the responsibility of the LBB staff.

Jerry McGinty

Director

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1. STATE BUDGET OVERVIEW

This chapter provides an overview of House Bill 1, Eighty-eighth Legislature, Regular Session, 2023, referred to as the General Appropriations Act (GAA). This overview includes other bills that appropriate funds passed by the Eighty-eighth Legislature during its Regular Session and First, Second, Third, and Fourth Called Sessions, 2023. These combined appropriations are referred to as the state budget for the 2024–25 biennium.

The overview highlights major changes in the budget from the previous biennium and incorporates the adjustments to 2022–23 biennial appropriations included in Senate Bill 30, Eighty-eighth Legislature, Regular Session, 2023, the supplemental appropriations bill. It also includes supplemental appropriations pursuant to House Joint Resolution 2, Eighty-eighth Legislature, Second Called Session, 2023; Senate Bill 2, Eighty-eighth Legislature, Second Called Session, 2023; Senate Bill 3, Eighty-eighth Legislature, Second Called Session, 2023; and Senate Bill 3, Eighty-eighth Legislature, Fourth Called Session, 2023.

The budget is categorized into articles that cover certain areas of state government. For example, Article I is General Government, Article II covers Health and Human Services, and Article III is Public and Higher Education. Six additional articles cover the other areas of government, plus an article providing general provisions to all state agencies and institutions.

The Legislature uses four methods of finance to appropriate funds to state agencies and public institutions of higher education: General Revenue Funds, General Revenue–Dedicated Funds, Federal Funds, and Other Funds. **All Funds** is the summation of the methods of finance:

- **General Revenue Funds** include the nondedicated portion of the General Revenue Fund, which is the state’s primary operating fund. General Revenue Funds also include the Available School Fund, the State Instructional Materials Fund, and the Foundation School Fund.
- **General Revenue–Dedicated Funds** include approximately 200 accounts within the General Revenue Fund that are dedicated for specific purposes by statute or by the funds-consolidation

process. For example, Account No. 151, Clean Air, is funded primarily through a portion of motor vehicle inspection fees and a portion of air pollution control fees. These Account No. 151 revenues are statutorily dedicated to the Texas Commission on Environmental Quality to provide funding for various air quality, monitoring, and permitting programs.

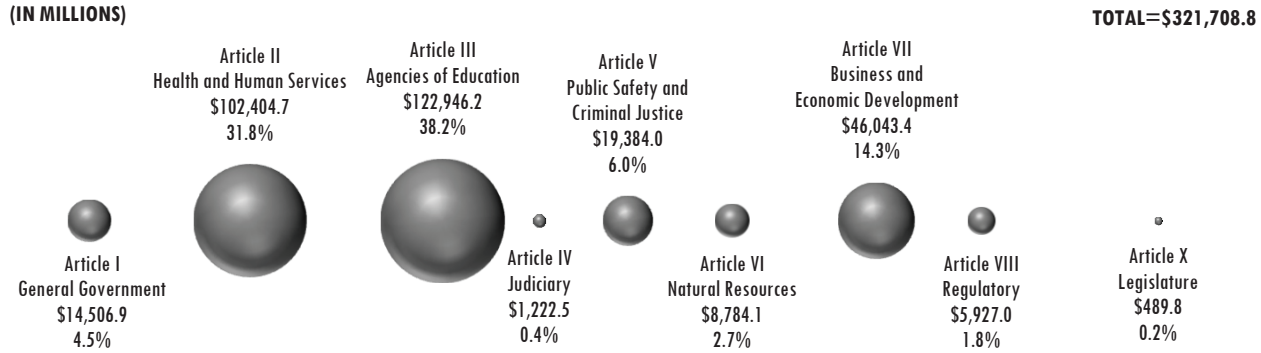
- **Federal Funds** include grants, allocations, payments, or reimbursements received from the federal government by state agencies and institutions. The largest portion of federal funding appropriations is for the Medicaid program in Article II. Other examples of Federal Funds appropriations include the Title I Grants to Local Educational Agencies, National School Lunch Program, Transportation Grants and National Highway System Funding, Special Education Basic State Grants, and the Children’s Health Insurance Program.
- **Other Funds** consist of any funds that are not included in the General Revenue Fund (dedicated or not) or Federal Funds. Examples of Other Funds include the State Highway Fund, the Texas Mobility Fund, the Property Tax Relief Fund, the Economic Stabilization Fund, trust funds, bond proceeds, and Interagency Contracts.

Figures 1 to 14 show the total appropriations for the 2024–25 biennium by each method of finance for each article compared to the 2022–23 biennial estimated or budgeted level of funding. Included are highlights of major funding items or significant policy or fiscal issues across the state; a reconciliation of the base that explains how the previous biennium’s appropriations have been adjusted during the 2022–23 biennium; an itemization of exceptions to 2024–25 baseline funding; and examples of factors affecting the state budget, including budget drivers such as correctional population and public school daily attendance.

This chapter also provides context for understanding the budget, including an analysis of trends in state government expenditures, a discussion of restricted appropriations, and an explanation of constitutional limitations on state appropriations.

FUNDING BY ARTICLE

FIGURE 1
FUNDING BY ARTICLE, ALL FUNDS



NOTE: Object size is proportional to the percentage of All Funds appropriations for all articles.
SOURCE: Legislative Budget Board.

FIGURE 2
FUNDING BY ARTICLE, ALL FUNDS

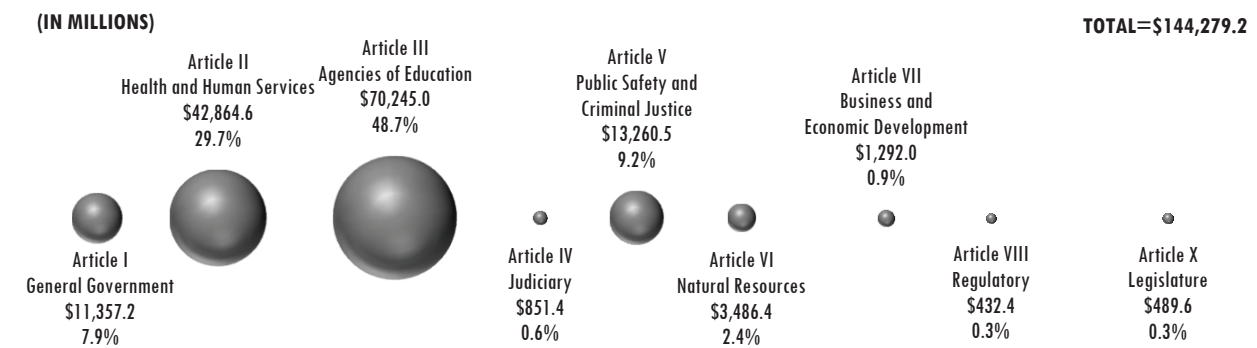
(IN MILLIONS)	ESTIMATED/BUDGETED 2022–23 (1)	APPROPRIATED 2024–25 (2)	BIENNIAL CHANGE	PERCENTAGE CHANGE
ALL FUNCTIONS				
Article I – General Government (3)	\$21,940.9	\$14,506.9	(\$7,434.0)	(33.9%)
Article II – Health and Human Services	\$112,799.2	\$102,404.7	(\$10,394.5)	(9.2%)
Article III – Agencies of Education	\$103,881.2	\$122,946.2	\$19,065.1	18.4%
<i>Public Education</i>	\$72,027.7	\$93,140.5	\$21,112.9	29.3%
<i>Higher Education</i>	\$31,853.5	\$29,805.7	(\$2,047.8)	(6.4%)
Article IV – Judiciary	\$992.5	\$1,222.5	\$230.0	23.2%
Article V – Public Safety and Criminal Justice	\$14,339.4	\$19,384.0	\$5,044.6	35.2%
Article VI – Natural Resources	\$12,073.9	\$8,784.1	(\$3,289.8)	(27.2%)
Article VII – Business and Economic Development	\$46,058.5	\$46,043.4	(\$15.1)	(0.0%)
Article VIII – Regulatory	\$830.6	\$5,927.0	\$5,096.4	613.6%
Article X – Legislature	\$433.5	\$489.8	\$56.3	13.0%
Total, All Articles	\$313,349.6	\$321,708.8	\$8,359.1	2.7%

NOTES:

- (1) Includes anticipated supplemental spending adjustments, including appropriations in Article I directed to the following established funds: Texas Water Fund (\$1,000.0 million); Flood Infrastructure Fund (\$624.9 million, also appropriated as an Other Fund in Article VI); Clean Water State Revolving Fund (\$51.1 million); Drinking Water State Revolving Fund (\$73.9 million); Texas University Fund (\$3,000.0 million); Texas Historical Commission Fund (\$300.0 million); and State Preservation Board Fund (\$200.0 million).
- (2) Included in amounts shown for Article I and Article III – Public Education are \$497.3 million and \$4,048.8 million, respectively, appropriated from General Revenue Funds in the Eighty-eighth Legislature, General Appropriations Act, 2024–25 Biennium, Article IX, Sections 18.78(d), (e), and (f), contingent on the enactment of legislation by the Eighty-eighth Legislature.
- (3) Appropriations made in Article I to establish certain funds are not represented in base amounts in Chapter 4, General Government, as they are appropriated to funds rather than agencies.
- (4) Excludes Interagency Contracts.
- (5) Biennial change and percentage change are calculated on actual amounts before rounding. Therefore, totals may not sum due to rounding.

SOURCE: Legislative Budget Board.

FIGURE 3
FUNDING BY ARTICLE, GENERAL REVENUE FUNDS



NOTE: Object size is proportional to the percentage of General Revenue Funds appropriations for all articles.
SOURCE: Legislative Budget Board.

FIGURE 4
FUNDING BY ARTICLE, GENERAL REVENUE FUNDS

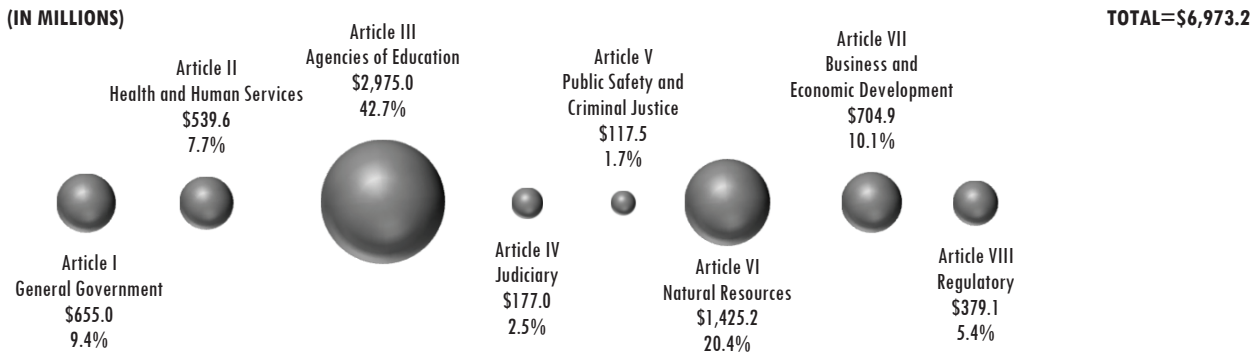
(IN MILLIONS)	ESTIMATED/BUDGETED 2022–23 (1)	APPROPRIATED 2024–25 (2)	BIENNIAL CHANGE	PERCENTAGE CHANGE
ALL FUNCTIONS				
Article I – General Government (3)	\$15,613.7	\$11,357.2	(\$4,256.5)	(27.3%)
Article II – Health and Human Services	\$39,650.1	\$42,864.6	\$3,214.5	8.1%
Article III – Agencies of Education	\$59,952.4	\$70,245.0	\$10,292.6	17.2%
<i>Public Education</i>	\$41,655.1	\$49,913.4	\$8,258.4	19.8%
<i>Higher Education</i>	\$18,297.4	\$20,331.6	\$2,034.2	11.1%
Article IV – Judiciary	\$597.7	\$851.4	\$253.7	42.4%
Article V – Public Safety and Criminal Justice	\$12,580.3	\$13,260.5	\$680.2	5.4%
Article VI – Natural Resources	\$1,542.7	\$3,486.4	\$1,943.7	126.0%
Article VII – Business and Economic Development	\$509.1	\$1,292.0	\$782.8	153.8%
Article VIII – Regulatory	\$310.2	\$432.4	\$122.2	39.4%
Article X – Legislature	\$433.4	\$489.6	\$56.2	13.0%
Total, All Articles	\$131,189.7	\$144,279.2	\$13,089.4	10.0%

NOTES:

- (1) Includes anticipated supplemental spending adjustments, including appropriations in Article I directed to the following established funds: Texas Water Fund (\$1,000.0 million); Flood Infrastructure Fund (\$624.9 million); Clean Water State Revolving Fund (\$51.1 million); Drinking Water State Revolving Fund (\$73.9 million); Texas University Fund (\$3,000.0 million); Texas Historical Commission Fund (\$300.0 million); and State Preservation Board Fund (\$200.0 million).
- (2) Included in amounts shown for Article I and Article III – Public Education are \$497.3 million and \$4,048.8 million, respectively, appropriated from General Revenue Funds in the Eighty-eighth Legislature, General Appropriations Act, 2024–25 Biennium, Article IX, Sections 18.78(d), (e), and (f), contingent on the enactment of legislation by the Eighty-eighth Legislature.
- (3) Appropriations made in Article I to establish certain funds are not represented in base amounts in Chapter 4, General Government, as they are appropriated to funds rather than agencies.
- (4) Biennial change and percentage change are calculated on actual amounts before rounding. Therefore, totals may not sum due to rounding.

SOURCE: Legislative Budget Board.

**FIGURE 5
FUNDING BY ARTICLE, GENERAL REVENUE–DEDICATED FUNDS**



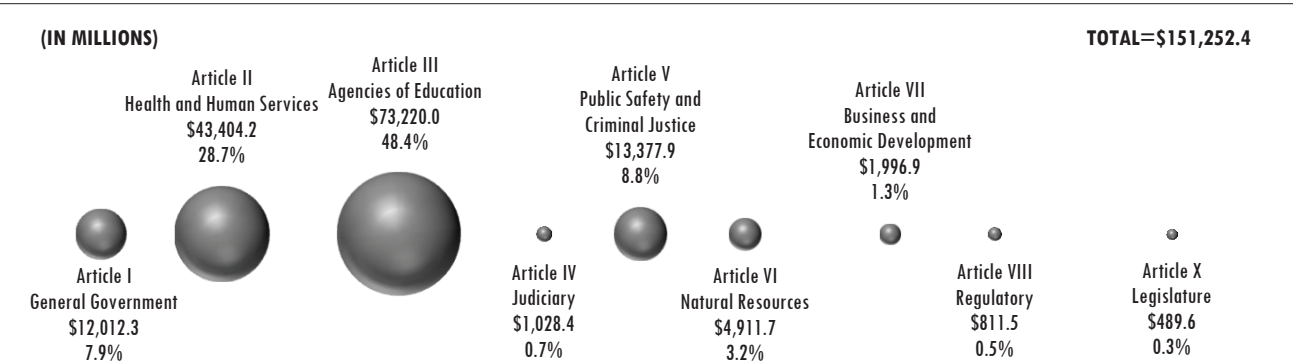
NOTE: Object size is proportional to the percentage of General Revenue–Dedicated Funds appropriations for all articles.
SOURCE: Legislative Budget Board.

**FIGURE 6
FUNDING BY ARTICLE, GENERAL REVENUE–DEDICATED FUNDS**

(IN MILLIONS)	ESTIMATED/BUDGETED 2022–23	APPROPRIATED 2024–25	BIENNIAL CHANGE	PERCENTAGE CHANGE
ALL FUNCTIONS				
Article I – General Government	\$1,714.4	\$655.0	(\$1,059.3)	(61.8%)
Article II – Health and Human Services	\$520.7	\$539.6	\$18.9	3.6%
Article III – Agencies of Education	\$2,888.2	\$2,975.0	\$86.7	3.0%
<i>Public Education</i>	\$0.0	\$2.6	\$2.6	N/A
<i>Higher Education</i>	\$2,888.2	\$2,972.3	\$84.1	2.9%
Article IV – Judiciary	\$197.9	\$177.0	(\$20.9)	(10.6%)
Article V – Public Safety and Criminal Justice	\$54.1	\$117.5	\$63.4	117.2%
Article VI – Natural Resources	\$1,281.8	\$1,425.2	\$143.5	11.2%
Article VII – Business and Economic Development	\$877.4	\$704.9	(\$172.5)	(19.7%)
Article VIII – Regulatory	\$357.0	\$379.1	\$22.1	6.2%
Article X – Legislature	\$0.0	\$0.0	\$0.0	N/A
Total, All Articles	\$7,891.4	\$6,973.2	(\$918.2)	(11.6%)

NOTE: Biennial change and percentage change are calculated on actual amounts before rounding. Therefore, totals may not sum due to rounding.
SOURCE: Legislative Budget Board.

FIGURE 7
FUNDING BY ARTICLE, GENERAL REVENUE FUNDS AND GENERAL REVENUE–DEDICATED FUNDS



NOTE: Object size is proportional to the percentage of General Revenue Funds and General Revenue–Dedicated Funds appropriations for all articles.

SOURCE: Legislative Budget Board.

FIGURE 8
FUNDING BY ARTICLE, GENERAL REVENUE FUNDS AND GENERAL REVENUE–DEDICATED FUNDS

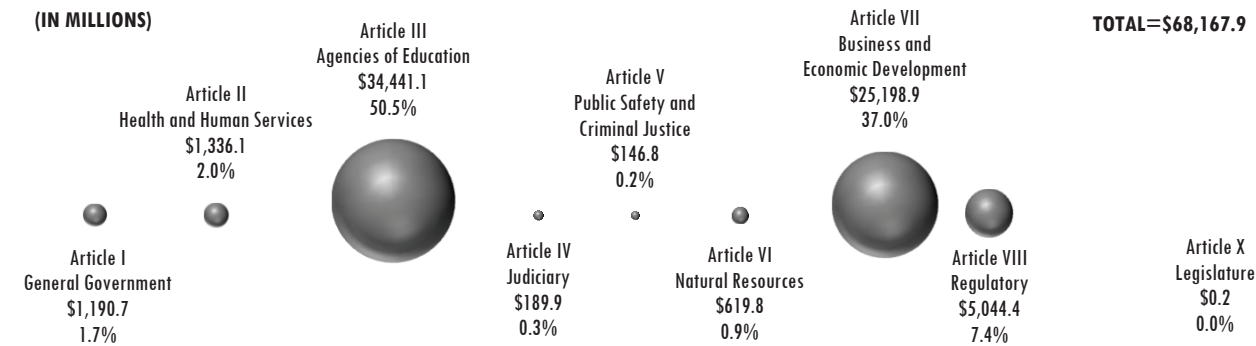
(IN MILLIONS)	ESTIMATED/BUDGETED 2022–23 (1)	APPROPRIATED 2024–25 (2)	BIENNIAL CHANGE	PERCENTAGE CHANGE
ALL FUNCTIONS				
Article I – General Government (3)	\$17,328.1	\$12,012.3	(\$5,315.8)	(30.7%)
Article II – Health and Human Services	\$40,170.8	\$43,404.2	\$3,233.4	8.0%
Article III – Agencies of Education	\$62,840.7	\$73,220.0	\$10,379.3	16.5%
<i>Public Education</i>	\$41,655.1	\$49,916.0	\$8,261.0	19.8%
<i>Higher Education</i>	\$21,185.6	\$23,303.9	\$2,118.3	10.0%
Article IV – Judiciary	\$795.6	\$1,028.4	\$232.8	29.3%
Article V – Public Safety and Criminal Justice	\$12,634.4	\$13,377.9	\$743.6	5.9%
Article VI – Natural Resources	\$2,824.5	\$4,911.7	\$2,087.2	73.9%
Article VII – Business and Economic Development	\$1,386.6	\$1,996.9	\$610.3	44.0%
Article VIII – Regulatory	\$667.2	\$811.5	\$144.3	21.6%
Article X – Legislature	\$433.4	\$489.6	\$56.2	13.0%
Total, All Articles	\$139,081.2	\$151,252.4	\$12,171.2	8.8%

NOTES:

- (1) Includes anticipated supplemental spending adjustments, including appropriations in Article I directed to the following established funds: Texas Water Fund (\$1,000.0 million); Flood Infrastructure Fund (\$624.9 million); Clean Water State Revolving Fund (\$51.1 million); Drinking Water State Revolving Fund (\$73.9 million); Texas University Fund (\$3,000.0 million); Texas Historical Commission Fund (\$300.0 million); and State Preservation Board Fund (\$200.0 million).
- (2) Included in amounts shown for Article I and Article III – Public Education are \$497.3 million and \$4,048.8 million, respectively, appropriated from General Revenue Funds in the Eighty-eighth Legislature, General Appropriations Act, 2024–25 Biennium, Article IX, Sections 18.78(d), (e), and (f), contingent on the enactment of legislation by the Eighty-eighth Legislature.
- (3) Appropriations made in Article I to establish certain funds are not represented in base amounts in Chapter 4, General Government, as they are appropriated to funds rather than agencies.
- (4) Biennial change and percentage change are calculated on actual amounts before rounding. Therefore, totals may not sum due to rounding.

SOURCE: Legislative Budget Board.

**FIGURE 9
FUNDING BY ARTICLE, OTHER FUNDS**



NOTE: Object size is proportional to the percentage of Other Funds appropriations for all articles.
SOURCE: Legislative Budget Board.

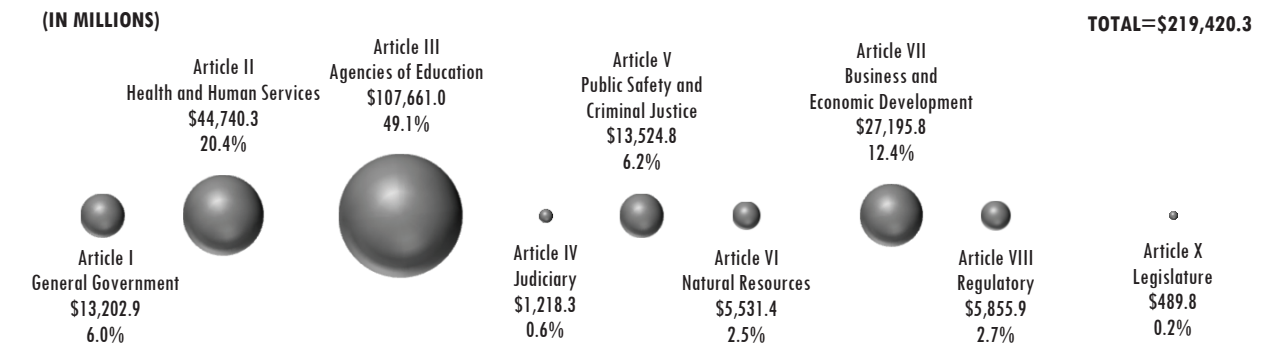
**FIGURE 10
FUNDING BY ARTICLE, OTHER FUNDS**

(IN MILLIONS)	ESTIMATED/BUDGETED 2022-23	APPROPRIATED 2024-25	BIENNIAL CHANGE	PERCENTAGE CHANGE
ALL FUNCTIONS				
Article I – General Government	\$2,085.6	\$1,190.7	(\$894.9)	(42.9%)
Article II – Health and Human Services	\$1,572.1	\$1,336.1	(\$236.0)	(15.0%)
Article III – Agencies of Education	\$20,231.7	\$34,441.1	\$14,209.3	70.2%
<i>Public Education</i>	\$16,911.5	\$30,707.1	\$13,795.6	81.6%
<i>Higher Education</i>	\$3,320.2	\$3,733.9	\$413.7	12.5%
Article IV – Judiciary	\$182.0	\$189.9	\$7.9	4.3%
Article V – Public Safety and Criminal Justice	\$220.2	\$146.8	(\$73.3)	(33.3%)
Article VI – Natural Resources	\$1,461.3	\$619.8	(\$841.6)	(57.6%)
Article VII – Business and Economic Development	\$22,311.1	\$25,198.9	\$2,887.7	12.9%
Article VIII – Regulatory	\$94.9	\$5,044.4	\$4,949.6	5,218.3%
Article X – Legislature	\$0.1	\$0.2	\$0.2	294.9%
Total, All Articles	\$48,159.0	\$68,167.9	\$20,008.9	41.5%

NOTES:
(1) Excludes Interagency Contracts.
(2) Biennial change and percentage change are calculated on actual amounts before rounding. Therefore, totals may not sum due to rounding.

SOURCE: Legislative Budget Board.

FIGURE 11
FUNDING BY ARTICLE, GENERAL REVENUE FUNDS, GENERAL REVENUE–DEDICATED FUNDS, AND OTHER FUNDS



NOTE: Object size is proportional to the percentage of General Revenue Funds, General Revenue–Dedicated Funds, and Other Funds appropriations for all articles.

SOURCE: Legislative Budget Board.

FIGURE 12
FUNDING BY ARTICLES, GENERAL REVENUE FUNDS, GENERAL REVENUE–DEDICATED FUNDS, AND OTHER FUNDS

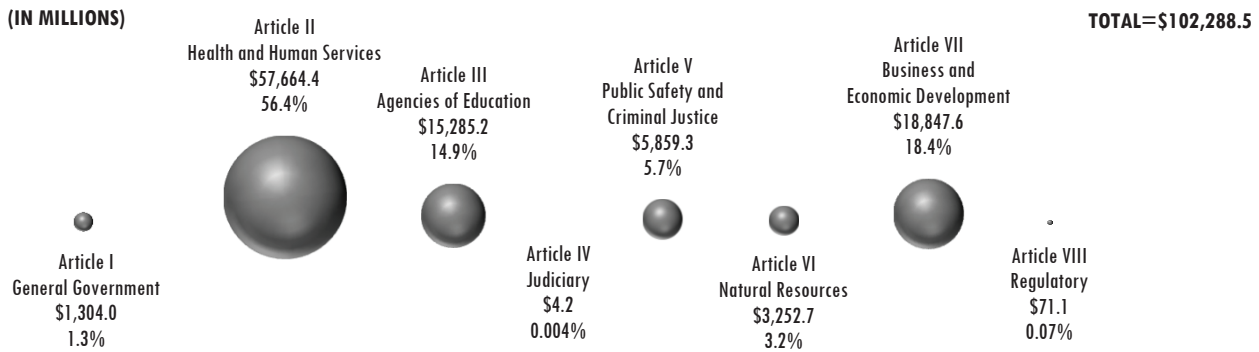
(IN MILLIONS)	ESTIMATED/BUDGETED 2022–23 (1)	APPROPRIATED 2024–25 (2)	BIENNIAL CHANGE	PERCENTAGE CHANGE
ALL FUNCTIONS				
Article I – General Government (3)	\$19,413.6	\$13,202.9	(\$6,210.7)	(32.0%)
Article II – Health and Human Services	\$41,742.9	\$44,740.3	\$2,997.4	7.2%
Article III – Agencies of Education	\$83,072.4	\$107,661.0	\$24,588.6	29.6%
<i>Public Education</i>	\$58,566.6	\$80,623.2	\$22,056.6	37.7%
<i>Higher Education</i>	\$24,505.8	\$27,037.9	\$2,532.0	10.3%
Article IV – Judiciary	\$977.6	\$1,218.3	\$240.6	24.6%
Article V – Public Safety and Criminal Justice	\$12,854.5	\$13,524.8	\$670.2	5.2%
Article VI – Natural Resources	\$4,285.8	\$5,531.4	\$1,245.6	29.1%
Article VII – Business and Economic Development	\$23,697.7	\$27,195.8	\$3,498.1	14.8%
Article VIII – Regulatory	\$762.0	\$5,855.9	\$5,093.9	668.5%
Article X – Legislature	\$433.5	\$489.8	\$56.3	13.0%
Total, All Articles	\$187,240.1	\$219,420.3	\$32,180.1	17.2%

NOTES:

- (1) Includes anticipated supplemental spending adjustments, including appropriations in Article I directed to the following established funds: Texas Water Fund (\$1,000.0 million); Flood Infrastructure Fund (\$624.9 million, also appropriated as an Other Fund in Article VI); Clean Water State Revolving Fund (\$51.1 million); Drinking Water State Revolving Fund (\$73.9 million); Texas University Fund (\$3,000.0 million); Texas Historical Commission Fund (\$300.0 million); and State Preservation Board Fund (\$200.0 million).
- (2) Included in amounts shown for Article I and Article III – Public Education are \$497.3 million and \$4,048.8 million, respectively, appropriated from General Revenue Funds in the Eighty-eighth Legislature, General Appropriations Act, 2024–25 Biennium, Article IX, Sections 18.78(d), (e), and (f), contingent on the enactment of legislation by the Eighty-eighth Legislature.
- (3) Appropriations made in Article I to establish certain funds are not represented in base amounts in Chapter 4, General Government, as they are appropriated to funds rather than agencies.
- (4) Excludes Interagency Contracts.
- (5) Biennial change and percentage change are calculated on actual amounts before rounding. Therefore, totals may not sum due to rounding.

SOURCE: Legislative Budget Board.

**FIGURE 13
FUNDING BY ARTICLE, FEDERAL FUNDS**



NOTE: Object size is proportional to the percentage of Federal Funds appropriations for all articles.
SOURCE: Legislative Budget Board.

**FIGURE 14
FUNDING BY ARTICLE, FEDERAL FUNDS**

(IN MILLIONS)	ESTIMATED/BUDGETED 2022–23	APPROPRIATED 2024–25	BIENNIAL CHANGE	PERCENTAGE CHANGE
ALL FUNCTIONS				
Article I – General Government	\$2,527.3	\$1,304.0	(\$1,223.3)	(48.4%)
Article II – Health and Human Services	\$71,056.3	\$57,664.4	(\$13,391.9)	(18.8%)
Article III – Agencies of Education	\$20,808.8	\$15,285.2	(\$5,523.6)	(26.5%)
<i>Public Education</i>	\$13,461.1	\$12,517.4	(\$943.7)	(7.0%)
<i>Higher Education</i>	\$7,347.6	\$2,767.8	(\$4,579.8)	(62.3%)
Article IV – Judiciary	\$14.9	\$4.2	(\$10.6)	(71.6%)
Article V – Public Safety and Criminal Justice	\$1,484.9	\$5,859.3	\$4,374.4	294.6%
Article VI – Natural Resources	\$7,788.1	\$3,252.7	(\$4,535.4)	(58.2%)
Article VII – Business and Economic Development	\$22,360.8	\$18,847.6	(\$3,513.2)	(15.7%)
Article VIII – Regulatory	\$68.6	\$71.1	\$2.5	3.7%
Article X – Legislature	\$0.0	\$0.0	\$0.0	N/A
Total, All Articles	\$126,109.5	\$102,288.5	(\$23,821.0)	(18.9%)

NOTE: Biennial change and percentage change are calculated on actual amounts before rounding. Therefore, totals may not sum due to rounding.
SOURCE: Legislative Budget Board.

HIGHLIGHTS OF THE STATE BUDGET

For the 2024–25 biennium, funding includes the following key budget items:

FOUNDATION SCHOOL PROGRAM

- Funding of \$65.4 billion in All Funds is provided for state aid to school districts and charter schools through the Foundation School Program (FSP), which represents a \$17.8 billion increase from the 2022–23 biennium. Appropriations from General Revenue Funds for the FSP total \$35.3 billion, which represents an increase of \$4.1 billion from the 2022–23 biennium.
- Funding for property tax relief includes \$17.6 billion in increased funding from the General Revenue Fund and the Property Tax Relief Fund. Estimated costs of district property tax compression required by current law during the 2024–25 biennium total \$5.3 billion in General Revenue Funds. Of this amount, \$2.8 billion in General Revenue Funds is due to property tax compression pursuant to the Texas Education Code, Sections 48.2551 and 48.2552(a) and (b), and \$2.5 billion is required to reduce the state compression percentage pursuant to the Texas Education Code, Section 48.2552(c). Additionally, funding provides \$12.3 billion from the Property Tax Relief Fund for additional property tax relief provided in Senate Bill 2, Eighty-eighth Legislature, Second Called Session, pursuant to the Eighty-eighth Legislature, General Appropriations Act (GAA), 2024–25 Biennium, Article III, Texas Education Agency, Rider 93.
- Funding for the FSP fully funds requirements in current law, including an estimated \$3.2 billion in All Funds for student enrollment growth; \$6.4 billion in All Funds savings due to district property value growth; \$15.3 billion in All Funds for additional state aid related to property tax relief; and \$2.4 billion in All Funds related to an increase in the golden penny yield. FSP appropriations also include increases pursuant to House Bill 3 and House Bill 1605, Eighty-eighth Legislature, Regular Session, 2023, including \$269.5 million for safety and security measures in public schools and \$226.0 million for instructional materials and technology. FSP appropriations also include \$4.0 billion appropriated

in the 2024–25 GAA, Article IX, Sections 18.78(d) and (f), contingent on the enactment of legislation by the Eighty-eighth Legislature.

- Funding from Other Funds for the FSP increases by \$13.7 billion, which is attributable to increases of \$1.8 billion in appropriated recapture payments, \$11.5 billion from the Property Tax Relief Fund, and \$436.9 million from the Tax Reduction and Excellence in Education Fund. Of this total, \$12.3 billion is attributable to a transfer from the General Revenue Fund to the Property Tax Relief Fund intended for additional property tax relief pursuant to the 2024–25 GAA, Article III, Texas Education Agency, Rider 93.

MEDICAID

- Funding for the 2024–25 biennium consists of \$80.9 billion in All Funds, including \$30.9 billion in General Revenue Funds and \$0.1 billion in General Revenue–Dedicated Funds, for the Texas Medicaid program. This amount is a decrease of \$5.5 billion in All Funds, but a \$2.4 billion increase in General Revenue Funds, from 2022–23 biennial levels.
- Included in these amounts is \$75.4 billion in All Funds for Medicaid client services, \$1.8 billion in All Funds for programs supported by Medicaid funding, and \$3.6 billion in All Funds for administration of the Medicaid program and other programs supported by Medicaid funding. The net decrease in Medicaid funding is due to a \$6.0 billion decrease in All Funds for Medicaid client services, offset by a \$0.3 billion increase in All Funds for administrative funding, and a \$0.1 billion increase in All Funds for other programs supported by Medicaid funding.
- Less favorable federal medical assistance percentages (FMAP), combined with the loss of the 6.2 percentage-point increase to FMAP pursuant to the federal Families First Coronavirus Response Act, result in a lower proportion of the program being funded with Federal Funds. The resulting increase in General Revenue Funds is offset partially by a due to the overall projected decrease in Medicaid client services. Full funding for anticipated increases in cost due to medical inflation, higher utilization, or increased acuity is not included.

- The 2022–23 biennial amounts for Medicaid assume funding to address supplemental needs to complete fiscal year 2023, projected as of April 2024.

TRANSPORTATION

- Funding provides \$37.3 billion in All Funds for all functions at the Texas Department of Transportation (TxDOT). Estimated funding for the 2024–25 biennium includes \$22.8 billion in Other Funds from all State Highway Fund (SHF) revenue sources, which includes the following amounts: \$6.4 billion from anticipated state sales tax and motor vehicle sales and rental tax deposits to the SHF (Proposition 7, 2015); \$6.9 billion from oil and natural gas tax-related transfers to the SHF (Proposition 1, 2014); and \$9.5 billion from all other SHF tax and fee revenue sources.
- Funding provides \$32.2 billion in All Funds for highway planning and design, right-of-way acquisition, construction, and maintenance and preservation. The All Funds amount includes \$12.3 billion in Federal Funds; \$19.8 billion from all SHF revenue sources; and \$0.2 billion in Other Funds from the Texas Mobility Fund.
- Funding provides \$2.2 billion in All Funds for debt service payments and other financing costs associated with TxDOT borrowing programs, including \$1.3 billion in Other Funds from SHF revenue sources; \$0.8 billion in Other Funds from the Texas Mobility Fund; and \$117.6 million in Federal Funds from Build America Bond interest payment subsidies.
- Funding provides \$400.0 million in General Revenue Funds to be transferred to the General Revenue–Dedicated Ship Channel Improvement Revolving Fund Account No. 5167, which is appropriated to TxDOT to implement the revolving loan program.

BEHAVIORAL HEALTH

- Funding for the 2024–25 biennium consists of \$5.8 billion in All Funds, including \$4.6 billion in General Revenue Funds and General Revenue–Dedicated Funds, for non-Medicaid and Children’s Health Insurance Program (CHIP) behavioral health services. Funding supports programs at 29 agencies across seven articles and includes the following areas: inpatient client services at state hospitals and community hospitals; outpatient services provided

through local mental health authorities and local behavioral health authorities; substance abuse prevention, intervention, and treatment services for adults and children; mental healthcare and substance abuse treatment for incarcerated offenders; mental healthcare services for veterans; and other services.

- Medicaid expenditures for behavioral health services are estimated to total \$3.5 billion in All Funds for the 2024–25 biennium. CHIP expenditures are estimated to total \$86.3 million in All Funds. Total behavioral health-related funding, including estimated Medicaid and CHIP expenditures, is estimated at \$9.4 billion in All Funds for the biennium.
- Senate Bill 30, Eighty-eighth Legislature, Regular Session, 2023, provided the Health and Human Services Commission (HHSC) with an additional \$2.1 billion in All Funds, including \$2.1 billion in General Revenue Funds, for new capacity for mental health services and inpatient facilities. These funds are not included in the totals described previously; however, they were appropriated for a two-year period and it is likely that HHSC will spend most of the funds during the 2024–25 biennium.
- Funding for non-Medicaid and CHIP behavioral health services decreased by \$2.1 billion in All Funds from 2022–23 biennial spending levels, including \$1.2 billion in General Revenue Funds and General Revenue–Dedicated Funds. The decrease is due primarily to decreases in Federal Funds and Other Funds appropriated to HHSC for onetime construction projects and certain capital repair and renovation projects at state-funded inpatient mental health facilities (\$237.8 million in Federal Funds and \$291.2 million in Other Funds), and the \$2.1 billion in All Funds appropriated in Senate Bill 30 mentioned previously for new capacity for mental health services and inpatient facilities. These decreases are offset partially by the following increases:
 - \$319.3 million in General Revenue Funds to HHSC for community mental health hospitals, including funding to purchase additional community psychiatric beds;
 - \$156.2 million in General Revenue Funds to the Texas Higher Education Coordinating Board for the Texas Child Mental Health Care Consortium; and

- \$42.0 million in General Revenue–Dedicated Funds to the Comptroller of Public Accounts for opioid abatement projects.

CHILD PROTECTIVE SERVICES

- Funding for the 2024–25 biennium consists of \$4.1 billion in All Funds, including \$2.5 billion in General Revenue Funds, for all Child Protective Services (CPS) functions at the Department of Family and Protective Services. This amount is an increase of \$256.8 million in All Funds, including \$371.0 million in General Revenue Funds, from 2022–23 biennial spending levels.
- CPS funding consists of \$1.9 billion in All Funds, including \$986.0 million in General Revenue Funds, for client services programs, including foster care, adoption subsidies, permanency care assistance payments, relative caregiver payments, and day care. All Funds totaling \$176.6 million, including \$115.8 million in General Revenue Funds, is provided to support foster care rate modernization.
- All Funds totaling \$1.8 billion, including \$1.3 billion in General Revenue Funds, is appropriated for CPS direct delivery staff, including services provided through Community-based Care (CBC). This amount includes increased funding to biennialize CBC expansion that occurred during fiscal year 2022 for Stage II in Regions 1 and 8B and Stage I in Regions 3E, 9, 4, and 5. This amount also provides funding to expand CBC into Stage I in Regions 8A, 6A, 6B, and 10. Funding is provided to biennialize caseworkers to maintain the number of appropriated caseworkers for fiscal year 2023 into the 2024–25 biennium to comply with court-mandated guidelines for caseload per worker. In addition, \$27.4 million in All Funds, including \$25.1 million in General Revenue Funds, is provided to support salary adjustments to retain and recruit staff.

HIGHER EDUCATION FORMULA FUNDING

- Higher education formulas are supported by \$9.6 billion in General Revenue Funds and \$1.8 billion in General Revenue–Dedicated Funds, which primarily consist of statutory tuition. Included in these amounts are increases of \$958.5 million in General Revenue Funds and \$28.2 million in General Revenue–Dedicated Funds.

- Funding for the general academic institutions' (GAI) Instruction and Operations (I&O) formula is provided at \$59.08 per weighted semester credit hour, an increase of \$3.42 from the 2022–23 biennium. Funding for the GAI Infrastructure formula also increases the 2022–23 biennial rate from \$5.47 to \$5.75 per predicted square foot. Funding for the formulas for health-related institutions' (HRI) I&O formula is provided at \$9,689 per weighted full-time student equivalent, an increase of \$67 from the 2022–23 biennium. Funding for the HRI Infrastructure Support, Graduate Medical Education, and Research Enhancement is maintained at 2022–23 biennial rates.
- Funding for higher education provides an additional \$700.0 million in General Revenue Funds from 2022–23 biennial amounts to implement a decision regarding affordability at institutions of higher education, including additional funds for the GAI I&O formula, Infrastructure formula, and research funds; Higher Education Group Insurance contributions; Support for Military and Veterans Exemptions; and to provide performance-based funding for at-risk degrees awarded by Comprehensive Regional Universities.
- Funding also reflects the establishment of a new permanent endowment fund, the Texas University Fund, which provides research support to certain eligible GAIs that is designed to enable them to achieve national prominence as major research universities and drive the state economy. In fiscal year 2023, \$3.0 billion was appropriated to the Comptroller of Public Accounts for investment in the permanent fund. From available fund distributions, eligible institutions are allocated an estimated \$273.4 million in the 2024–25 biennium.
- Funding related to the enactment of House Bill 8, Eighty-eighth Legislature, Regular Session, 2023, includes an additional \$428.2 million in General Revenue Funds for formula funding to the community colleges, General Revenue Funds of \$125.0 million for Texas Educational Opportunity Grants at community colleges and \$14.0 million for Texas Educational Opportunity Grants at state and technical colleges, and \$78.6 million from the Foundation School Program, to be transferred to the Texas Higher Education Coordinating Board, to allow economically disadvantaged students to enroll

at no cost in dual-credit courses at certain institutions of higher education.

TEACHER RETIREMENT AND HEALTH BENEFITS

- Funding of \$5.8 billion in All Funds is provided for the state contribution to retirement benefits of the Teacher Retirement System of Texas (TRS), including \$5,789.1 million in General Revenue Funds, \$73.7 million in General Revenue–Dedicated Funds, and \$14.2 million in Other Funds from the Teacher Retirement System Trust Fund. Funding amounts represent a state contribution rate of 8.25 percent of employee payroll for fiscal years 2024 and 2025, increases from the required 7.75 percent and 8.0 percent of payroll in fiscal years 2022 and 2023, respectively, pursuant to Senate Bill 12, Eighty-sixth Legislature, 2019. Retiree health insurance funding totals \$960.2 million in General Revenue Funds to provide a statutorily required state contribution to TRS-Care of 1.25 percent of public education payroll. Funding levels are anticipated to be sufficient to maintain fiscal year 2023 TRS-Care premiums and benefits for the 2024–25 biennium.
- Funding for TRS assumes 3.6 percent annual payroll growth for public education retirement, 6.0 percent annual payroll growth for higher education retirement, and 3.6 percent annual payroll growth for TRS-Care.
- Appropriations include \$1.6 billion in General Revenue Funds to provide a onetime supplemental payment and \$3.4 billion in General Revenue Funds to provide a cost-of-living adjustment to certain TRS retirees pursuant to Senate Bill 10 and House Joint Resolution 2, Eighty-eighth Legislature, Regular Session, 2023. In addition to active employee health benefits funded by the Foundation School Program, pursuant to the Texas Insurance Code, Section 1579.251, active employee health insurance funding of \$588.5 million in General Revenue Funds is provided to maintain TRS-ActiveCare premium increases at less than 10.0 percent per year for the 2024–25 biennium.

ADULT CORRECTIONS AND JUVENILE JUSTICE

- Funding of \$8,522.6 million in All Funds is included for the incarceration, probation, and parole of adult

offenders in the Texas Department of Criminal Justice (TDCJ), which includes housing, security, classification, food and necessities, healthcare, treatment services, and agency administration. Total All Funds increased by \$936.9 million from the 2022–23 biennium, or 12.4 percent. Funding for correctional managed healthcare (CMHC) totals \$1,542.8 million. Appropriations include funding to biennialize a 15.0 percent pay increase for correctional officers (\$374.8 million); address CMHC needs (\$208.3 million); complete major repairs of facilities (\$172.4 million); provide additional resources to adult probation departments (\$126.2 million); address inflation effects on food, fuel, and utilities (\$54.8 million); address increased per diem rates at privately operated facilities (\$48.7 million); purchase body scanners, metal detectors, body-worn cameras, video surveillance systems, correctional protective gear, and communication radio infrastructure improvements (\$47.0 million); provide Information Technology improvements (\$44.6 million); purchase capital equipment replacements such as laundry, food service, agricultural, industrial, and security equipment (\$19.3 million); and to fund new initiatives at the Office of the Inspector General (\$5.9 million).

- Projected adult incarceration populations are 127,598 and 132,347 for fiscal years 2024 and 2025, respectively. Projected adult felony direct community supervision populations are 146,380 and 147,892 for fiscal years 2024 and 2025, respectively. Projected adult parole populations are 83,201 and 82,314 for fiscal years 2024 and 2025, respectively. Funding for adult probation and parole was adjusted to align with these population projections.
- Senate Bill 30, Eighty-eighth Legislature, Regular Session, 2023, provides increased funding to TDCJ in the following amounts for fiscal year 2023: \$237.2 million to address an agency shortfall; \$141.8 million to address a CMHC shortfall; \$43.6 million for vehicles; \$35.0 million for a new training facility; \$23.8 million for major repairs of facilities; and \$0.6 million for vocational training programs.
- Funding for the Texas Juvenile Justice Department (TJJD) for the 2024–25 biennium totals \$1,026.0 million in All Funds, including \$986.5 million in General Revenue Funds to support and regulate

local juvenile probation departments and provide rehabilitative programming and services to juveniles committed to TJJD. Total All Funds increased by \$365.8 million, or 55.4 percent from the previous biennium. The All Funds increase is attributable primarily to new funding for the construction of new facilities (\$200.0 million), changes to the methodology for funding local juvenile probation departments and salary increases for local department staff (\$111.2 million), salary increases and adjustments for state and institutional staff (\$27.2 million), additional county resources and probation support (\$20.3 million), integrated rehabilitation programs at secure facilities (\$4.7 million), institutional healthcare services (\$4.0 million), body-worn cameras and a risk-and-needs-assessment tool (\$3.9 million), and the Offices of the Inspector General and Independent Ombudsman (\$3.6 million).

- Projected juvenile probation supervision average daily populations are 18,812 and 18,797 for fiscal years 2024 and 2025, respectively. Projected juvenile state residential average daily populations are 861 and 838 for fiscal years 2024 and 2025, respectively. Projected juvenile parole supervision average daily populations are 228 and 261 for fiscal years 2024 and 2025, respectively. Funding for community programs, pre- and post-adjudication facilities, and commitment diversion initiatives represents a decrease of \$10.4 million to align funding with decreasing population projections.

BORDER SECURITY

- Funding includes \$6,571.7 million in All Funds for border security efforts at 13 state agencies across several articles of government. The majority of border security funding is appropriated to three agencies: \$2,265.5 million to the Texas Military Department (TMD); \$1,234.6 million to the Department of Public Safety (DPS), and \$2,928.7 million to the Office of the Governor (OOG).
- The Eighty-seventh Legislature, 2021, appropriated funding for Operation Lone Star (OLS) to 13 agencies in three bills: \$1,013.4 million in Senate Bill 1, Regular Session; \$110.3 million in House Bill 2, Regular Session; and \$1,802.6 million in House Bill 9, Second Called Session. Subsequent leadership transfers of \$479.7 million in January 2022, \$495.3

million in April 2022, and \$359.7 million through a budget execution order in October 2022, directed funds primarily to TMD for OLS expenses. Senate Bill 30, Eighty-eighth Legislature, Regular Session, 2023, appropriated \$347.3 million in supplemental General Revenue Funds in the 2022–23 biennium for ongoing border security operations, including \$300.0 million to OOG and \$47.3 million to DPS. These items and others increased the total 2022–23 biennial budgeted amount for border security to \$4,743.2 million.

- Funding for the 2024–25 biennium provides \$2,265.5 million in General Revenue Funds for border security at TMD, including a \$613.0 million increase for OLS operations and a \$73.0 million increase to raise the State Active Duty per diem rates. The Texas State Guard and National Guard support OLS by maintaining security points, conducting mobile land and river patrols, and constructing temporary fencing and barriers along the Texas–Mexico border. In the 2022–23 biennium, TMD was appropriated \$411.9 million in General Revenue Funds for border security purposes, which included \$22.3 million in supplemental appropriations in fiscal year 2021. Through transfers and budget execution, TMD also received \$1,251.4 million in Other Funds through Disaster, Deficiency, and Emergency Grants from the OOG.
- At DPS, border security funding maintains support for personnel at full deployment levels. Funding includes \$1,234.6 million in General Revenue Funds for OLS and other agency border security efforts, an increase of \$266.9 million, or 27.6 percent. This base funding includes \$942.6 million appropriated to the agency in previous legislative sessions and provides for the following items: salary and wages for 650 additional troopers, a 50.0-hour work week, human-trafficking prevention, anti-gang activities, cameras, and equipment; \$75.5 million for salary adjustments; \$25.1 million reallocated to capital budget projects related to OLS; \$151.4 million to biennialize OLS 52-week surge costs; and \$40.0 million for increased DPS presence in Colony Ridge and other border security operations.
- Funding for OOG border security activities totals \$2,928.7 million for the 2024–25 biennium to provide support for OLS, including

transportation, border barriers, processing centers, and local border grants.

- Other significant border security appropriations for the 2024–25 biennium include \$33.6 million to the Texas Parks and Wildlife Department, \$44.8 million to the Office of Court Administration, \$25.9 million to the Texas Department of Criminal Justice, and \$16.4 million to the Department of State Health Services.
- The 2024–25 GAA, Article IX, Section 7.10, Border Security, provides a complete list of border security agencies, appropriation amounts, and reporting requirements.

STATE EMPLOYEE RETIREMENT, HEALTH BENEFITS, SOCIAL SECURITY, AND FULL-TIME-EQUIVALENT POSITIONS

- Funding of \$1.8 billion in All Funds, including \$1.3 billion in General Revenue Funds and General Revenue–Dedicated Funds, provides for a 5.0 percent increase with a minimum of \$3,000 per year in fiscal year 2024 followed by a 5.0 percent increase with a minimum of \$3,000 per year in fiscal year 2025. This statewide salary adjustment includes funding for salaries and benefits. Comparable increases also are provided to employees of the Texas Higher Education Coordinating Board, Texas A&M University services agencies, adult and juvenile probation employees, and certain Correctional Managed Health Care employees.
- Funding of \$1.7 billion in All Funds, including \$960.3 million in General Revenue Funds and General Revenue–Dedicated Funds, provides for the state contribution to the Employees Retirement System of Texas (ERS) retirement program. This amount is an increase of \$294.6 million in All Funds, and an increase of \$32.7 million in General Revenue Funds and General Revenue–Dedicated Funds, for state employees' retirement benefits, due to assuming 0.77 percent annual payroll growth for fiscal years 2024 and 2025. Funding provides for a 9.5 percent state contribution rate for each fiscal year of the 2024–25 biennium. Funding also continues the additional retirement contribution from all general state

agencies of 0.5 percent of the total base wages and salaries for each eligible employee for a total combined state contribution rate of 10.0 percent, the maximum pursuant to the Texas Constitution, Article XVI, Section 67(b)(3).

- Senate Bill 321, Eighty-seventh Legislature, Regular Session, 2021, requires the state to make legacy payments in the amount necessary to amortize ERS' unfunded actuarial liability no later than fiscal year 2054. The 2024–25 GAA includes \$1,020.0 million in All Funds, including \$916.0 million in General Revenue Funds and \$104.0 million from State Highway Fund 6, for the legacy payments.
- Funding of \$4.1 billion in All Funds, including \$2.3 billion in General Revenue Funds and General Revenue–Dedicated Funds, provides for the state contribution for group insurance benefits for general state employees, retirees, and their dependents. This funding is an increase of \$310.0 million in All Funds, prompted by assumed active and retired member growth. The funding includes a decrease of \$358.4 million in General Revenue Funds and General Revenue–Dedicated Funds due to a method-of-finance adjustment with Federal Funds for the Texas Department of Criminal Justice. Funding does not provide a per-member contribution rate increase and instead relies upon the agency spending down the contingency reserve fund, which has achieved historically high fund balances due to savings in health plan contracts.
- Funding of \$144.5 million in General Revenue Funds provides for health insurance contributions for local community supervision and corrections department employees, retirees, and dependents who also participate in the state's Group Benefits Program. The funding provides an increase of \$2.3 million in General Revenue Funds.
- Funding of \$2.3 billion in All Funds, including \$1.5 billion in General Revenue Funds and General Revenue–Dedicated Funds, provides for the state contribution for Social Security payroll taxes for employees of state agencies and institutions of higher education, which is an increase of \$317.3 million in All Funds, including \$72.8 million in General Revenue Funds and General Revenue–Dedicated Funds. The funding is sufficient to provide the 6.2

FIGURE 15
FEDERAL COVID-19 PANDEMIC-RELATED FUNDING, AS OF NOVEMBER 30, 2022

FEDERAL LEGISLATION	DATE SIGNED	ESTIMATED AWARD (1)	PERFORMANCE PERIOD TIMELINE (2)
Coronavirus Preparedness and Response Supplemental Appropriations Act (CPRSAA)	March 6, 2020	\$72.4 million	Funds expired
Families First Coronavirus Response Act (FFCRA)	March 18, 2020	\$213.4 million	Funds expired
Coronavirus Aid, Relief, and Economic Security Act (CARES Act)	March 27, 2020	\$26.2 billion	Funds expired
Paycheck Protection Program and Health Care Enhancement Act (PPHCEA)	April 24, 2020	\$479.6 million	Funds expired
Coronavirus Response and Relief Supplemental Appropriations Act (CRRSA)	December 27, 2020	\$13.5 billion	Funds expired
American Rescue Plan Act (ARPA)	March 11, 2021	\$40.0 billion	Awards expire September 30, 2025
Total		\$80.4 billion	

NOTES:

(1) Estimated awards are as of November 30, 2022, and amounts represent only funds that proceed through the state Treasury. Amounts are subject to change.

(2) Some awards in each act have longer performance periods than the general expiration dates provided in the legislation.

SOURCE: Legislative Budget Board.

percent Social Security employer contribution and the 1.45 percent Medicare employer contribution. Funding assumes 0.77 percent annual payroll growth for state agency employees and 3.2 percent annual payroll growth for higher education employees in fiscal years 2024 and 2025.

- Funding provides for 224,507.4 full-time-equivalent (FTE) positions for fiscal year 2024, and 224,651.5 FTE positions for fiscal year 2025. The number of FTE positions for fiscal year 2025 is an increase of 5,297.1 positions from fiscal year 2023 budgeted levels. Most of the increase is related to the Education function.

DEBT SERVICE

- Funding for the 2024–25 biennium fully funds debt service and totals \$4.7 billion in All Funds. This amount is an increase of \$153.3 million from the 2022–23 biennium. Funding provides for debt service for General Obligation and revenue debt issued, or expected to be issued, by the Texas Public Finance Authority, the Texas Facilities Commission, the Texas Water Development Board, the Texas Department of Transportation, and the Office of the Governor. Funding also provides for reimbursement of debt service payments for Capital Construction Assistance Projects issued by various institutions.

COVID-19 PANDEMIC-RELATED STIMULUS FUNDS

Following the emergence of the COVID-19 pandemic, a federal public health emergency was declared January 31, 2020. As a result, the U.S. Congress passed six major spending bills from March 6, 2020, to March 11, 2021. Excluding direct allocations to local entities and nonstate agencies, these bills provided an estimated \$80.4 billion in financial support to help respond to and mitigate the financial impact of the COVID-19 pandemic.

The appropriated funds in these federal bills were intended to help adjust certain federally funded programs in their transition in client delivery and functionality during the pandemic. The performance periods of most federal pandemic-related awards expired September 1, 2023. **Figure 15** shows the status of each pandemic-related funding bill, including the estimated amounts awarded and the timeline for the expiration of funding awards. **Figure 16** shows the total estimated amounts of federal dollars awarded to Texas for pandemic-related support by biennium.

Due to the following factors, Texas had an estimated remaining balance of federal funding related to the COVID-19 pandemic of \$5.4 billion at the outset of the Eighty-eighth Legislature, Regular Session, 2023:

- In November 2021, the Texas Workforce Commission (TWC) provided a revised estimate of funds necessary to replenish the Unemployment Insurance Trust Fund. From the original appropriation of \$7.3 billion, TWC expended \$7.0 billion and returned \$266.2 million of Coronavirus State Fiscal Recovery (CSFR) funding to the state’s Coronavirus Relief Fund. Additionally, TWC returned \$758.7 million in CSFR funding after receiving an allocation of funding through the Coronavirus Aid, Relief, and Economic Security Act on September 30, 2022.
- Two provisions of Senate Bill 8, Eighty-seventh Legislature, Third Called Session, 2023, which would have funded certain university construction projects and maintenance projects at the Bob Bullock Texas State History Museum, were deemed not eligible uses. General Revenue Funds were made available to the awarded agencies for these uses.
- The supplemental appropriations bill, Senate Bill 30, Eighty-eighth Legislature, Regular Session, 2023, makes available \$200.0 million initially appropriated to the Department of Information Resources for cybersecurity projects.
- The Department of State Health Services reported December 19, 2022, that the agency would return \$800.0 million of its appropriated \$2.0 billion due to reimbursements for the same uses of funds through the Federal Emergency Management Agency Public Assistance grant.

CSFR funding must be obligated by the end of calendar year 2024 and expended by the end of calendar year 2026. Funds may be used to replace lost public sector revenue, respond to the public health and negative economic impacts caused by the pandemic, provide premium pay for essential workers, and build infrastructure for sewers, water, and broadband communications. Funds may not be used to pay debt service, replenish reserve funds, nor offset a negative tax reduction that resulted from a change of law, regulation, or administrative interpretation by the state. In addition to funds directly appropriated to the state, \$10.5 billion from the Coronavirus Local Fiscal Recovery Fund was awarded directly to all counties, major cities, and nonentitlement units.

The 2024–25 GAA appropriates to the Texas Department of Criminal Justice all remaining unspent CSFR funds, estimated at \$5.4 billion, to pay for

FIGURE 16
BIENNIAL AWARDS OF FEDERAL COVID-19
PANDEMIC-RELATED AWARDS

STATE FISCAL BIENNIUM	TOTAL ESTIMATED AWARDS (IN BILLIONS)
2020–21	\$80.4
2022–23	\$0.0
2024–25	\$0.0
Total	\$80.4

NOTE: Estimated awards are as of November 30, 2022, and amounts represent only funds that proceed through the state Treasury. Amounts are subject to change.
 SOURCE: Legislative Budget Board.

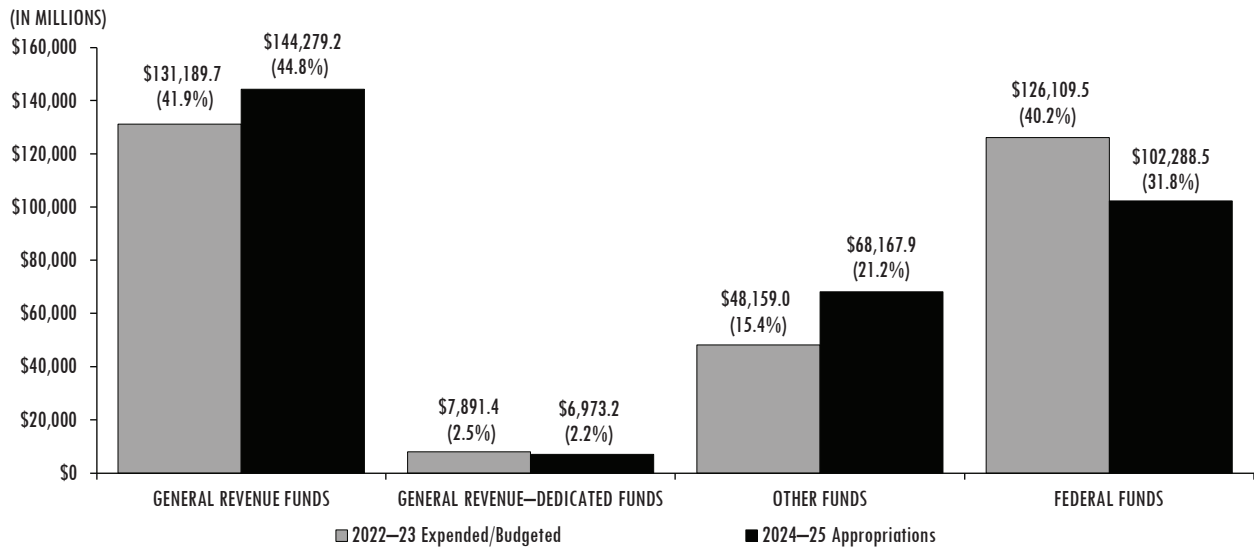
salaries, benefits, or other eligible expenses. This appropriation intends to ensure the full expenditure of CSFR funds provided to Texas.

BIENNIAL COMPARISON BY FUND SOURCE

Figure 17 shows a comparison of biennial amounts for each of the four fund sources, or methods of finance, in the state budget. Estimated and budgeted amounts for the 2022–23 biennium refer to agency-estimated expenditures

for fiscal year 2022 and agency-budgeted amounts for fiscal year 2023. Appropriations for the 2024–25 biennium refer to biennial amounts contained in the Eighty-eighth Legislature, General Appropriations Act, 2024–25 Biennium, and supplemental appropriations. Percentage amounts represent the percentage of the entire biennial budget represented by that fund source.

FIGURE 17
BIENNIAL COMPARISON BY FUND SOURCE OF 2022–23 ESTIMATED/BUDGETED AND 2024–25 APPROPRIATED AMOUNTS



NOTES:

- (1) Includes anticipated supplemental spending adjustments, including appropriations in Article I directed to the following established funds: Texas Water Fund (\$1,000.0 million); Flood Infrastructure Fund (\$624.9 million, also appropriated as an Other Fund in Article VI); Clean Water State Revolving Fund (\$51.1 million); Drinking Water State Revolving Fund (\$73.9 million); Texas University Fund (\$3,000.0 million); Texas Historical Commission Fund (\$300.0 million); and State Preservation Board Fund (\$200.0 million).
- (2) Includes \$4,546.1 million appropriated from General Revenue Funds in the Eighty-eighth Legislature, General Appropriations Act, 2024–25 Biennium, Article IX, Sections 18.78(d), (e), and (f), contingent on the enactment of legislation by the Eighty-eighth Legislature.
- (3) Other Funds excludes Interagency Contracts.
- (4) Totals may not sum due to rounding.

SOURCE: Legislative Budget Board.

APPROPRIATED, ESTIMATED, AND BUDGETED FUNDS COMPARISON

During each biennium, circumstances may result in variances to state agency expenditures (i.e., estimated and budgeted amounts) from the amounts appropriated by the Legislature. Typically, these variances result from changes in population, client demands, or unforeseen events such as natural disasters, changes to federal formulas, grant requirements, or increased or decreased available revenue or balances supporting legislative appropriations. Often, these incremental changes to the current biennial budget are authorized by existing law, either through the Texas

Constitution or the General Appropriations Act, and do not require legislative action. However, some expenditure changes require further action by the Legislature in the form of a supplemental appropriations bill.

Projected expended and budgeted amounts for the 2022–23 biennium increased by approximately \$48.5 billion, or 18.3 percent, in All Funds. This amount consists of a net increase of \$13.6 billion (10.8 percent) in General Revenue Funds and General Revenue–Dedicated Funds, and a net increase of \$34.9 billion (25.1 percent) in other funding sources (Federal Funds and Other Funds). **Figure 18** shows the most significant changes.

FIGURE 18
RECONCILIATION OF INITIAL 2022–23 BIENNIAL APPROPRIATIONS TO 2022–23 EXPENDED AND BUDGETED AMOUNTS

(IN MILLIONS)	GENERAL REVENUE FUNDS AND GENERAL REVENUE– DEDICATED FUNDS	ALL FUNDS
2022–23 Biennial Appropriations as Published in the <i>Fiscal Size-Up</i>	\$125,474.1	\$264,804.7
BUDGET ADJUSTMENTS		
General Government		
Fiscal Programs within the Office of the Comptroller of Public Accounts: supplemental appropriations from General Revenue Funds for the Guaranteed Tuition plan	\$243.8	\$243.8
Fiscal Programs within the Office of the Comptroller of Public Accounts: supplemental appropriations of Federal Funds for expanding broadband service	\$0.0	\$500.5
Commission on State Emergency Communications: supplemental appropriations of Federal Funds for 911 expansion	\$0.0	\$150.0
Employees Retirement System of Texas (ERS): supplemental appropriations from General Revenue Funds (\$1,740.8 million), General Revenue–Dedicated Funds (\$28.6 million), Federal Funds (\$13.7 million), and other special state funds (\$116.0 million) for legacy payments for the unfunded liability of the ERS system	\$1,769.4	\$1,899.2
Texas Facilities Commission (TFC): supplemental appropriations from General Revenue Funds for the construction of a behavioral center in the Permian Basin (\$86.7 million) and for a new facility for the Texas State Library and Archives Commission (\$210.0 million)	\$296.7	\$296.7
TFC: unexpended balance authority directing the use of Federal Funds for the Permian Basin behavioral center (\$40.0 million) and flexible office space (\$40.0 million); for deferred maintenance from General Revenue Funds (\$98.7 million), General Revenue–Dedicated Funds (\$10.0 million), and Other Funds (\$11.4 million)	\$108.7	\$200.1
Trusteed Programs within the Office of the Governor: unexpended balances from fiscal year 2021	\$345.6	\$553.6
Trusteed Programs within the Office of the Governor: supplemental appropriations from General Revenue Funds (\$576.8 million), General Revenue–Dedicated Funds (\$848.3 million), and Federal Funds (\$341.2 million)	\$1,425.1	\$1,611.3
Trusteed Programs within the Office of the Governor: budget executions of General Revenue Funds for disaster declarations	\$1,301.9	\$1,301.9
Trusteed Programs within the Office of the Governor: increased receipts of Federal Funds	\$0.0	\$147.6
Texas Historical Commission: supplemental appropriation from General Revenue Funds	\$219.1	\$219.1
State Preservation Board: supplemental appropriation from General Revenue Funds	\$133.0	\$133.0

FIGURE 18 (CONTINUED)
RECONCILIATION OF INITIAL 2022–23 BIENNIAL APPROPRIATIONS TO 2022–23 EXPENDED AND BUDGETED AMOUNTS

(IN MILLIONS)	GENERAL REVENUE FUNDS AND GENERAL REVENUE– DEDICATED FUNDS	ALL FUNDS
BUDGET ADJUSTMENTS		
Health and Human Services		
Department of Family and Protective Services (DFPS): a decrease in General Revenue Funds (\$158.3 million) and Federal Funds (\$34.6 million) for adjustments to client services programs for day care, adoption subsidy and permanency care assistance payments, relative caregiver payments, and foster care, partially offset by additional General Revenue Funds made available due to the enhanced federal medical assistance percentage (\$21.7 million) and transfers into foster care in fiscal year 2022 (\$50.5 million)	(\$86.1)	(\$120.7)
DFPS: a decrease in General Revenue Funds (\$105.6 million) due to the receipt of Federal Funds of the same amount for salaries related to the pandemic	(\$105.6)	\$0.0
DFPS: supplemental appropriations from General Revenue Funds (\$40.9 million), primarily for child protective services direct delivery staff	\$40.9	\$40.9
DFPS: other increases and decreases for lapsed appropriations, changes in certain federal awards, and other items	\$3.6	(\$102.9)
Department of State Health Services (DSHS): an increase in General Revenue Funds (\$10.0 million) and Federal Funds (\$5,662.6 million) for response to the COVID-19 pandemic, including transfers from the Health and Human Services Commission and supplemental appropriations from Senate Bill 8, Eighty-seventh Legislature, Third Called Session, 2021	\$10.0	\$5,672.6
DSHS: supplemental appropriations from General Revenue Funds (\$91.0 million), primarily for COVID-19 disaster response closeout costs and the Federally Qualified Health Center Incubator Program	\$91.0	\$91.0
DSHS: a decrease from General Revenue–Dedicated Account No. 5111, Trauma Facility and EMS Facilities, related to decreased revenue collections	(\$59.2)	(\$59.2)
DSHS: other increases and decreases for lapsed appropriations, changes in certain federal awards, and other items	\$21.4	\$50.0
Health and Human Services Commission (HHSC): projected difference in Medicaid client services from appropriated levels, including projected supplemental need, program-generated income and other revenue, and appropriations transferred to other programs and agencies	\$3,273.0	\$17,331.8
HHSC: projected difference in Children’s Health Insurance Program (CHIP) client services from appropriated levels, including program-generated income and other revenue and appropriations transferred to other programs and agencies	(\$314.5)	(\$1,081.1)
HHSC: supplemental appropriations from General Revenue Funds (\$2,193.2 million), primarily for new capacity for mental health services and inpatient facilities	\$2,193.2	\$2,193.2
HHSC: new or unexpended balance authority from General Revenue Funds (\$166.9 million), Federal Funds (\$611.1 million), and Other Funds (\$108.6 million) for non-Medicaid items appropriated in previous supplemental legislation from the Eighty-seventh Legislature, 2021, including appropriations from federal COVID-19 State Fiscal Recovery Funds (\$277.8 million), and unexpended balance authority from Other Funds (\$135.0 million) for construction at mental health state hospitals	\$166.9	\$1,021.5
HHSC: increases of General Revenue Funds (\$45.9 million) and Federal Funds (\$629.4 million) for non-Medicaid/CHIP response to the COVID-19 pandemic and other disaster-related response	\$45.9	\$675.2
HHSC: other increases and decreases for lapsed appropriations, revenue collections, changes in certain federal awards, and other items, including an increase from Other Funds (\$125.0 million) to construct a children’s mental health inpatient facility in Dallas	(\$3.4)	\$197.4

FIGURE 18 (CONTINUED)
RECONCILIATION OF INITIAL 2022–23 BIENNIAL APPROPRIATIONS TO 2022–23 EXPENDED AND BUDGETED AMOUNTS

(IN MILLIONS)	GENERAL REVENUE FUNDS AND GENERAL REVENUE– DEDICATED FUNDS	ALL FUNDS
BUDGET ADJUSTMENTS		
Public and Higher Education		
Texas Education Agency (TEA): estimated Foundation School Program appropriations funded with General Revenue Funds decreased by \$7,722.3 million through the operation of entitlement formulas, primarily attributable to more-than-anticipated local property value growth and lower-than-anticipated enrollment growth. General Revenue Funds decreases are offset partially by a \$718.5 million increase in estimated appropriations from the Property Tax Relief Fund, a \$1,044.2 million increase in estimated appropriations from the Tax and Excellence in Education Fund, and a \$1,907.2 million increase in estimated recapture payments	(\$7,722.3)	(\$4,052.4)
TEA: unexpended balances from 2021 of General Revenue Funds for special education (\$107.9 million) and instructional materials and technology (\$313.7 million)	\$421.6	\$421.6
TEA: Budget Execution Order related to school safety and Uvalde Consolidated Independent School District	\$415.0	\$415.0
TEA: increased Federal Funds	\$0.0	\$1,552.3
TEA: supplemental appropriations of General Revenue Funds for information technology deferred maintenance (\$11.3 million) and school safety grants (\$1,100.0 million)	\$1,111.3	\$1,111.3
Teacher Retirement System of Texas (TRS): supplemental appropriations of Federal Funds to help maintain TRS-Care and ActiveCare premiums	\$0.0	\$721.3
Optional Retirement Program: a decrease of \$62.5 million in estimated General Revenue–Dedicated Funds appropriations	(\$62.5)	(\$62.5)
Texas Higher Education Coordinating Board (THECB): supplemental appropriations of Federal Funds for the Texas Child Mental Health Care Consortium (\$113.1 million), the Texas Reskilling and Upskilling for Education program (\$15.0 million), the Comprehensive Regional University program (\$20.0 million), and the Rural Veterinarian program (\$1.0 million)	\$0.0	\$149.1
THECB: increased Federal Funds from the Governor’s Emergency Education Relief funds allocated to the agency in fiscal year 2022	\$0.0	\$227.8
Available University Fund: an increase in estimated Other Funds appropriations	\$0.0	\$109.0
General Academic Institutions: supplemental appropriations of General Revenue Funds (\$674.4 million) and Federal Funds (\$100.0 million); and increased estimated appropriations of General Revenue–Dedicated Funds (\$52.0 million)	\$726.4	\$826.4
Health-related Institutions: supplemental appropriations of General Revenue Funds at Texas Tech University Health Sciences Center at El Paso to support the development of a comprehensive cancer center (\$65.0 million) and support unfunded growth in the Border Health Operations formula (\$0.8 million)	\$65.8	\$65.8
Texas A&M Engineering Experiment Station: increased receipt of Federal Funds	\$0.0	\$81.4
Texas A&M Forest Service: supplemental appropriations of General Revenue and General Revenue–Dedicated Funds for natural disaster response programs (\$146.1 million), Keeping Texas Prepared: Emergency Response (\$21.7 million), Keeping Texas Prepared: Local Firefighting (\$13.0 million), and motor vehicle purchases (\$2.1 million)	\$182.9	\$182.9
Texas Division of Emergency Management (TDEM): supplemental appropriation of Federal Funds for the state operations center	\$0.0	\$300.0
TDEM: budget execution for remaining COVID-19 pandemic response items	\$0.0	\$100.0
TDEM: receipt of Governor’s disaster, deficiency, and emergency grants in fiscal year 2022 and grant funding carried forward from fiscal year 2021	\$0.0	\$89.6
TDEM: unexpended balances of General Revenue Funds for the purchase of warehouse and staging sites	\$59.9	\$59.9
TDEM: increased Federal Funds for disaster response and recovery	\$0.0	\$5,331.1

FIGURE 18 (CONTINUED)
RECONCILIATION OF INITIAL 2022–23 BIENNIAL APPROPRIATIONS TO 2022–23 EXPENDED AND BUDGETED AMOUNTS

(IN MILLIONS)	GENERAL REVENUE FUNDS AND GENERAL REVENUE– DEDICATED FUNDS	ALL FUNDS
BUDGET ADJUSTMENTS		
Public Safety and Criminal Justice		
Texas Department of Criminal Justice (TDCJ): supplemental appropriations from General Revenue Funds for operations shortfall (\$237.2 million), Correctional Managed Health Care (\$141.8 million), information technology related to inmate healthcare (\$21.5 million), a new training facility (\$35.0 million), deferred maintenance (\$23.8 million), and vehicles (\$43.6 million)	\$481.9	\$481.9
TDCJ: supplemental appropriations of Federal Funds to decrease appropriations from General Revenue Funds through Coronavirus Relief Fund (CRF) salary adjustments	(\$287.8)	\$0.0
TDCJ: unexpended balance authority from fiscal year 2021	\$188.4	\$188.4
Department of Public Safety (DPS): supplemental appropriations from General Revenue Funds for border security (\$47.3 million), an equine facility (\$3.0 million), and aircraft (\$21.2 million); and supplemental appropriations from General Revenue Funds, Federal Funds, and Other Funds for vehicles (\$130.2 million)	\$191.0	\$201.7
DPS: supplemental appropriations of Federal Funds to decrease appropriations from General Revenue Funds through CRF salary adjustments	(\$67.8)	\$0.0
DPS: unexpended balance authority for fiscal year 2021	\$174.4	\$202.4
DPS: lapsed Federal Funds	\$0.0	(\$362.5)
Natural Resources		
Texas Department of Agriculture: increase in expected expenditures of Federal Funds	\$0.0	\$267.7
General Land Office (GLO): supplemental appropriations from the Economic Stabilization Fund for the Alamo Complex (\$50.0 million) and an increase in estimated appropriations of Other Funds (\$193.5 million)	\$0.0	\$243.5
GLO: increased Federal Funds for Community Development Block Grant for Hurricane Harvey recovery and mitigation, flood relief, and other disasters	\$0.0	\$2,378.2
Texas Parks and Wildlife Department (TPWD): an increase in estimated Federal Funds appropriations	\$0.0	\$192.7
TPWD: supplemental appropriation of General Revenue Funds for park acquisition (\$125.0 million), supplemental appropriation of General Revenue–Dedicated Funds (\$50.1 million), and increased sporting good sales tax receipts (\$79.4 million)	\$254.5	\$254.5
Texas Water Development Board: supplemental appropriation of Other Funds for flood mitigation and water project funding	\$0.0	\$624.9
Business and Economic Development		
Texas Department of Housing and Community Affairs: increase projected Federal Funds	\$0.0	\$2,279.6
Texas Lottery Commission: increased appropriations for lottery operations and retailer commissions resulting from greater-than-anticipated lottery sales	\$109.4	\$109.4
Texas Department of Transportation (TxDOT): increase of revenue related to Proposition 1, 2014, for state highway maintenance construction and design	\$0.0	\$193.1
TxDOT: an increase in estimated Federal Funds appropriations for maritime projects (\$438.6 million), rail construction (\$17.5 million), and administration and information resources (\$2.1 million)	\$0.0	\$458.3
TxDOT: an increase in estimated Surface Transportation Block Grant Federal Funds	\$0.0	\$683.8
TxDOT: a decrease in Federal Funds reimbursements for right-of-way acquisitions (\$35.3 million), construction contracts (\$461.4 million), construction grants and services (\$80.9 million), traffic safety (\$1.5 million), and contact rail plan and design (\$2.6 million)	\$0.0	(\$579.9)
TxDOT: lapses of appropriations from Other Funds for construction, grants, and services (\$261.6 million); research (\$0.7 million); rail planning and design (\$1.3 million); and central administration (\$17.1 million)	\$0.0	(\$280.7)

FIGURE 18 (CONTINUED)
RECONCILIATION OF INITIAL 2022–23 BIENNIAL APPROPRIATIONS TO 2022–23 EXPENDED AND BUDGETED AMOUNTS

(IN MILLIONS)	GENERAL REVENUE FUNDS AND GENERAL REVENUE– DEDICATED FUNDS	ALL FUNDS
BUDGET ADJUSTMENTS		
Business and Economic Development (continued)		
TxDOT: unexpended balance authority from fiscal year 2021	\$0.0	\$894.7
TxDOT: supplemental appropriations of General Revenue–Dedicated Funds for maritime port capital improvement projects	\$200.0	\$200.0
State Contributions for Employee Benefits		
A decrease in estimated state contributions for employee health insurance and retirement (\$86.1 million in General Revenue Funds and General Revenue–Dedicated Funds, \$195.7 million in All Funds); a decrease in General Revenue Funds and General Revenue–Dedicated Funds appropriations (\$55.5 million), and an increase in All Funds appropriations for Social Security and benefit replacement pay (\$66.4 million)	(\$141.6)	(\$129.3)
Various Other Adjustments		
Transfer to the State Preservation Board Endowment	\$200.0	\$200.0
Transfer to the Historical Commission Endowment	\$300.0	\$300.0
Transfer to the Texas University Fund	\$3,000.0	\$3,000.0
Transfer to the Texas Water Fund	\$1,000.0	\$1,000.0
Transfer to the Flood Infrastructure Fund	\$624.9	\$624.9
Transfer to the Clean Water State Revolving Fund	\$51.1	\$51.1
Transfer to the Drinking Water State Revolving Fund	\$73.9	\$73.9
Other Adjustments	\$936.1	(\$6,003.8)
Subtotal, Adjustments	\$13,607.1	\$48,544.9
Total, Estimated/Budgeted Funds for the 2022–23 Biennium	\$139,081.2	\$313,349.6

NOTE: Totals may not sum due to rounding.
SOURCE: Legislative Budget Board.

APPROPRIATIONS FOR ITEMS WITH 2024–25 BASELINE FUNDING EXCEPTIONS

In June 2022, the Office of the Governor and the Legislative Budget Board provided guidance to state agencies and institutions of higher education on the preparation of their legislative appropriation requests. As a starting point for budget deliberations, an agency's baseline request for General

Revenue Funds and General Revenue–Dedicated Funds were prohibited from exceeding the sum of amounts estimated for fiscal year 2022 and budgeted for fiscal year 2023. Authorized exceptions to this restriction include amounts necessary to fund certain entitlement and other programs, debt service, and employee benefits. **Figure 19** shows the 2024–25 biennial recommended amounts for those program exceptions identified in the June correspondence and subsequent instructions for submitting legislative appropriation requests.

FIGURE 19
PROGRAMMATIC EXCEPTIONS TO THE 2024–25 BASELINE FUNDING
GENERAL REVENUE FUNDS AND GENERAL REVENUE–DEDICATED FUNDS ONLY

(IN MILLIONS) BUDGET ADJUSTMENTS	ESTIMATED/BUDGETED 2022–23	RECOMMENDED 2024–25	BIENNIAL CHANGE	PERCENTAGE CHANGE
Health and Human Services				
Medicaid	\$25,908.2	\$29,093.4	\$3,185.2	12.3%
Children's Health Insurance Program	\$197.0	\$477.5	\$280.5	142.4%
Foster Care	\$558.6	\$653.2	\$94.5	16.9%
Adoption Subsidies	\$224.3	\$241.2	\$16.9	7.5%
Permanency Care Assistance	\$41.8	\$52.4	\$10.6	25.3%
Public Education				
Foundation School Program (1)	\$31,216.2	\$35,302.1	\$4,094.9	13.1%
Employer Contributions for State Pension Systems (Teacher Retirement System of Texas – pension only) (1)	\$5,023.7	\$5,862.8	\$839.1	16.7%
Employer Contributions for State Pension Systems (Teacher Retirement System of Texas – healthcare benefits only)	\$914.0	\$960.2	\$46.2	5.1%
Public Safety and Criminal Justice				
Public Safety Equipment and Operations, including Border Security	\$4,396.0	\$6,571.7	\$2,175.7	49.5%
State Employee Benefits				
Employer Contributions for State Pension Systems (2)	\$1,494.9	\$1,965.1	\$470.2	31.5%
Employer Contributions to Employee Health Insurance (3)	\$3,938.2	\$2,430.9	(\$1,507.3)	(38.3%)
Legacy Payments (4)	\$836.6	\$916.0	\$79.4	9.5%
Employer Contributions to Social Security	\$2,001.1	\$1,483.4	(\$517.7)	(25.9%)
Benefit Replacement Pay	\$8.7	\$2.7	(\$6.0)	(69.0%)
State Employee and Public Safety Death Benefits (5)	\$112.0	\$136.1	\$24.1	21.5%
Salary and Personnel Cost Method of Finance Swaps				
Replacing Federal Funds used for Fiscal Year 2022 public health and public safety salaries and other personnel costs	N/A	\$1,351.9	\$1,351.9	N/A

FIGURE 19 (CONTINUED)
PROGRAMMATIC EXCEPTIONS TO THE 2024–25 BASELINE FUNDING
GENERAL REVENUE FUNDS AND GENERAL REVENUE–DEDICATED FUNDS ONLY

(IN MILLIONS)				
BUDGET ADJUSTMENTS	ESTIMATED/BUDGETED 2022–23	RECOMMENDED 2024–25	BIENNIAL CHANGE	PERCENTAGE CHANGE
Debt Service Payments				
General Obligation Bonds (Public Finance Authority)	\$612.8	\$695.9	\$83.1	13.6%
General Obligation Bonds (Water Development Board)	\$58.6	\$63.3	\$4.7	8.0%
Revenue Bonds (Public Finance Authority)	\$207.8	\$183.2	(\$24.6)	(11.8%)
Capital Construction Assistance Project Revenue Bonds (Institutions of Higher Education)	\$1,258.4	\$1,393.6	\$135.2	10.7%
Master Lease Purchase Program (Public Finance Authority)	\$27.0	\$36.2	\$9.2	34.1%
Total, Programmatic Exceptions to Baseline Funding	\$79,036.0	\$89,875.5	\$10,839.5	13.7%

NOTES:

- (1) Included in amounts shown for Foundation School Program and Employer Contributions for State Pension Systems (Teacher Retirement System of Texas – pension only) are \$3,960.0 million and \$86.1 million, respectively, appropriated from General Revenue Funds in the Eighty-eighth Legislature, General Appropriations Act, 2024–25 Biennium, Article IX, Sections 18.78(d) and (f), contingent on the enactment of legislation by the Eighty-eighth Legislature.
- (2) Employer Contributions to State Pension System totals include state contributions for Employees Retirement System of Texas retirement, Law Enforcement and Custodial Officer Supplemental retirement, Judicial Retirement System I, and Judicial Retirement System II.
- (3) Employer Contributions to Employee Health Insurance totals include state contributions for local community supervision and corrections departments.
- (4) Legacy payments are added as they were included in the exceptions calculated in the General Revenue Funds and General Revenue–Dedicated Funds limit.
- (5) State Employee and Public Safety Death Benefits include public safety death benefits and retiree death benefits.
- (6) Amounts include only General Revenue Funds and General Revenue–Dedicated Funds amounts and exclude funds that are not subject to the baseline limitations.
- (7) Totals may not sum due to rounding.

SOURCE: Legislative Budget Board.

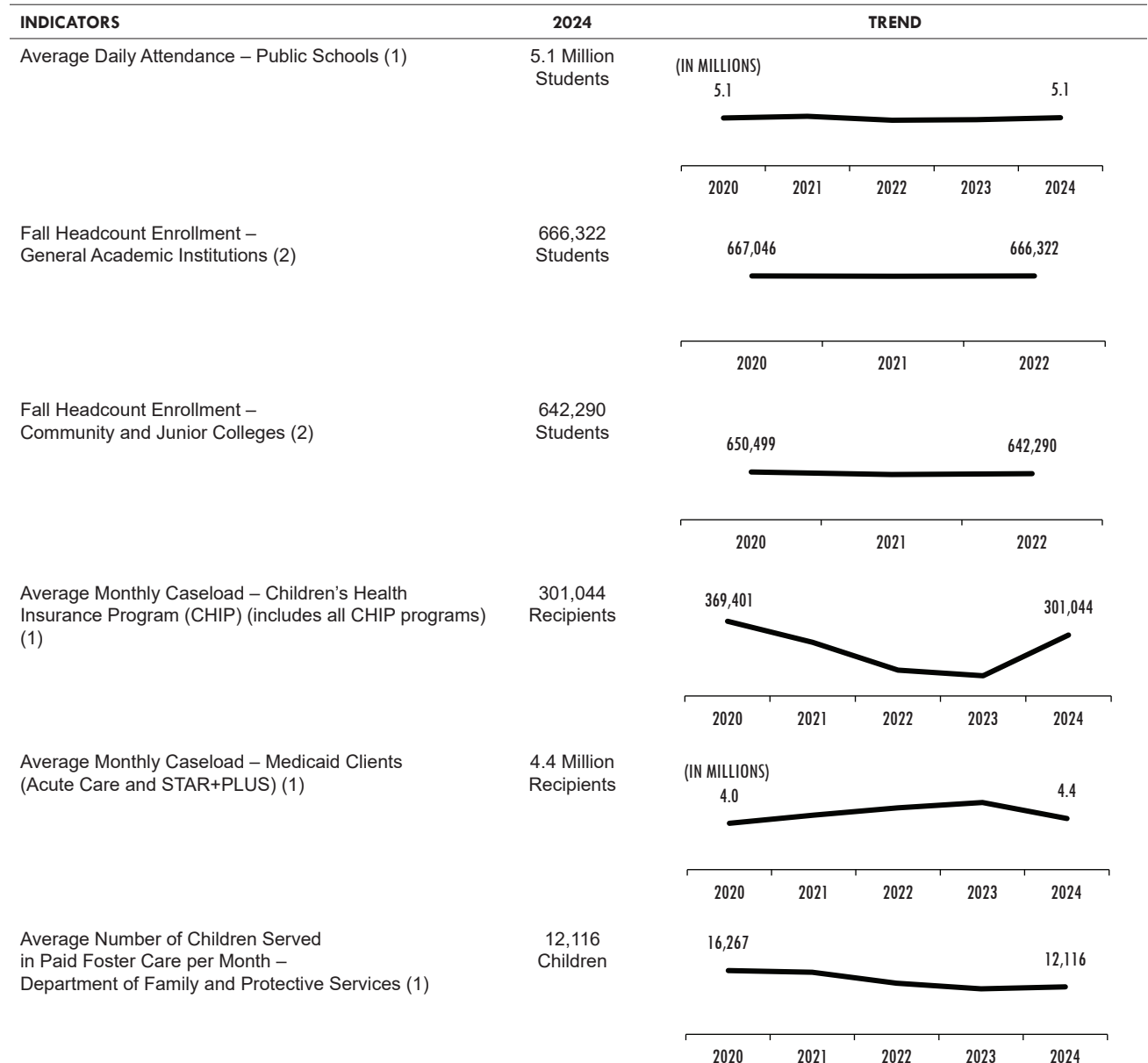
FACTORS AFFECTING THE STATE BUDGET

Significant factors affecting the state budget can be divided into two categories: changes in the population served, and the cost of that service. Population-based budget drivers include Medicaid, the Children’s Health Insurance Program (CHIP), children in foster care, public and higher education enrollment, adult and juvenile institutional and probation populations, and retirement system enrollment.

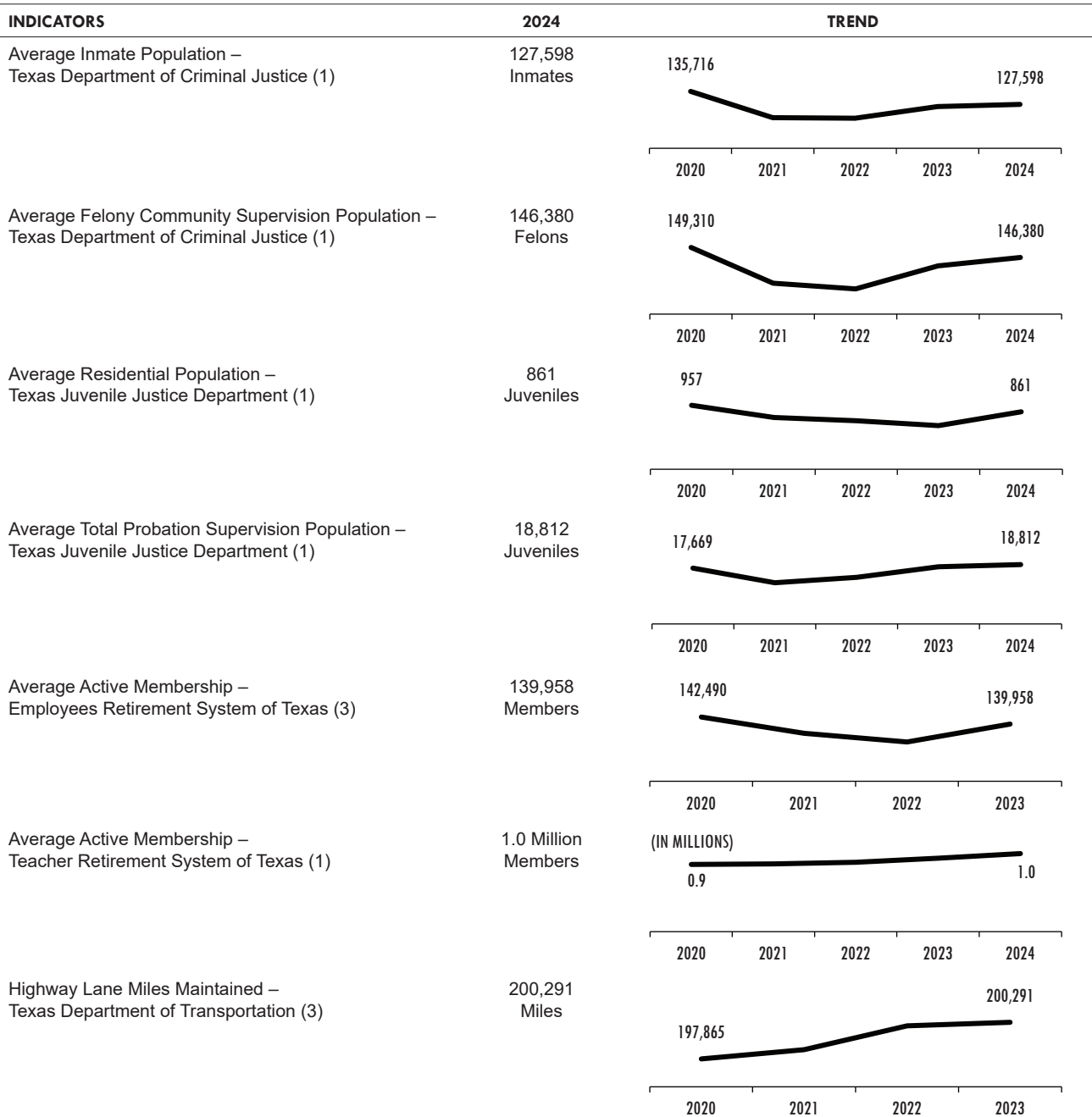
Population change is one element that helps explain the growth in the budget. Cost-related factors can have an equal or greater effect on growth. For example, medical inflation affects not only Medicaid and CHIP, but also inmate healthcare costs and state employee and teacher healthcare costs. Statutory requirements also may affect cost.

Figure 20 shows the population-based indicators that affect a large portion of the state budget.

**FIGURE 20
POPULATION-BASED INDICATORS
FISCAL YEARS 2020 TO 2024**



**FIGURE 20 (CONTINUED)
POPULATION-BASED INDICATORS
FISCAL YEARS 2020 TO 2024**



NOTES:

- (1) Projection shown for fiscal year 2024.
- (2) The most recent data available is shown for fiscal year 2022.
- (3) The most recent data available is shown for fiscal year 2023.

SOURCE: Legislative Budget Board.

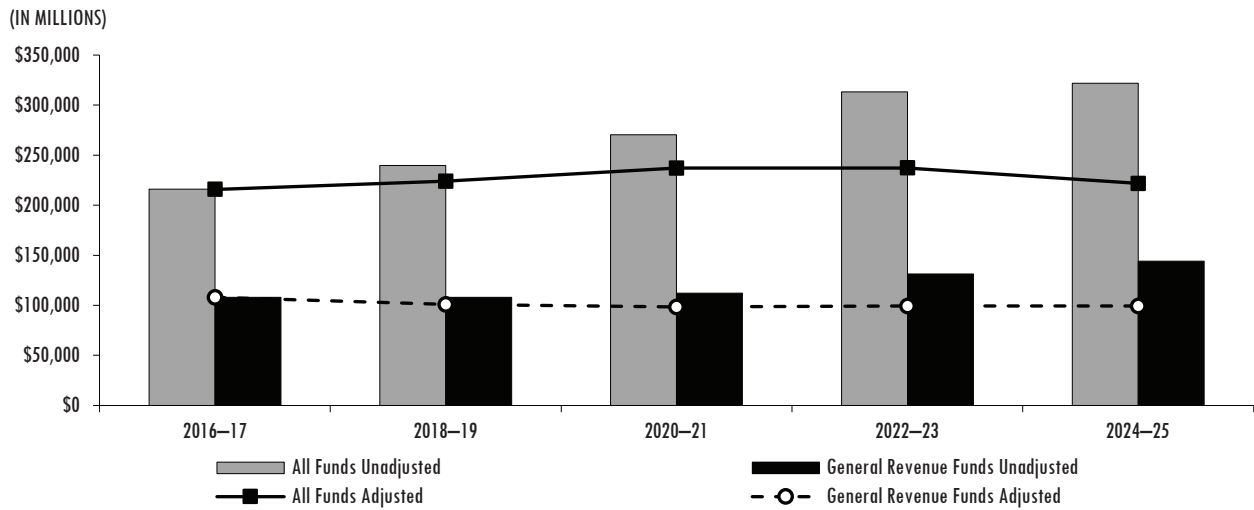
TRENDS IN STATE GOVERNMENT EXPENDITURES

Figure 21 shows biennial All Funds and General Revenue Funds expenditures and appropriations since the 2016–17 biennium. The amounts also adjust current and historical expenditure and appropriation totals into constant 2016–17

biennial dollars based on compounded population and inflation growth. All Funds expenditures increased by 48.9 percent from the 2016–17 to 2024–25 biennia and increased by 2.7 percent after adjusting for population and inflation. General Revenue Funds appropriations increased by 33.6 percent during the same period and decreased by 7.9 percent when adjusted for population and inflation.

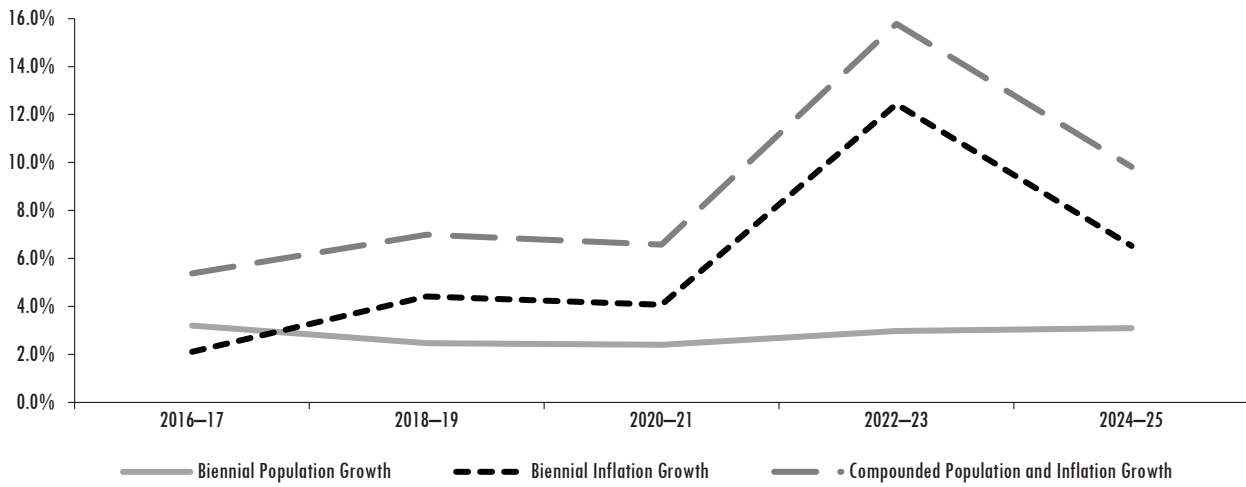
FIGURE 21
TRENDS IN STATE GOVERNMENT EXPENDITURES, 2024–25 BIENNIAL APPROPRIATIONS

(IN MILLIONS)	ALL FUNDS				GENERAL REVENUE FUNDS			
	UNADJUSTED		ADJUSTED FOR POPULATION AND INFLATION		UNADJUSTED		ADJUSTED FOR POPULATION AND INFLATION	
	AMOUNT	PERCENTAGE CHANGE	AMOUNT	PERCENTAGE CHANGE	AMOUNT	PERCENTAGE CHANGE	AMOUNT	PERCENTAGE CHANGE
2016–17	\$215,991.7	N/A	\$215,991.7	N/A	\$108,007.3	N/A	\$108,007.3	N/A
2018–19	\$239,797.5	11.0%	\$224,133.8	3.8%	\$107,986.3	(0.0%)	\$100,932.6	(6.6%)
2020–21	\$270,340.5	12.7%	\$237,095.8	5.8%	\$112,268.1	4.0%	\$98,462.1	(2.4%)
2022–23	\$313,349.6	15.9%	\$237,356.5	0.1%	\$131,189.7	16.9%	\$99,373.8	0.9%
2024–25	\$321,708.8	2.7%	\$221,904.3	(6.5%)	\$144,279.2	10.0%	\$99,519.1	0.1%



SOURCES: Legislative Budget Board; Comptroller of Public Accounts.

FIGURE 22
BIENNIAL POPULATION AND INFLATION GROWTH FROM THE 2016–17 TO 2024–25 BIENNIA



SOURCE: Comptroller of Public Accounts.

Tools such as population and inflation compare budget growth; however, they do not tie directly to government budget drivers. For example, the Consumer Price Index (CPI) tracks the increased price of goods and services purchased by a typical family, such as groceries, clothing, housing, and private healthcare. Inflation of goods and services purchased by state government, such as education, public healthcare, and infrastructure, tends to grow faster than the price of goods and services purchased by consumers.

The compounded population and CPI growth shown in **Figure 22** is based on data in the Comptroller of Public Accounts’ Fall 2023 State Economic Forecast as published in the October 2023 *Certification Revenue Estimate*, which forecasted a biennial growth rate of 9.8 percent from the 2022–23 to 2024–25 biennia. Population and inflation growth estimates submitted to the Legislative Budget Board (LBB) in anticipation of the November 2022 LBB board meeting ranged from 11.9 percent to 12.3 percent.

RESTRICTED APPROPRIATIONS

The 2024–25 biennial appropriations from General Revenue Funds and General Revenue–Dedicated Funds total \$151.3 billion. **Figure 23** shows that \$43.9 billion of that total, 29.0 percent, is appropriated by the Legislature without restriction. The remaining \$107.4 billion is restricted by existing constitutional provisions, statutory

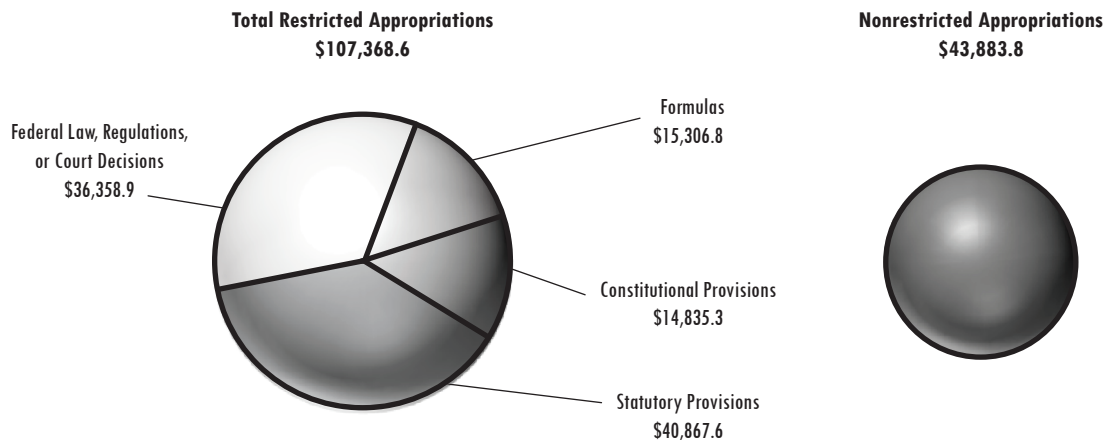
provisions, federal law, federal regulations, court decisions, and funding formulas.

The Legislature maintains some discretion over a portion of the restricted budget; however, in many cases, it would need to revise statutes outside of the appropriations process to change the restrictions. **Figure 23** shows examples of the largest restrictions by category. The nonrestricted portion of the budget is larger than the 2022–23 biennial level of 20.1 percent.

FIGURE 23
RESTRICTED APPROPRIATIONS FROM GENERAL REVENUE FUNDS AND GENERAL REVENUE–DEDICATED FUNDS
2024–25 BIENNIUM

(IN MILLIONS)

TOTAL=\$151,252.4



TOTAL RESTRICTED APPROPRIATIONS VERSUS TOTAL NONRESTRICTED APPROPRIATIONS, 2024–25 BIENNIUM

(IN MILLIONS)	2024–25 APPROPRIATIONS	PERCENTAGE OF TOTAL
Appropriations Restricted by Constitutional Provisions	\$14,835.3	9.8%
Foundation School Program (Available School Fund)	\$5,207.2	
Teacher Retirement System of Texas (TRS)	\$5,862.8	
Public Education (Instructional Materials)	\$1,050.0	
Appropriations Restricted by Statutory Provisions	\$40,867.6	27.0%
Public Education (Foundation School Program)	\$30,094.9	
TRS, Health Insurance Programs for Public School Retiree Health Insurance	\$960.2	
Bond Debt Service	\$1,393.6	
Appropriations Restricted by Federal Law, Regulations, or Court Decisions	\$36,358.9	24.0%
Medicaid Programs	\$31,033.0	
Social Security Match	\$1,483.4	
Children’s Health Insurance Program	\$447.8	

FIGURE 23 (CONTINUED)
RESTRICTED APPROPRIATIONS FROM GENERAL REVENUE FUNDS AND GENERAL REVENUE–DEDICATED FUNDS
2024–25 BIENNIUM

TOTAL RESTRICTED APPROPRIATIONS VERSUS TOTAL NONRESTRICTED APPROPRIATIONS, 2024–25 BIENNIUM		
(IN MILLIONS)	2024–25 APPROPRIATIONS	PERCENTAGE OF TOTAL
Appropriations Restricted by Formulas	\$15,306.8	10.1%
Higher Education Formulas	\$11,425.0	
Group Health Insurance (General State Employees)	\$2,286.4	
Group Health Insurance (Higher Education Employees)	\$1,595.4	
Total Restricted Appropriations	\$107,368.6	71.0%
Nonrestricted Appropriations	\$43,883.8	29.0%
Texas Department of Criminal Justice	\$4,060.7	
Department of Public Safety	\$3,430.0	
Texas Higher Education Coordinating Board	\$2,699.5	
Texas Juvenile Justice Department	\$986.5	
Total, General Revenue Funds and General Revenue–Dedicated Funds Appropriations	\$151,252.4	100.0%

NOTES:

- (1) Included in amounts shown for Public Education (Foundation School Program) and Teacher Retirement System of Texas are \$3,960.0 million and \$86.1 million, respectively, appropriated from General Revenue Funds in the Eighty-eighth Legislature, General Appropriations Act, 2024–25 Biennium, Article IX, Sections 18.78(d) and (f), contingent on the enactment of legislation by the Eighty-eighth Legislature.
- (2) Appropriations shown are selected examples that do not sum to the total for each category.
- (3) Totals may not sum due to rounding.

SOURCE: Legislative Budget Board.

LIMITS ON APPROPRIATIONS

Texas has four constitutional limits on spending: the balanced budget limit, which commonly is referred to as the pay-as-you-go limit; the limit on the rate of growth of appropriations from certain state taxes, commonly referred to as the tax spending limit; the limit on tax-supported debt; and the limit on welfare spending.

In addition, Texas has a statutory limit on the growth of consolidated General Revenue Funds appropriations (CGR), commonly referred to as the CGR limit. The 2024–25 biennial budget is within all five of these limits.

The pay-as-you-go, tax spending, and CGR limits all restrict broad sums of appropriations, but in different ways. The pay-as-you-go limit prohibits the General Revenue Fund budget from exceeding available revenue. The tax spending limit prohibits appropriations funded with tax revenues that are not dedicated by the Texas Constitution from growing faster than the state's economy. The tax spending limit does not apply to appropriations funded with nontax revenues or appropriations funded with tax revenues that the constitution requires to be spent for a specific purpose.

The CGR limit prohibits General Revenue Funds and General Revenue–Dedicated Funds appropriations from growing faster than the compounded growth of Texas population and monetary inflation. Appropriations to pay for tax relief or costs associated with recovery from a disaster declared by the Governor are excluded from the CGR limit.

General Revenue Funds appropriations for the 2024–25 biennium total \$144.3 billion. This amount is \$16.8 billion less than the pay-as-you-go limit after adjusting for appropriations made during the Eighty-eighth Legislature, Fourth Called Session, 2023, as shown in **Figure 24**. Furthermore, General Revenue Funds are \$5.1 billion less than the calculated General Revenue Funds capacity in accordance with the tax spending limit. The 2024–25 biennial Consolidated General Revenue Funds appropriations total \$151.3 billion. After excluding exempted appropriations, this amount is \$13.8 billion less than the CGR limit. The tax spending limit is the controlling limit because General Revenue Funds spending authority is lower than for the other two limits.

ARTICLE III, SECTION 49a, PAY-AS-YOU-GO LIMIT

The Texas Constitution, Article III, Section 49a, establishes the pay-as-you-go limit. The constitution requires that bills

FIGURE 24
REMAINING GENERAL REVENUE FUNDS SPENDING
AUTHORITY, 2024–25 BIENNIUM

LIMIT	AMOUNT (IN BILLIONS)
Pay-as-you-go Limit	\$16.8
Tax Spending Limit	\$5.1
Consolidated General Revenue Limit	\$13.8

SOURCES: Legislative Budget Board; Comptroller of Public Accounts.

making appropriations are sent to the Comptroller of Public Accounts (CPA) for certification that the appropriations are within estimates of available revenue.

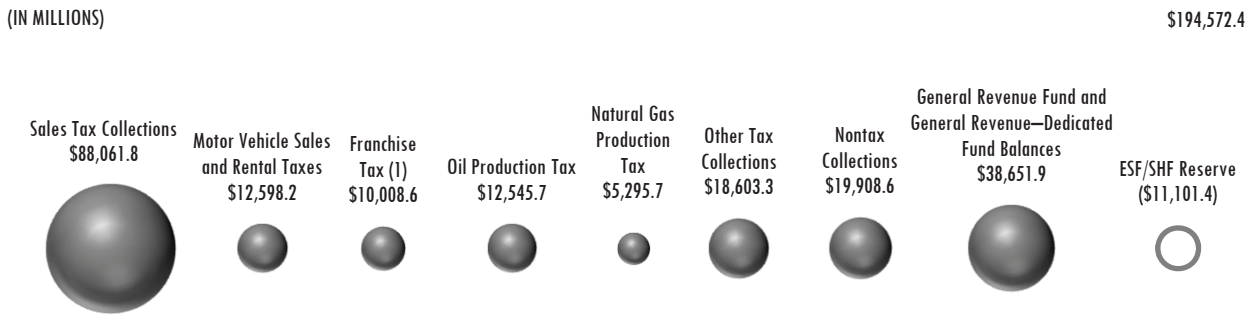
CPA identifies the pay-as-you-go limit for General Revenue Funds appropriations as \$194.6 billion in its October 2023 *Certification Revenue Estimate (CRE)*. This total includes estimated 2024–25 biennial General Revenue Funds revenue collections of \$167.0 billion, less \$11.1 billion in General Revenue Funds deposits reserved for transfer to the Economic Stabilization Fund and the State Highway Fund. This total also includes the beginning General Revenue Funds balance and General Revenue–Dedicated Funds account balances available for certification totaling \$38.7 billion, shown in **Figure 25**.

The *CRE* estimates General Revenue spending of \$176.3 billion in the 2024–25 biennium, which includes appropriations made in prior biennia that were not expended by the beginning of the 2024–25 biennium. After the release of the *CRE*, additional appropriations of \$1.5 billion were made by Senate Bill 3, Eighty-eighth Legislature, Fourth Called Session, 2023. Subtracting these two amounts from the estimated pay-as-you-go limit gives a projected remaining General Revenue Funds spending capacity of \$16.8 billion less than the pay-as-you-go limit for the 2024–25 biennium.

ARTICLE VIII, SECTION 22, LIMITATION ON THE GROWTH OF CERTAIN APPROPRIATIONS

The Texas Constitution, Article VIII, Section 22, prohibits appropriations funded with state tax revenues that are not dedicated by the constitution from growing faster than the estimated rate of growth of the state's economy. Consequently, the revenue source that funds appropriations determines if the appropriations are subject to the spending limit. Appropriations funded with tax revenues are subject to the spending limit unless the constitution dedicates the tax revenue for a specific purpose. The spending limit does not

FIGURE 25
COMPONENTS OF THE PAY-AS-YOU-GO LIMIT, 2024–25 BIENNIUM



NOTES:
 (1) General Revenue Fund portion.
 (2) ESF=Economic Stabilization Fund; SHF=State Highway Fund.
 SOURCE: Legislative Budget Board.

apply to appropriations funded with nontax revenues or appropriations funded with tax revenues if the constitution requires the tax revenue to be spent for a specific purpose.

The 2024–25 biennial spending limit equals total 2022–23 biennial appropriations funded with state tax revenues that are not dedicated by the constitution, \$107.3 billion, increased by the adopted growth rate of 12.33 percent. The 2024–25 biennial spending limit totals \$120.5 billion after adjusting for supplemental appropriations passed by the Eighty-eighth Legislature, Regular and Called sessions, 2023, and final fiscal year 2023 appropriation and revenue data. Appropriations for the 2024–25 biennium that are subject to the spending limit total \$115.8 billion, \$4.7 billion less than the spending limit, as shown in **Figure 26**, after adjusting for all legislation passed by the Eighty-eighth Legislature and revenue estimates in the 2024–25 *CRE*.

Revenue deposits to the General Revenue Fund also include revenue that is not subject to the spending limit; therefore, the maximum 2024–25 biennial General Revenue Funds appropriations associated with the \$120.5 billion limit is \$149.4 billion, leaving \$5.1 billion in remaining General Revenue Funds spending capacity less than the spending limit, shown in **Figure 27**.

**THE TEXAS GOVERNMENT CODE,
SECTION 316.001,
CONSOLIDATED GENERAL REVENUE LIMIT**

The Texas Government Code, Chapter 316, restricts the rate of growth of consolidated General Revenue Funds appropriations (CGR) and is referred to as the CGR limit.

FIGURE 26
SPENDING LIMIT COMPARED TO THE SUMMARY OF APPROPRIATIONS, 2024–25 BIENNIUM

(IN BILLIONS)	AMOUNT
Spending Limit	\$120.5
Appropriations Subject to the Spending Limit	(\$115.8)
Total Less Than the Spending Limit	\$4.7

SOURCE: Legislative Budget Board.

FIGURE 27
GENERAL REVENUE FUNDS PURSUANT TO THE SPENDING LIMIT COMPARED TO THE SUMMARY OF APPROPRIATIONS, 2024–25 BIENNIUM

(IN BILLIONS)	AMOUNT
Maximum General Revenue Funds	\$149.4
Appropriations Pursuant to the Spending Limit	
General Revenue Funds Appropriations	(\$144.3)
Total Less Than the Maximum General Revenue Funds Appropriations	\$5.1

SOURCE: Legislative Budget Board.

CGR appropriations are defined as the sum of General Revenue Funds and General Revenue–Dedicated Funds appropriations. In each biennium, the growth of CGR appropriations is limited to no more than the compounded rate of Texas population growth and monetary inflation growth, averaged across the current and upcoming biennium. However, the statute excludes from the computation of this limitation appropriations for a purpose that provides tax relief or appropriations to pay costs associated with recovery from a disaster declared by the Governor.

The 2024–25 biennial CGR limit is estimated to total \$152.1 billion. Consolidated General Revenue Funds total \$151.3 billion, of which \$13.0 billion is excluded from the limitation, as discussed previously. After combining these amounts, \$13.8 billion of CGR spending capacity remains below the 2024–25 biennial CGR limit.

ARTICLE III, SECTION 49-j, DEBT LIMIT

The Texas Constitution, Article III, Section 49-j, provides that the Legislature may not authorize additional state debt if in any fiscal year the resulting maximum annual debt service payable from the General Revenue Fund, excluding revenues constitutionally dedicated for purposes other than payment of state debt, exceeds 5.0 percent of the average annual unrestricted General Revenue Funds for the previous three years. To monitor where the state stands in relation to the constitutional debt limit (CDL), the Bond Review Board (BRB) calculates two debt ratios. The first ratio is the debt service on outstanding or issued debt as a percentage of unrestricted General Revenue Funds. At the end of fiscal year 2023, the BRB reported that the issued debt ratio is 0.99 percent. The second debt ratio is the debt service on outstanding debt plus estimated debt service for authorized but unissued bonds. For this ratio, the BRB has reported that the state is at 1.95 percent of unrestricted General Revenue Funds at the end of fiscal year 2023. The latter calculation represents a 13.3 percent decrease from the 2.25 percent calculated for outstanding and authorized but unissued debt for fiscal year 2022. The BRB expects the CDL ratio to continue to decrease with the issuance of authorized debt. However, the CDL ratio could be affected by changes to any of the following factors: the three-year average of unrestricted General Revenue Funds, the amount of debt outstanding and unissued debt authorizations, and actual and assumed interest rates.

ARTICLE III, SECTION 51-a, WELFARE SPENDING LIMIT

The Texas Constitution, Article III, Section 51-a, requires that the amount paid out of state funds for assistance grants to or on behalf of needy dependent children and their caretakers shall not exceed 1.0 percent of the state budget in any biennium.

As determined through the statutory methodology defined in the Texas Human Resources Code, Chapter 31, Subchapter C, the state budget for the 2024–25 biennium is \$321.7 billion and the limit is \$3.2 billion. The biennial amount

appropriated in the General Appropriations Act that is subject to the limit on state dollars paid out in Temporary Assistance for Needy Families (cash assistance) grants is \$37.9 million, which is less than the 1.0 percent limit.

2. REVENUE SOURCES AND ECONOMIC INDICATORS

This chapter examines Texas' state and local government revenue structure for the Eighty-eighth Legislature, General Appropriations Act (GAA), 2024–25 Biennium.

This chapter discusses state revenue by examining the Comptroller of Public Accounts' (CPA) *Certification Revenue Estimate*, released in October 2023 for the 2024–25 biennium.

Total All Funds net revenue for the 2024–25 biennium is estimated to be \$359.4 billion, a decrease of \$11.7 billion, or 3.2 percent, from the 2022–23 biennial level. This decrease can be attributed primarily to the decreasing receipt of COVID-19 pandemic-related Federal Funds. Overall, Federal Funds are estimated to decrease by 14.4 percent, tax

collections are estimated to increase by 5.8 percent, and nontax collections other than Federal Funds are estimated to decrease by 0.8 percent for the 2024–25 biennium.

STATE REVENUES

According to CPA, state tax collections for the 2024–25 biennium are estimated to total \$168.6 billion, an increase of \$9.2 billion, or 5.8 percent, from the 2022–23 biennial collection levels.

SALES TAX

The sales and use tax continues to contribute most of the state's tax revenue, as shown in **Figures 28, 29, and 30**. CPA estimates that sales tax revenue for the 2024–25 biennium

FIGURE 28
STATE REVENUE BIENNIAL COMPARISON BY SOURCE IN ALL FUNDS, 2022–23 AND 2024–25 BIENNIA

SOURCE	(IN MILLIONS)		PERCENTAGE CHANGE	PERCENTAGE OF 2022–23 TOTAL REVENUE
	2022–23 BIENNium	2024–25 BIENNium		
Sales Taxes	\$89,553.0	\$97,189.3	8.5%	27.0%
Motor Vehicle Sales and Rental Taxes	\$13,270.8	\$14,067.4	6.0%	3.9%
Motor Fuel Taxes	\$7,616.0	\$7,803.5	2.5%	2.2%
Franchise Tax	\$12,493.1	\$13,689.0	9.6%	3.8%
Oil Production Tax	\$12,292.7	\$12,545.7	2.1%	3.5%
Insurance Taxes	\$7,186.6	\$8,396.5	16.8%	2.3%
Cigarette and Tobacco Taxes	\$2,429.1	\$2,204.5	(9.2%)	0.6%
Natural Gas Production Tax	\$7,820.3	\$5,295.7	(32.3%)	1.5%
Alcoholic Beverages Taxes	\$3,415.6	\$3,790.2	11.0%	1.1%
Hotel Occupancy Tax	\$1,477.8	\$1,669.8	13.0%	0.5%
Utility Taxes	\$1,181.9	\$1,255.8	6.3%	0.3%
Other Taxes	\$619.5	\$681.3	10.0%	0.2%
Total, Tax Collections	\$159,356.3	\$168,588.7	5.8%	46.9%
Federal Income	\$141,445.7	\$121,088.4	(14.4%)	33.7%
Licenses, Fees, Fines, and Penalties	\$13,195.1	\$13,508.6	2.4%	3.8%
State Health Service Fees and Rebates	\$21,204.4	\$21,020.3	(0.9%)	5.8%
Net Lottery Proceeds	\$6,408.0	\$5,769.4	(10.0%)	1.6%
Land Income	\$8,109.3	\$6,388.7	(21.2%)	1.8%
Interest and Investment Income	\$6,639.0	\$6,488.4	(2.3%)	1.8%
Settlements of Claims	\$1,293.4	\$1,081.9	(16.4%)	0.3%
Escheated Estates	\$2,102.7	\$2,115.0	0.6%	0.6%
Sales of Goods and Services	\$622.1	\$584.6	(6.0%)	0.2%
Other Revenue	\$10,758.0	\$12,781.3	18.8%	3.6%
Total, Nontax Collections	\$211,777.5	\$190,826.6	(9.9%)	53.1%
Total, Net Revenue	\$371,133.8	\$359,415.3	(3.2%)	100.0%

SOURCE: Legislative Budget Board.

FIGURE 29
STATE REVENUE BY SOURCE, FISCAL YEARS 2021 TO 2025

SOURCE	REVENUE (IN MILLIONS)					PERCENTAGE CHANGE				PERCENTAGE OF TOTAL	
	2021	2022	2023	2024	2025	2022	2023	2024	2025	2021	2025
Sales Taxes	\$36,019.6	\$42,971.9	\$46,581.1	\$47,862.1	\$49,327.2	19.3%	8.4%	2.8%	3.1%	21.1%	23.4%
Motor Vehicle Sales and Rental Taxes	\$5,730.9	\$6,449.1	\$6,821.7	\$6,962.3	\$7,105.1	12.5%	5.8%	2.1%	2.0%	3.4%	3.5%
Motor Fuel Taxes	\$3,596.9	\$3,783.9	\$3,832.1	\$3,880.2	\$3,923.4	5.2%	1.3%	1.3%	1.1%	2.1%	2.1%
Franchise Tax	\$4,529.8	\$5,672.9	\$6,820.2	\$6,795.4	\$6,893.6	25.2%	20.2%	(0.4%)	1.4%	2.7%	3.1%
Oil Production Tax	\$3,449.1	\$6,361.7	\$5,931.0	\$6,008.8	\$6,537.0	84.4%	(6.8%)	1.3%	8.8%	2.0%	3.5%
Insurance Taxes	\$2,699.6	\$3,121.9	\$4,064.6	\$4,221.9	\$4,174.6	15.6%	30.2%	3.9%	(1.1%)	1.6%	1.7%
Cigarette and Tobacco Taxes	\$1,397.3	\$1,210.7	\$1,218.3	\$1,085.7	\$1,118.8	(13.4%)	0.6%	(10.9%)	3.0%	0.8%	0.7%
Natural Gas Production Tax	\$1,568.5	\$4,469.9	\$3,350.4	\$2,493.0	\$2,802.7	185.0%	(25.0%)	(25.6%)	12.4%	0.9%	2.4%
Alcoholic Beverages Taxes	\$1,257.4	\$1,644.0	\$1,771.6	\$1,854.1	\$1,936.1	30.7%	7.8%	4.7%	4.4%	0.7%	0.9%
Hotel Occupancy Tax	\$487.8	\$699.9	\$777.9	\$816.7	\$853.1	43.5%	11.1%	5.0%	4.5%	0.3%	0.4%
Utility Taxes	\$538.8	\$556.7	\$625.2	\$615.1	\$640.7	3.3%	12.3%	(1.6%)	4.2%	0.3%	0.3%
Other Taxes	\$197.5	\$268.1	\$351.4	\$333.2	\$348.1	35.7%	31.1%	(5.2%)	4.5%	0.1%	0.1%
Total, Tax Collections	\$61,473.5	\$77,210.7	\$82,145.6	\$82,928.4	\$85,660.3	25.6%	6.4%	1.0%	3.3%	36.1%	42.1%
Federal Income	\$81,940.1	\$72,738.7	\$68,707.0	\$63,966.9	\$57,121.5	(11.2%)	(5.5%)	(6.9%)	(10.7%)	48.1%	39.7%
Licenses, Fees, Fines, and Penalties	\$6,325.2	\$6,531.7	\$6,663.4	\$6,703.6	\$6,805.0	3.3%	2.0%	0.6%	1.5%	3.7%	3.6%
State Health Service Fees and Rebates	\$6,815.8	\$10,284.8	\$10,919.5	\$10,963.2	\$10,057.0	50.9%	6.2%	0.4%	(8.3%)	4.0%	5.6%
Net Lottery Proceeds	\$2,954.6	\$3,058.3	\$3,349.7	\$2,884.7	\$2,884.7	3.5%	9.5%	(13.9%)	0.0%	1.7%	1.7%
Land Income	\$2,147.8	\$4,311.8	\$3,797.4	\$3,087.1	\$3,301.7	100.8%	(11.9%)	(18.7%)	7.0%	1.3%	2.4%
Interest and Investment Income	\$1,975.5	\$2,438.0	\$4,200.9	\$3,363.7	\$3,124.7	23.4%	72.3%	(19.9%)	(7.1%)	1.2%	1.3%
Settlements of Claims	\$761.2	\$662.3	\$631.0	\$550.8	\$531.1	(13.0%)	(4.7%)	(12.7%)	(3.6%)	0.4%	0.4%
Escheated Estates	\$792.6	\$1,011.7	\$1,090.9	\$1,025.0	\$1,090.0	27.7%	7.8%	(6.0%)	6.3%	0.5%	0.6%

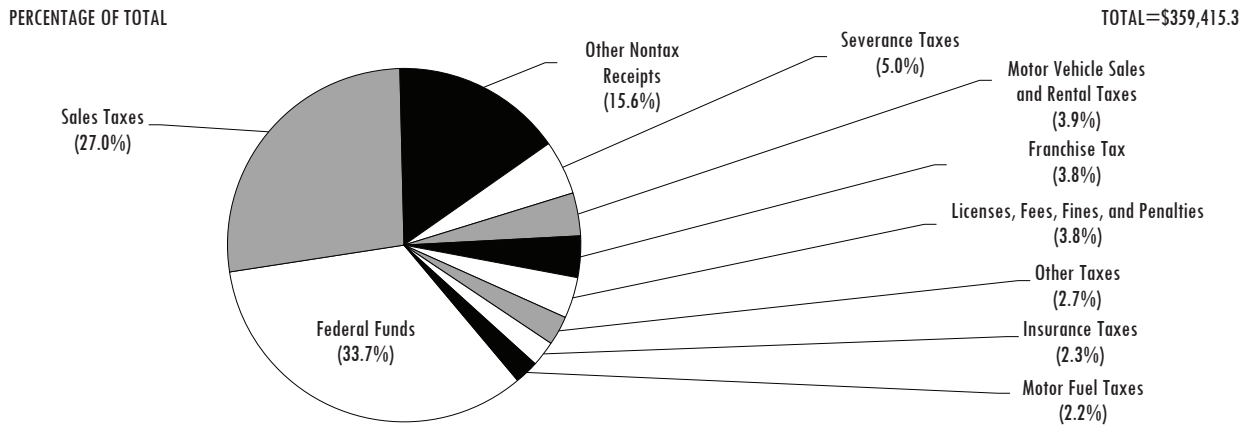
FIGURE 29 (CONTINUED)
STATE REVENUE BY SOURCE, FISCAL YEARS 2021 TO 2025

SOURCE	REVENUE (IN MILLIONS)					PERCENTAGE CHANGE				PERCENTAGE OF TOTAL	
	2021	2022	2023	2024	2025	2022	2023	2024	2025	2021	2025
Sales of Goods and Services	\$321.2	\$314.1	\$307.9	\$291.7	\$292.9	(2.2%)	(2.0%)	(5.3%)	0.4%	0.2%	0.2%
Other Revenue	\$4,988.9	\$4,782.6	\$5,975.4	\$6,251.5	\$6,529.8	(4.1%)	24.9%	4.6%	4.5%	2.9%	2.6%
Total, Nontax Collections	\$109,023.0	\$106,134.1	\$105,643.4	\$99,088.2	\$91,738.4	(2.6%)	(0.5%)	(6.2%)	(7.4%)	63.9%	57.9%
Total, Net Revenue	\$170,496.5	\$183,344.8	\$187,789.0	\$182,016.6	\$177,398.7	7.5%	2.4%	(3.1%)	(2.5%)	100.0%	100.0%

NOTE: Totals shown for the 2024–25 biennium are estimates from the Comptroller of Public Accounts' October 5, 2023, *Certification Revenue Estimate*.

SOURCE: Comptroller of Public Accounts.

FIGURE 30
ESTIMATED STATE REVENUE COLLECTIONS, 2024–25 BIENNIUM



NOTE: Totals shown for the 2024–25 biennium are estimates from the Comptroller of Public Accounts' October 5, 2023, *Certification Revenue Estimate*.

SOURCE: Comptroller of Public Accounts.

will total \$97.2 billion, an 8.5 percent increase from 2022–23 biennial collections of \$89.6 billion. Sales taxes are expected to contribute 57.6 percent of total tax collections for the 2024–25 biennium.

The state tax rate is 6.25 percent, which has been in place since 1990. Subject to certain exemptions, the state sales and use tax is imposed on retail sales, leases, and rentals of goods purchased within or brought into the state, and some taxable services. The largest exemptions include property used in manufacturing, food purchased for home consumption, agricultural items, gas and electricity, and water.

OIL AND GAS PRODUCTION TAXES

The state levies an oil production tax at 4.6 percent of market value and a natural gas production tax at 7.5 percent of market value, less certain deductions. During the 2022–23 biennium, annual oil production was approximately 5.0 million barrels per day for fiscal year 2022 and 5.4 million barrels per day for fiscal year 2023. Oil was priced on the New York Mercantile Exchange (NYMEX) at an average of \$92.40 per barrel for fiscal year 2022 and \$78.30 per barrel for fiscal year 2023. Annual natural gas production was 29.1 billion cubic feet per day for fiscal year 2022 and 31.0 billion cubic feet per day for fiscal year 2023, and NYMEX natural gas prices averaged \$6.00 per million British thermal units

(MMBtu) for fiscal year 2022, and approximately \$3.68 per MMBtu for fiscal year 2023.

Oil production taxes are expected to increase during the 2024–25 biennium due to a stable price per barrel and moderately increasing production. Whereas 2022–23 biennial revenues from oil production taxes were \$12.3 billion, CPA estimates the 2024–25 biennial revenues will be \$12.5 billion, an increase of 2.1 percent.

For the 2022–23 biennium, natural gas production tax collections totaled \$7.8 billion. Although production is expected to increase, falling prices, relative to the 2022–23 biennium, are expected to more than offset these production gains. CPA estimates 2024–25 biennial revenues from natural gas production taxes will decrease 32.3 percent to \$5.3 billion.

MOTOR FUEL TAXES

Texas taxes three major types of motor fuel: gasoline, diesel, and liquefied and compressed natural gas. Gasoline and diesel fuel are taxed \$0.20 per gallon; liquefied and compressed natural gas is taxed at a rate of \$0.15 per gasoline or diesel gallon equivalent. Of the net balance, 75.0 percent of motor fuel tax revenues are deposited to the State Highway Fund, and the remaining 25.0 percent of collections are dedicated to public education.

The 2022–23 biennial motor fuels tax collections totaled \$7.6 billion. CPA estimates that fuel tax collections will increase 2.5 percent during the upcoming biennium, forecasting \$7.8 billion in revenue for the 2024–25 biennium.

MOTOR VEHICLE SALES AND RENTAL TAX

The motor vehicle sales tax is levied at a rate of 6.25 percent on the price of a vehicle, less the value of any trade-in. The rental tax rate is 10.0 percent for rentals of 30 days or fewer and 6.25 percent for rentals exceeding 30 days. Also included in motor vehicle sales and rental taxes is the tax on manufactured housing. This tax is levied at a rate of 5.0 percent of 65.0 percent of the manufacturer's selling price. In each fiscal year, 35.0 percent of the net revenue collected in excess of \$5.0 billion will be transferred to the State Highway Fund.

Motor vehicle sales and rental taxes increased during the 2022–23 biennium, generating \$13.3 billion in revenue, 25.8 percent more than during the previous biennium. CPA estimates that revenue from motor vehicle sales and

rental taxes will increase 6.0 percent to \$14.1 billion for the 2024–25 biennium.

FRANCHISE TAX

House Bill 3, Seventy-ninth Legislature, Third Called Session, 2006, revised the state's business franchise tax. Effective fiscal year 2008, the state converted from imposing a franchise tax that was based on taxable capital (net worth) and on earned surplus to a margins tax, which is based on taxable margin.

Although the name franchise tax remains in the amended statute, it more commonly is called the margins tax because a business entity's taxable base is redefined as the taxable margin. The taxable margin is the lesser value of four methods of calculation: (1) 70.0 percent of total revenue; (2) total revenue minus costs of goods sold; (3) total revenue minus total compensation and benefits; or (4) total revenue minus \$1.0 million. Beginning in fiscal year 2016, most entities pay at a rate of 0.75 percent of their taxable margins. The exception is a lower tax rate of 0.375 percent applied to any taxable entity engaged primarily in retail or wholesale trade. These rates originally were 1.0 percent and 0.5 percent, respectively. The Eighty-third Legislature, Regular Session, 2013, temporarily lowered the rates by 2.5 percent in fiscal year 2014, and 5.0 percent in fiscal year 2015. The Eighty-fourth Legislature, 2015, permanently lowered the rates by 25.0 percent.

After tax revenue increased by 39.6 percent for the 2022–23 biennium, CPA estimates that margins tax revenue will increase by 9.6 percent for the 2024–25 biennium and will generate \$13.7 billion.

House Bill 2, Seventy-ninth Legislature, Third Called Session, 2006, established the Property Tax Relief Fund. This legislation stipulated that the amount that would have been collected in accordance with the previous franchise tax rate every fiscal year is deposited to the General Revenue Fund, and the remainder of revenue from the margins tax established by House Bill 3 is dedicated to the Property Tax Relief Fund. Thus, of the \$13.7 billion expected collections, in accordance with the statute, \$10.0 billion will be allocated to the General Revenue Fund and \$3.7 billion will be allocated to the Property Tax Relief Fund during the 2024–25 biennium.

CIGARETTE AND TOBACCO TAXES

Excise tax revenue related to cigarettes, cigars, and tobacco totaled \$2.4 billion for the 2022–23 biennium.

CPA estimates revenue for the 2024–25 biennium to total \$2.2 billion, a 9.2 percent decrease from the 2022–23 biennial level.

The cigarette tax is levied at \$70.50 per 1,000 cigarettes weighing 3.0 pounds or less per 1,000 or \$72.60 per 1,000 cigarettes weighing more than 3.0 pounds per 1,000. The tobacco products tax is levied on cigars, snuff, chewing tobacco, and smoking tobacco. Legislation passed by the Eighty-first Legislature, Regular Session, 2009, amended the base used to calculate the tax imposed on tobacco products, other than cigars, from the manufacturer's listed price to the manufacturer's listed net weight. Beginning in fiscal year 2010, the rate per ounce was \$1.10, which increased \$0.03 per ounce each year through fiscal year 2014. The current law rate remains at \$1.22 per ounce. A portion of the revenue generated in excess of the previous tax rate is deposited to the Physician Education Loan Repayment Program; the remainder of the revenue increase is deposited to the Property Tax Relief Fund.

Since the Seventy-ninth Legislature, Third Called Session, 2006, established the Property Tax Relief Fund, revenue that would have been collected in accordance with the previous tax rates before January 1, 2007, is credited to the General Revenue Fund. The excess revenue greater than this amount that is generated by the increased tax rates is dedicated to the Property Tax Relief Fund. The 2022–23 biennial transfers to the Property Tax Relief Fund from cigarette and tobacco tax revenue totaled \$1.4 billion. CPA estimates transfers to the Property Tax Relief Fund from cigarette and tobacco tax revenue to be \$1.2 billion for the 2024–25 biennium.

ALCOHOLIC BEVERAGE TAXES

Alcoholic beverage taxes consist of the mixed-beverage gross receipts tax; the mixed-beverage sales tax; and volume-based excise taxes imposed on ale, beer, liquor, and wine. The 2022–23 biennial alcoholic beverage tax revenue totaled \$3.4 billion. CPA estimates revenue for the 2024–25 biennium to increase to \$3.8 billion, or 11.0 percent greater than the 2022–23 biennial level.

INSURANCE OCCUPATION TAXES

Insurance occupation taxes include insurance premium taxes and insurance maintenance taxes. Insurance-related entities must remit a percentage of their gross premiums to pay insurance premium taxes. Insurers pay 1.75 percent of accident, health, and life insurance gross premiums; 1.6

percent of property and casualty insurance gross premiums; 1.35 percent of title insurance premiums; and 4.85 percent of independently procured insurance premiums.

Insurance maintenance taxes also are based on premiums. They are levied on insurance-related entities to cover the state's cost of regulating the industry. The Texas Department of Insurance primarily incurs these regulatory costs. Maintenance tax rates are reviewed annually and are based on the funding needs of the regulatory agencies.

In addition to these taxes, retaliatory taxes are imposed on insurers from outside Texas to assist Texas-based companies that are operating in other states. If a Texas-based company pays a higher proportion of taxes to another state than domestic companies pay to that state, the insurance companies from the other state that compete in Texas must pay a retaliatory tax.

CPA forecasts insurance taxes and fees to total \$8.4 billion for the 2024–25 biennium, an increase of 16.8 percent from the 2022–23 biennial level of \$7.2 billion.

UTILITY TAXES

Texas has three forms of utility gross receipts taxes: the gas, electric, and water tax; the public utility gross receipts assessment; and the gas utility pipeline tax. The largest revenue generator is the gas, electric, and water tax, which provides more than 80.0 percent of the state's total utility tax revenues.

Tax rates imposed on utility gross receipts range from 0.581 percent to 1.997 percent, depending on city population. The public utility gross receipts tax is levied at a rate of 0.001667 percent of gross receipts. The gas utility pipeline tax is a levy of 0.5 percent on gas utility gross receipts, less the cost of gas sold.

During the 2022–23 biennium, utility taxes generated \$1.2 billion in revenue. CPA estimates that utility taxes will generate \$1.3 billion for the 2024–25 biennium, a 6.3 percent increase.

HOTEL OCCUPANCY TAX

Texas imposes a hotel occupancy tax on an individual who pays for the use or possession of a room or space in a hotel. For purposes of the tax, the definition of a hotel includes the short-term rental of all or part of a residential property. The rate of tax is 6.0 percent of the price paid for a room in the hotel.

CPA estimates that the hotel occupancy tax will generate \$1.7 billion for the 2024–25 biennium, which would be 13.0 percent greater than the 2022–23 biennial collections of \$1.5 billion.

OTHER TAXES

Other taxes are levied on various items such as oil well service receipts, unemployment assessments and contributions, cement, and coin-operated amusement machines. CPA estimates that these taxes will generate \$681.3 million during the 2024–25 biennium, an increase of 10.0 percent from the 2022–23 biennial collections of \$619.5 million.

NONTAX REVENUES

In addition to tax revenues, the state receives revenue from various other sources.

FEDERAL RECEIPTS

Federal receipts constitute the state's largest source of nontax revenue. CPA estimates that collections for the 2024–25 biennium will total \$121.1 billion, 33.7 percent of all revenue for the biennium, which is a decrease of 14.4 percent from 2022–23 biennial receipts.

LICENSES, FEES, FINES, AND PENALTIES

Licenses, fees, fines, and penalties contribute the state's third largest source of nontax revenue. According to CPA, the state is projected to receive \$13.5 billion from this revenue category for the 2024–25 biennium. This amount represents an increase of 2.4 percent from 2022–23 biennial collections of \$13.2 billion. This revenue category is expected to contribute 7.1 percent of all state revenue during the 2024–25 biennium.

INTEREST AND INVESTMENT INCOME

Most interest on fund balances and investment revenue in General Revenue Funds is composed of income deposited to the Available School Fund (ASF) from Permanent School Fund (PSF) investments. Funds distributed from the PSF to the ASF during a 10-year period may not exceed the total return on all PSF investment assets during the same period. Transfers to the ASF totaled \$2.1 billion for fiscal year 2022 and \$2.2 billion for fiscal year 2023. CPA estimates that \$4.3 billion will be transferred to the ASF during the 2024–25 biennium.

All Funds total interest and investment revenue for the 2024–25 biennium is expected to be \$6.5 billion, a decrease of 2.3 percent from the 2022–23 biennial interest and investment revenue of \$6.6 billion.

LOTTERY REVENUE

Texas Lottery ticket sales totaled \$8.7 billion for fiscal year 2023, an increase of \$0.4 billion, or 5.2 percent, from fiscal year 2022 sales.

Of the fiscal year 2023 total sales, \$5.9 billion was paid out to players; \$464.8 million was paid to retailers in the form of commissions and incentive payments; \$2,079.1 million was transferred on a cash basis to the Foundation School Fund; \$29.0 million was transferred to the Texas Veterans Commission; and \$89.2 million of unclaimed prizes was transferred to the state. A portion of the remaining fiscal year 2023 sales was used to fund administrative expenses.

CPA estimates that lottery revenue of \$1.9 billion for each fiscal year of the 2024–25 biennium will be available for transfer to the Foundation School Fund.

LAND INCOME

Land income is derived from mineral royalties and leases, land sales, and the sale of timber and sand. CPA estimates that the state will collect \$6.4 billion in income from state lands for the 2024–25 biennium. This amount represents a decrease of 21.2 percent from 2022–23 biennial collections of \$8.1 billion.

SETTLEMENT OF CLAIMS

This category includes proceeds from settlements involving the state of Texas. In January 1998, Texas entered into a settlement agreement with the defendants in the state's action against tobacco manufacturers, which is the primary source of collections in this category. One result of the agreement was the establishment of a series of payments to the state and several political subdivisions to be made by the defendants named in the agreement. The schedule of these payments is outlined in the settlement agreement. Future payments are subject to price, sales volume, and profitability adjustments at tobacco companies. These adjustment factors may cause actual Tobacco Settlement revenue collections to deviate from the original payment schedule.

During the 2022–23 biennium, the state received \$1.0 billion as a result of the federal Tobacco Settlement agreement. For the 2024–25 biennium, \$936.5 million in revenue is expected as the volume of domestic cigarette sales decreases. Overall, Settlement of Claims are projected to total \$1.1 billion for the 2024–25 biennium, a decrease of 16.4 percent from the 2022–23 biennial collections of \$1.3 billion.

STATE HEALTH SERVICE FEES AND REBATES

Most state health service fees and rebates are from federally mandated and state-supplemental Medicaid vendor drug programs. These revenues consist of rebates that the state collects from manufacturers of drugs that are covered by state Medicaid programs. CPA estimates that the state will collect \$21.0 billion in state health service fees and rebates for the 2024–25 biennium, 0.9 percent less than the 2022–23 biennial collections of \$21.2 billion.

OTHER SOURCES OF REVENUE

The remaining \$15.5 billion, or 4.3 percent, of state revenue is from various sources, including the following sources: escheated estates, sales of goods and services, child support collections, and several smaller sources. Collections of other revenue are projected to total 14.8 percent more than the 2022–23 biennial collections of \$13.5 billion.

STATE TAXES

Two measures are used commonly to compare state tax burdens among states: state tax revenue per \$1,000 of personal income, and per-capita state tax revenues. Texas ranks low relative to other states on both

measures. For fiscal year 2022, Texans paid \$43.77 in state taxes for each \$1,000 of personal income, or 65.4 percent of the \$66.97 national average, as shown in **Figure 31**. On this metric, Texas ranks as the fourth lowest state in the country.

FIGURE 31
STATE TAX REVENUE PER \$1,000 OF PERSONAL INCOME, FISCAL YEAR 2022

RANKING	STATE	TAX REVENUE PER \$1,000 OF PERSONAL INCOME	RANKING	STATE	TAX REVENUE PER \$1,000 OF PERSONAL INCOME
1	Hawaii	\$115.53	27	Michigan	\$64.75
2	Vermont	\$108.25	28	Wisconsin	\$64.50
3	Delaware	\$97.99	29	Pennsylvania	\$64.15
4	North Dakota	\$97.59	30	Alabama	\$63.19
5	California	\$93.40	31	North Carolina	\$61.85
6	Minnesota	\$88.71	32	Washington	\$61.50
7	Arkansas	\$79.67	33	Virginia	\$61.36
8	West Virginia	\$79.60	34	Nevada	\$61.19
9	New York	\$79.51	35	Nebraska	\$59.11
10	New Mexico	\$77.98	36	Oklahoma	\$58.27
11	Maine	\$76.70	37	Louisiana	\$57.90
12	Connecticut	\$74.74	38	Wyoming	\$57.32
13	Mississippi	\$74.69	39	South Carolina	\$56.67
14	New Jersey	\$73.81	40	Arizona	\$56.63
15	Massachusetts	\$73.67	41	Tennessee	\$55.11
16	Illinois	\$73.51	42	Ohio	\$55.05
17	Indiana	\$73.42	43	Georgia	\$54.95
18	Oregon	\$71.49	44	Colorado	\$49.10
19	Kansas	\$70.95	45	Alaska	\$48.22
20	Kentucky	\$70.63	46	Missouri	\$47.28
21	Idaho	\$70.24	47	Texas	\$43.77
22	Rhode Island	\$68.99	48	Florida	\$41.09
23	Utah	\$68.58	49	South Dakota	\$39.91
24	Maryland	\$67.82	50	New Hampshire	\$33.92
25	Montana	\$67.51			
26	Iowa	\$66.98		U.S. Average	\$66.97

SOURCES: U.S. Census Bureau; U.S. Department of Commerce, Bureau of Economic Analysis.

POPULATION

The annual growth rate of Texas' population has remained relatively constant since calendar year 2008. **Figure 32** shows that the state's population grew by 15.1 percent from calendar years 2012 to 2022. This growth rate was a compounded annual rate of 1.4 percent. Of the 15 most populous U.S.

states, Texas was the second fastest growing during this period. Moody's Analytics, a national econometric forecasting firm, estimates that Texas' population will increase approximately 1.1 percent per year from calendar years 2023 to 2033. During the same period, Moody's Analytics projects the total U.S. population will increase approximately 0.4 percent per year.

FIGURE 32
RESIDENT POPULATION RANKING, CALENDAR YEARS 2012 AND 2022

RANKING	STATE	POPULATION (IN MILLIONS)			
		2012 CENSUS	2022 CENSUS	CHANGE	PERCENTAGE CHANGE
1	California	37.9	39.0	1.08	2.8%
2	Texas	26.1	30.0	3.95	15.1%
3	Florida	19.3	22.2	2.95	15.3%
4	New York	19.6	19.7	0.10	0.5%
5	Pennsylvania	12.8	13.0	0.20	1.6%
6	Illinois	12.9	12.6	(0.30)	(2.3%)
7	Ohio	11.6	11.8	.021	1.8%
8	Georgia	9.9	10.9	1.01	10.2%
9	North Carolina	9.7	10.7	0.95	9.7%
10	Michigan	9.9	10.0	0.14	1.4%
11	New Jersey	8.8	9.3	0.42	4.7%
12	Virginia	8.2	8.7	0.50	6.1%
13	Washington	6.9	7.8	0.89	12.9%
14	Arizona	6.6	7.4	0.80	12.3%
15	Tennessee	6.5	7.1	0.60	9.3%
	U.S. Total	313.8	333.3	19.46	6.2%

SOURCE: U.S. Census Bureau.

PERSONAL INCOME

Personal income is a widely used measure of economic well-being. It consists of wages and salaries, other labor income, proprietors' income, dividends, interest, rent, and transfer payments (e.g., Social Security and unemployment insurance benefits). Per capita personal income (total personal income divided by resident population) is used commonly to compare the relative economic well-being of residents in the states. It is affected by growth or decrease in the wage-earning population (ages 18 to 64) relative to overall population. Texas' per capita personal income was \$62,586 for calendar year 2022, and the state ranked twenty-third among the states, shown in **Figure 33**.

Texas' cost of living also is relatively low, at 92.9 percent of the national average during the second quarter of 2023, shown in **Figure 34**. Texas ranked thirty-third among the states and ranked tenth among the 15 most-populous states on this measure (with first considered the most expensive state and fiftieth considered the least expensive state).

The ratio of Texas per capita income to U.S. per capita income is an important driver of the Texas state budget. Specifically, this ratio is the determining factor of Texas' federal medical assistance percentage (FMAP) and, thus, the state's share of the cost of the Medicaid program. Typically, when this ratio increases, Texas' FMAP and the federal share of the cost decreases and the state share increases, and vice versa. During the past 20 years, per capita personal income in Texas has fluctuated; it typically has remained less than the U.S. total, as shown in **Figure 35**. The ratio decreased during calendar years 2015 and 2016, primarily because of decreased earnings in the oil and gas industry, and then remained relatively stable during calendar years 2017, 2018, and 2019, before decreasing in 2020. For calendar year 2022, per capita personal income in Texas was approximately 95.6 percent of the U.S. total.

FIGURE 33
15 MOST POPULOUS STATES PER CAPITA
PERSONAL INCOME, CALENDAR YEAR 2022

RANKING	STATE	PER CAPITA PERSONAL INCOME
3	New Jersey	\$77,199
4	California	\$77,036
6	New York	\$75,407
7	Washington	\$75,332
12	Virginia	\$68,985
16	Illinois	\$67,655
17	Florida	\$64,806
18	Pennsylvania	\$64,506
23	Texas	\$62,586
33	Arizona	\$58,442
35	Tennessee	\$58,292
36	North Carolina	\$58,109
38	Ohio	\$57,777
39	Michigan	\$57,038
41	Georgia	\$56,589
	U.S. Total	\$65,470

SOURCE: U.S. Department of Commerce, Bureau of Economic Analysis.

FIGURE 34
15 MOST POPULOUS STATES COST OF LIVING
AS PERCENTAGE OF NATIONAL AVERAGE
CALENDAR YEAR 2023, SECOND QUARTER

RANKING	STATE	PERCENTAGE COST OF LIVING
3	California	139.7%
4	New York	126.6%
9	Washington	115.5%
14	New Jersey	111.7%
15	Arizona	107.1%
20	Virginia	102.6%
21	Florida	101.9%
24	Pennsylvania	97.0%
27	North Carolina	95.8%
33	Texas	92.9%
35	Illinois	92.1%
36	Michigan	92.1%
39	Ohio	91.4%
41	Tennessee	90.4%
45	Georgia	89.3%
	U.S. Average	100.0%

SOURCE: Missouri Economic Research and Information Center.

FIGURE 35
PER CAPITA PERSONAL INCOME IN TEXAS AND THE U.S., CALENDAR YEARS 2003 TO 2022

YEAR	INCOME		TEXAS AS PERCENTAGE OF U.S.
	TEXAS	U.S.	
2003	\$30,176	\$32,659	92.4%
2004	\$31,097	\$34,183	91.0%
2005	\$33,136	\$35,669	92.9%
2006	\$35,422	\$37,843	93.6%
2007	\$36,879	\$39,588	93.2%
2008	\$39,841	\$40,854	97.5%
2009	\$37,234	\$39,307	94.7%
2010	\$38,910	\$40,557	95.9%
2011	\$41,937	\$42,649	98.3%
2012	\$43,863	\$44,237	99.2%
2013	\$44,396	\$44,401	100.0%
2014	\$46,739	\$46,287	101.0%
2015	\$46,760	\$48,060	97.3%
2016	\$45,862	\$48,971	93.7%
2017	\$48,518	\$51,004	95.1%
2018	\$51,341	\$53,309	96.3%
2019	\$53,247	\$55,547	95.9%
2020	\$55,118	\$59,153	93.2%
2021	\$60,548	\$64,430	94.0%
2022	\$62,586	\$65,470	95.6%

SOURCE: U.S. Department of Commerce, Bureau of Economic Analysis.

MAJOR STATE FUNDS

Although more than 500 funds are held in the state Treasury, the General Revenue Fund and a few closely related special funds and accounts play key roles in state finance. Funds and accounts in the state Treasury are not directly equivalent to methods of finance in the GAA.

GENERAL REVENUE FUND

The General Revenue Fund consists of nondedicated General Revenue Funds and General Revenue–Dedicated Funds accounts. The nondedicated portion of the General Revenue Fund serves as the state’s primary operating fund. Most state tax revenue, many state fees, and various other sources of revenue are deposited as nondedicated General Revenue Funds.

Among the taxes deposited initially to the nondedicated General Revenue Fund are the state sales tax, the franchise tax, motor vehicle sales taxes, alcohol and tobacco taxes, the oil production tax, the natural gas tax, and motor fuel taxes. Expenditures may be made directly from nondedicated General Revenue Funds or, in some cases, revenue may be transferred from nondedicated General Revenue Funds to special funds or accounts.

Before fiscal year 1991, most of the accounts that now constitute dedicated General Revenue Funds existed as separate special funds outside the General Revenue Fund. A fund consolidation process initiated in 1991 brought almost 200 special funds into the General Revenue Fund as General Revenue–Dedicated accounts.

An important distinction among special funds and General Revenue–Dedicated accounts is that cash balances in the General Revenue–Dedicated accounts are counted as part of the General Revenue Fund balance in determining the amount of cash available for certification of appropriations from the General Revenue Fund; account balances for special funds do not affect the amount of cash available for this certification.

AVAILABLE SCHOOL FUND

The ASF receives a total distribution from the PSF and one-quarter of net motor fuel taxes. The distribution amount is based upon a total return methodology, which is a percentage of the average market value of the PSF. The distribution rate cannot exceed 6.0 percent of the average market value. The rate is established by the State Board of Education (SBOE), or by the Legislature during a biennium in which the SBOE

does not establish a rate. Additionally, the General Land Office is authorized to make direct deposits into the ASF up to \$600.0 million per year. Of this total, any amount in excess of \$300.0 million in any year is considered part of the Tax Reduction and Excellence in Education Fund described subsequently. In addition, one-quarter of the net revenue from state motor fuel taxes is deposited into the fund.

A portion of ASF revenue is transferred to the State Technology and Instructional Materials Fund. It is used to provide free textbooks and technology to students attending Texas public schools. Remaining revenue in the ASF is allocated to school districts per pupil.

CPA estimates revenue deposited to the ASF will total \$3.1 billion for fiscal year 2024 and \$3.1 billion for fiscal year 2025.

FOUNDATION SCHOOL FUND

One-quarter of occupation taxes—such as the oil production tax, the natural gas production tax, and the gas, water, and electric utility tax—are constitutionally dedicated to public education. The revenue from these taxes initially is deposited to the General Revenue Fund and then transferred to the Foundation School Fund. Legislation passed by the Seventy-fifth Legislature, 1997, statutorily dedicated net lottery proceeds to public education. Those proceeds are deposited to the Foundation School Fund. The Foundation School Fund also receives the revenue from attendance credits purchased by local school districts within the public school finance system. Revenue from the Foundation School Fund is distributed to school districts using Foundation School Program (FSP) formulas and via multiple methods of finance in the GAA. CPA estimates total revenue from occupation taxes, lottery proceeds, and attendance credits to total \$9.8 billion for fiscal year 2024 and \$10.2 billion for fiscal year 2025.

STATE HIGHWAY FUND

The State Highway Fund (SHF) may be used for highway construction and maintenance, acquisition of rights-of-way, and the policing of public roads. The major revenue sources deposited directly to the fund include motor vehicle registration fees, federal highway funds, and the sales tax on motor lubricants. Motor fuel tax revenue is deposited to the General Revenue Fund, and a significant portion of that amount is allocated to the SHF. Voter approval in November 2014 of Proposition 1 directed additional General Revenue Fund allocations to the SHF based on the performance of

oil and gas production taxes. Voter approval in November 2015 of Proposition 7 directed that a portion of sales tax and motor vehicle sales tax are deposited to the SHF beginning in fiscal years 2018 (sales tax) and 2020 (motor vehicle sales tax). CPA estimates revenue deposited to the SHF to total \$17.9 billion for fiscal year 2024 and \$16.7 billion for fiscal year 2025.

TEXAS MOBILITY FUND

The Texas Mobility Fund (TMF) is a constitutional fund approved by voters in November 2001. TMF is a revolving fund in the state Treasury that is administered by the Texas Transportation Commission and the Texas Department of Transportation for the design, construction, reconstruction, acquisition, and expansion of state highways. It also can be used in the construction of publicly owned toll roads and other public transportation projects

Subject to CPA's approval and the implementation of a strategic plan that outlines the use of TMF revenues, the Texas Transportation Commission is authorized to sell debt obligations of the state to construct highways, toll roads, or other transportation projects. The Eighty-fourth Legislature, 2015, prohibited the issuance of new TMF obligations, with certain exceptions, after January 1, 2015. Bond obligations are guaranteed with a pledge of the state's full faith and credit if the TMF balance proves insufficient to pay outstanding obligations. In that circumstance, the Legislature must appropriate funds from the Treasury to pay any outstanding obligations.

The Legislature may dedicate any taxes or other revenues to the TMF that otherwise are not dedicated by the constitution; namely, motor fuel taxes, lubricant sales taxes, title fees, and motor vehicle registration fees. Deposits include portions of fees for the registration, titling, and inspection of motor vehicles; driver record information; driver licenses; and for state traffic fines and penalties.

PROPERTY TAX RELIEF FUND

A portion of all revenue collected through the motor vehicle sales and use tax, cigarette and tobacco products tax, and the franchise tax is deposited to the Property Tax Relief Fund (PTRF). The 2024–25 GAA, Article IX, Section 18.79, directs CPA to transfer \$6.1 billion each fiscal year of the biennium from the General Revenue Fund to the PTRF to help fund property tax relief. CPA estimates revenue collections to the fund to total \$2.5 billion for each fiscal year. The PTRF is one of several funds that finances the FSP.

Any deposits made to the PTRF will decrease the cost to General Revenue Funds for the FSP by an equal amount.

TAX REDUCTION AND EXCELLENCE IN EDUCATION FUND

House Bill 3, Eighty-sixth Legislature, 2019, established the Tax Reduction and Excellence in Education (TREE) Fund. CPA is required monthly to deposit an amount of General Revenue Funds into the TREE Fund equal to the sales and use tax revenue collected from marketplace providers during the previous month, less the amount of revenue the CPA estimates would have been collected from marketplace providers prior to the enactment of House Bill 1525, Eighty-sixth Legislature, 2019. CPA estimates amounts deposited to the fund to be \$1.7 million for fiscal year 2024, and \$1.8 billion for fiscal year 2025. Similarly to the PTRF, the TREE Fund serves as a method of finance for the FSP.

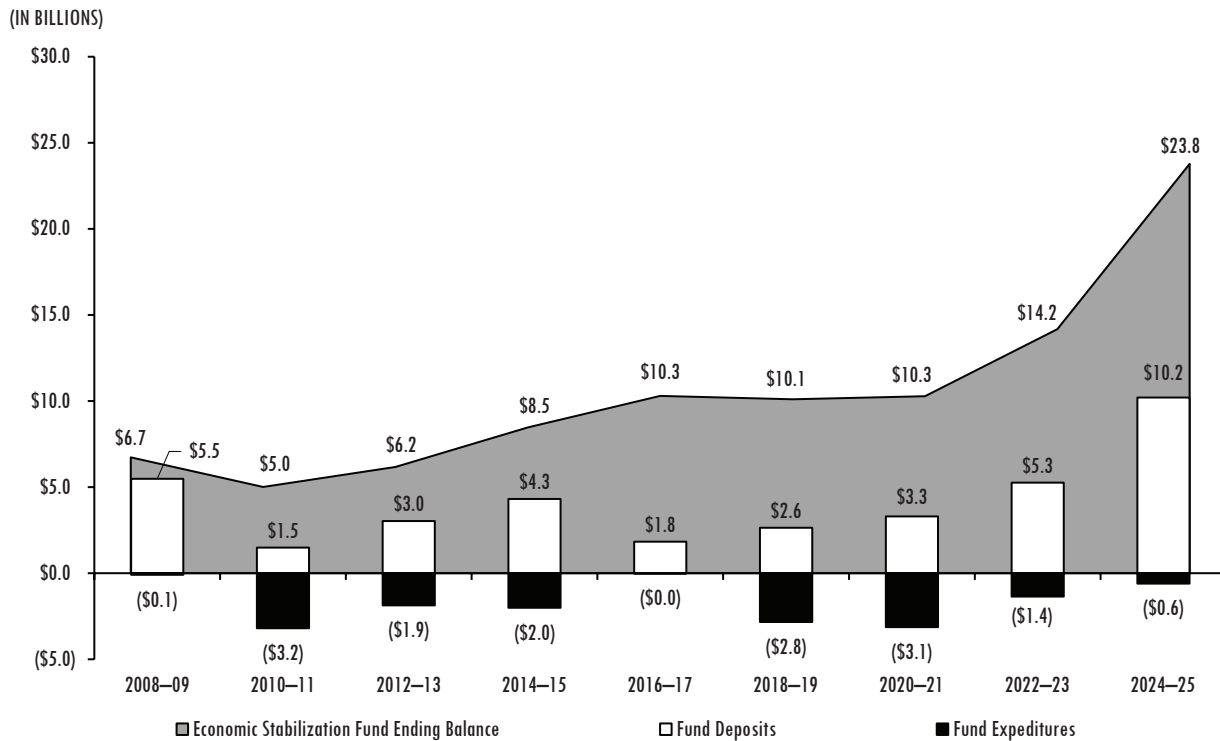
ECONOMIC STABILIZATION FUND

The Economic Stabilization Fund (ESF) is a constitutional fund approved by voters in November 1988. Whenever collections are sufficient and the balance of the fund is greater than a threshold amount set by the Legislature, the fund receives an amount of General Revenue Funds. Beginning in fiscal year 2022, this threshold amount has been determined by statute instead of by the Legislature. The amount of General Revenue Funds that is deposited to the ESF is equal to 37.5 percent of the amount of tax collections from oil production in excess of fiscal year 1987 levels and 37.5 percent of the amount of tax collections from natural gas in excess of 1987 levels. If the fund balance is less than the threshold balance, the fund can receive up to 75.0 percent of these excess tax collections. The fund also receives one-half of any unencumbered General Revenue Funds balance at the end of each biennium, as well as interest and investment income. The Legislature also may appropriate revenue to the ESF.

Appropriations may be made from the ESF with a three-fifths vote of the members present in each chamber of the Legislature in certain circumstances, which include when a budget deficit develops during a biennium or when CPA estimates that revenue will decrease from one biennium to the next. Appropriations may be made from the ESF for any purpose at any time with a two-thirds vote of the members present in each chamber of the Legislature.

The ESF ended fiscal year 2023 with a balance of \$14.2 billion. The Eighty-eighth Legislature made no appropriations from the ESF for the 2024–25 biennium. However,

FIGURE 36
ECONOMIC STABILIZATION FUND BIENNIAL DEPOSITS, EXPENDITURES, AND FUND BALANCE
2008–09 TO 2024–25 BIENNIA



NOTE: Fiscal years 2024 to 2025 are projections based on the Comptroller of Public Accounts' October 5, 2023 *Certification Revenue Estimate*.
 SOURCES: Legislative Budget Board; Comptroller of Public Accounts.

expenditures of appropriations made by prior Legislatures are estimated to total \$0.6 billion during the 2024–25 biennium. After transfers to the fund based on oil and natural gas production tax revenue, transfers based on 2022–23 unencumbered General Revenue Fund ending balances, interest income, and investment earnings, CPA estimates the ESF to end the 2024–25 biennium with a balance of \$23.8 billion. **Figure 36** shows the revenue, expenditure, and balance history of the ESF since fiscal year 2008, and projections for the 2024–25 biennium.

FEDERAL FUNDS APPROPRIATIONS

Appropriated Federal Funds for the 2024–25 biennium total \$102,288.5 million, an 18.9 percent decrease from the 2022–23 biennial total of \$126,109.5 million, shown in **Figure 37**. This decrease can be attributed in part to a decrease in appropriated funds from the federal American Rescue Plan Act of 2021. The Public Safety and Criminal Justice function received \$5,449.9 million for the 2024–25 biennium from the Coronavirus State Fiscal Recovery Fund, boosting its share of federal funds significantly.

The largest changes in federal funding in percentage terms from the 2022–23 to 2024–25 biennia include an increase of \$4,374.4 million in the Public Safety and Criminal Justice function, a decrease of \$10.6 million in the Judiciary function, a decrease of \$4,579.8 million in the Higher Education function, a decrease of \$4,535.4 million in the Natural Resources function, and a decrease of \$1,223.3 million in the General Government function. Federal Funds contribute 31.8 percent of the 2024–25 biennial All Funds budget, as shown in **Figure 38**, which is less than the percentage share (40.9 percent) during the 2022–23 biennium.

Not all federal funding sources directed to Texas are included in these totals. For example, Earned Federal Funds are reimbursements to the state for expenditures already paid with state funds; these funds are included in General Revenue Funds. Most Federal Funds received by higher education institutions and a portion of Medicaid Disproportionate Share Hospital payments also are not included in the Federal Funds totals. Supplemental Nutrition Assistance Program benefits are not appropriated, nor are in-kind federal contributions such as the vaccines the federal government distributes to Texas. Expenditures for federal government salaries and wages, procurement, and direct payments to entities and individuals are not received by the state and, therefore, also are not included in the Federal Funds total.

Most of the Federal Funds that Texas receives, 89.7 percent, are for services provided through the Health and Human Services, Business and Economic Development, and Education functions within the 2024–25 General Appropriations Act (GAA).

Figure 39 shows each function's Federal Funds as a percentage of the function's All Funds budget.

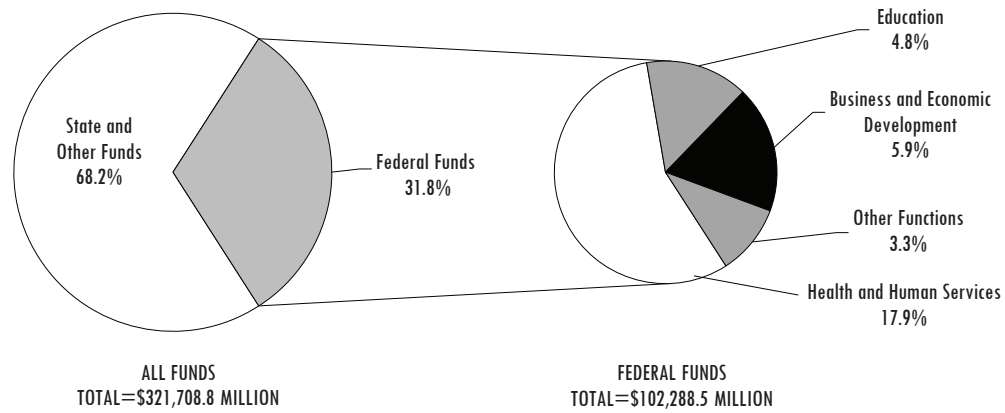
FIGURE 37
FEDERAL FUNDS BY FUNCTION, 2022–23 TO 2024–25 BIENNIA

(IN MILLIONS)	ESTIMATED/BUDGETED 2022–23	APPROPRIATED 2024–25	BIENNIAL CHANGE	PERCENTAGE CHANGE
ALL FUNCTIONS				
Article I – General Government	\$2,527.3	\$1,304.0	(\$1,223.3)	(48.4%)
Article II – Health and Human Services	\$71,056.3	\$57,664.4	(\$13,391.9)	(18.8%)
Article III – Agencies of Education	\$20,808.8	\$15,285.2	(\$5,523.6)	(26.5%)
<i>Public Education</i>	\$13,461.1	\$12,517.4	(\$943.7)	(7.0%)
<i>Higher Education</i>	\$7,347.6	\$2,767.8	(\$4,579.8)	(62.3%)
Article IV – Judiciary	\$14.9	\$4.2	(\$10.6)	(71.6%)
Article V – Public Safety and Criminal Justice	\$1,484.9	\$5,859.3	\$4,374.4	294.6%
Article VI – Natural Resources	\$7,788.1	\$3,252.7	(\$4,535.4)	(58.2%)
Article VII – Business and Economic Development	\$22,360.8	\$18,847.6	(\$3,513.2)	(15.7%)
Article VIII – Regulatory	\$68.6	\$71.1	\$2.5	3.7%
Article IX – General Provisions	\$0.0	\$0.0	\$0.0	N/A
Article X – Legislature	\$0.0	\$0.0	\$0.0	N/A
Total, All Functions	\$126,109.5	\$102,288.5	(\$23,821.0)	(18.9%)

NOTES:

- (1) Estimated/Budgeted amounts for the 2022–23 biennium include supplemental spending adjustments pursuant to Senate Bill 30, Eighty-eighth Legislature, Regular Session, 2023.
 - (2) Appropriated amounts for the 2024–25 biennium include adjustments pursuant to House Bill 1, Eighty-eighth Legislature, Regular Session, 2023.
 - (3) Biennial change and percentage change are calculated on actual amounts before rounding. Therefore, totals may not sum due to rounding.
- SOURCE: Legislative Budget Board.

FIGURE 38
FEDERAL FUNDS AS PERCENTAGE OF ALL FUNDS, 2024–25 BIENNIUM



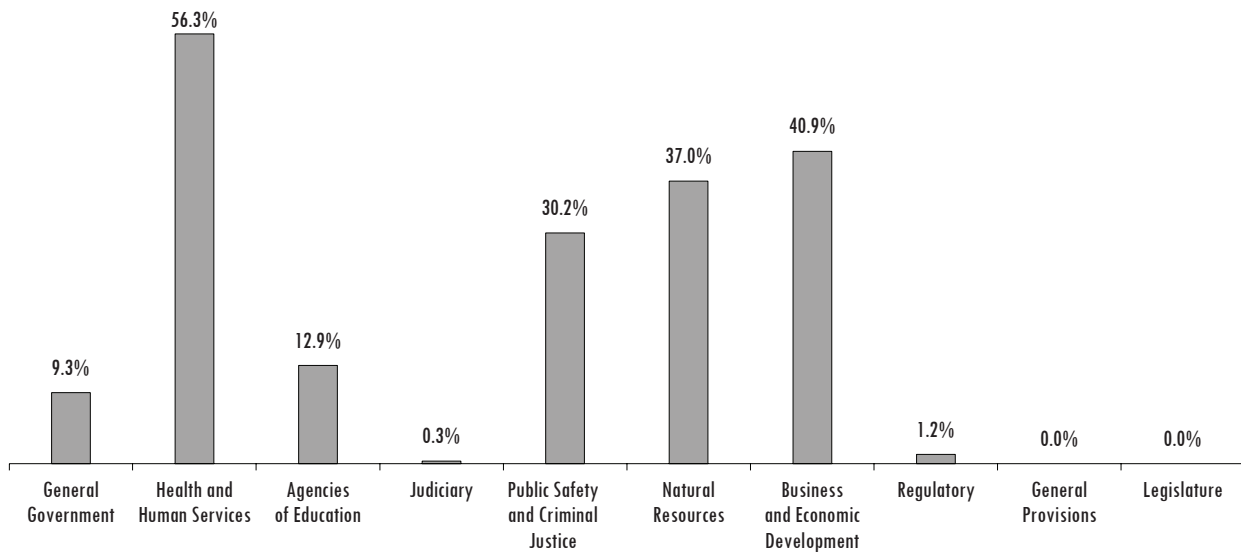
NOTES:

(1) Other Functions include the following functions: Public Safety and Criminal Justice, 1.8%; Natural Resources, 1.0%; General Government, 0.4%; Regulatory, 0.02%; and Judiciary, less than 0.01%.

(2) Totals may not sum due to rounding.

SOURCE: Legislative Budget Board.

FIGURE 39
PERCENTAGE OF EACH FUNCTION'S ALL FUNDS BUDGET THAT IS FEDERAL FUNDS, 2024–25 BIENNIUM



SOURCE: Legislative Budget Board.

HEALTH AND HUMAN SERVICES

In the 2024–25 GAA, Health and Human Services agencies are estimated to receive \$57,664.4 million in Federal Funds, which is 56.4 percent of the state’s total Federal Funds. Federal Funds for these agencies are expected to decrease \$13,391.9 million from 2022–23 biennial levels. This decrease is attributable in part to the phasing out of a

temporary 6.2-percentage-point increase to the federal medical assistance percentage (FMAP) pursuant to the federal Families First Coronavirus Response Act, which results in a smaller portion of the Medicaid program being supported by Federal Funds. In addition, the Texas base FMAP is expected to decrease slightly from 2024 to 2025 given the state’s positive economic performance, which

affects the FMAP value. See **Chapter 5, Health and Human Services**, for additional information related to Medicaid funding.

BUSINESS AND ECONOMIC DEVELOPMENT

It is estimated that Business and Economic Development agencies will receive \$18,847.6 million in Federal Funds during the 2024–25 biennium, a decrease of \$3,513.2 million from 2022–23 biennial levels. The decrease is attributable in part to a tapering off of COVID-19 pandemic-related funds for the Texas Department of Housing and Community Affairs.

EDUCATION

The Education agencies account for the third-largest portion of Federal Funds in the state budget. Education agencies are expected to receive \$15,285.2 million in Federal Funds during the 2024–25 biennium (14.9 percent of the state's total Federal Funds), a net decrease of \$5,523.6 million from 2022–23 biennial levels. Most of the decrease is attributable to the continued expenditure of the remaining COVID-19 pandemic-related grant funds that were awarded and expended predominantly during previous fiscal years.

OTHER FUNCTIONS

Federal Funds for the remaining functions—General Government, Judiciary, Public Safety and Criminal Justice, Natural Resources, and Regulatory—are estimated to total \$10,491.3 million (10.3 percent) of the state's federal receipts during the 2024–25 biennium.

LOCAL REVENUE

Property taxes and local sales and use taxes are levied by school districts, counties, cities, metropolitan transit authorities, and special districts. Although these revenues are not appropriated, these collections may affect state appropriations.

PROPERTY TAXES

Property taxes are levied by school districts, counties, cities, and special districts. The variety of special districts includes the following entities: junior colleges, hospitals, rural fire-fighting, municipal utilities, flood control, navigation, and economic development reinvestment zones.

TAXABLE VALUES

Gross taxable property values, adjusted for productivity valuation, totaled \$1,160.2 billion for calendar year 2002. Productivity valuation is a measure of land value based on

the land’s ability to produce income from agriculture or timber operations. By calendar year 2022, adjusted gross property values totaled \$4,478.8 billion, an increase of 286.1 percent from the 2002 level. For calendar year 2022, net taxable school district property values increased \$495.4 billion, or 15.6 percent from the calendar year 2021 amount, shown in **Figure 40**. Since 2002, net taxable school district property values decreased once, from calendar years 2009 to 2010, shown in **Figure 41**.

For calendar year 2002, school district exemptions accounted for \$145.0 billion of reduced taxable value. By calendar year 2022, this amount increased to \$813.7 billion, a \$668.7 billion increase from 2002 levels. For calendar year 2022, approximately 82.7 percent of the total exemption amount was attributable to the state-mandated residential homestead exemptions, the 10.0 percent residential homestead appraisal valuation cap, and the property tax freeze for qualified homeowners age 65 or older, shown in **Figure 42**.

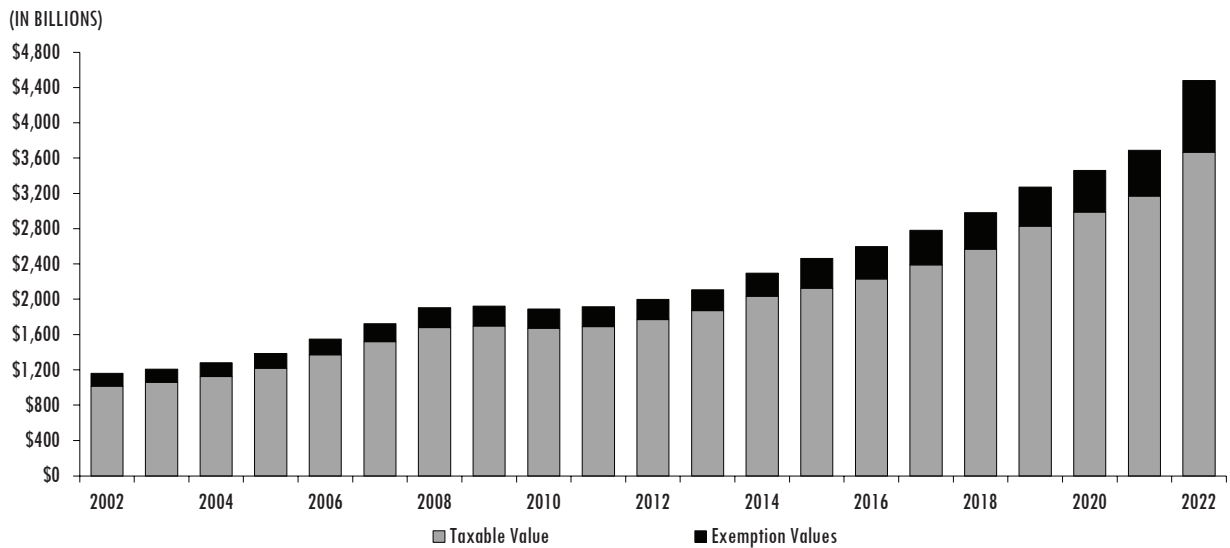
**FIGURE 40
SCHOOL DISTRICT NET TAXABLE PROPERTY VALUES, CALENDAR YEARS 2021 AND 2022**

(IN BILLIONS)

PROPERTY	2021	2022	PERCENTAGE CHANGE
A. Single-family Residences	\$1,915.7	\$2,397.9	25.2%
B. Multifamily Residences	\$261.6	\$316.5	21.0%
C1. Vacant Platted Lots and Tracts	\$62.2	\$74.1	19.1%
C2. Colonia Lots	\$0.1	\$0.1	2.4%
D1. Real Property: Qualified Acres	\$13.4	\$12.6	(5.4%)
D2. Real Property: Farm and Ranch	\$4.9	\$5.7	15.9%
E. Real Property: Nonqualified Acres	\$124.8	\$155.3	24.5%
F1. Commercial Real	\$564.5	\$623.1	10.4%
F2. Industrial Real	\$189.9	\$191.4	0.8%
G. Oil, Gas, Minerals	\$102.3	\$215.3	110.5%
J. Utilities	\$107.2	\$113.1	5.5%
L1. Commercial Personal	\$182.5	\$196.6	7.7%
L2. Industrial Personal	\$126.9	\$138.0	8.7%
M. Mobile Homes and Other Personal	\$9.8	\$12.0	22.0%
N. Intangible Personal	\$0.0	\$0.0	N/A
O. Residential Inventory	\$14.4	\$16.5	14.1%
S. Special Inventory	\$8.6	\$10.5	21.4%
Total Market Value	\$3,688.8	\$4,478.8	21.4%
Less Exemptions	(\$519.1)	(\$813.7)	56.8%
Net Taxable Value	\$3,169.7	\$3,665.1	15.6%

SOURCE: Comptroller of Public Accounts.

FIGURE 41
SCHOOL DISTRICT PROPERTY VALUES, CALENDAR YEARS 2002 TO 2022



SOURCE: Comptroller of Public Accounts.

FIGURE 42
SCHOOL PROPERTY TAX EXEMPTIONS, CALENDAR YEARS 2021 AND 2022

(IN MILLIONS)		PERCENTAGE		PERCENTAGE
EXEMPTION	2021	OF TOTAL	2022	OF TOTAL
State Homestead and Disabled Veterans	\$185,505.5	35.7%	\$271,119.3	33.3%
Homestead Appraisal Valuation Cap	\$59,853.8	11.5%	\$266,585.4	32.8%
Tax Freeze on Over-65 Homesteads	\$136,659.9	26.3%	\$135,103.9	16.6%
Subtotal, Homestead Exemption Value	\$382,019.2	73.6%	\$672,808.6	82.7%
Other	\$137,100.9	26.4%	\$140,919.3	17.3%
Total Exemptions	\$519,120.1	100.0%	\$813,727.9	100.0%

SOURCE: Comptroller of Public Accounts.

PROPERTY TAX LEVIES

For calendar year 2021, the most recent year for which complete property tax data is available, 4,445 local taxing units levied \$73.5 billion in property taxes, an increase of \$3.0 billion, or 4.3 percent, from the 2020 level. As shown in **Figure 43**, school districts levied the largest amount of property taxes for calendar year 2021 at \$38.9 billion, followed by cities at \$12.5 billion, counties at \$11.7 billion, and special districts at \$10.4 billion. The levy imposed by school districts for calendar year 2021 was 3.1 percent higher than for calendar year 2020.

From calendar years 2001 to 2021, statewide property tax levies increased by \$48.2 billion, or 190.5 percent. School district levies increased by the largest amount, \$23.8 billion,

accounting for 49.3 percent of the total increase. For 2001, school districts levied approximately \$15.2 billion in property taxes, 59.9 percent of property taxes levied in the state. By 2021, school districts levied \$38.9 billion in property taxes, for 52.9 percent of total property taxes. **Figure 44** shows the percentage change in total school property tax levies and total personal income from 2001 to 2021. During this period, school district levies increased at an average annual rate of 4.8 percent, which is 0.5 percentage points less than the 5.3 percent average annual increase in personal income in Texas.

LOCAL SALES TAX

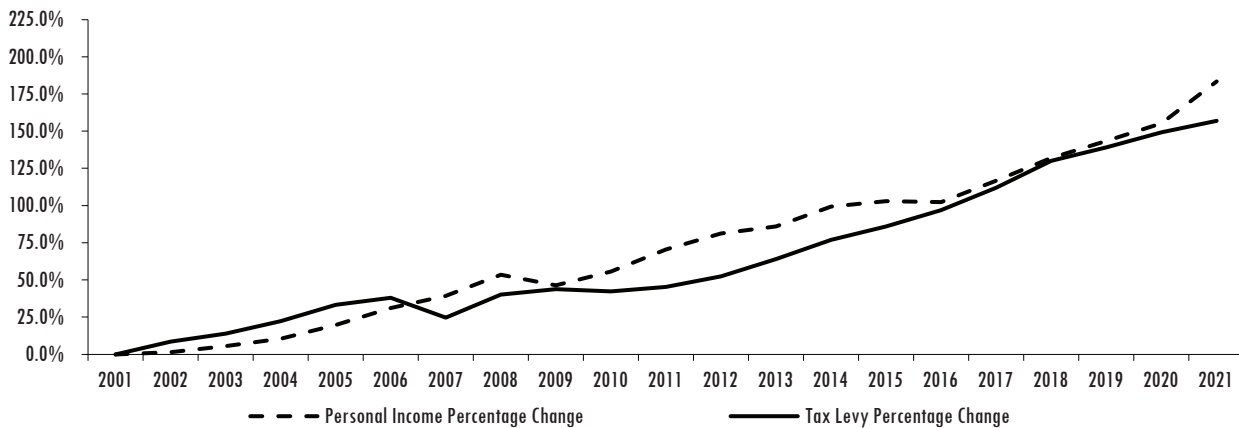
Local governmental entities, such as cities, counties, metropolitan transit authorities, and special districts, may

FIGURE 43
PROPERTY TAX LEVIES, CALENDAR YEARS 2001 TO 2021

(IN MILLIONS)	SCHOOL DISTRICT	CITY	COUNTY	SPECIAL DISTRICT	TOTAL PROPERTY TAXES	CHANGE FROM PRIOR YEAR
2001	\$15,155.2	\$3,884.8	\$3,566.9	\$2,703.5	\$25,310.4	12.4%
2002	\$16,418.8	\$4,186.8	\$3,849.7	\$2,864.5	\$27,319.8	7.9%
2003	\$17,264.2	\$4,415.2	\$4,121.8	\$3,092.3	\$28,893.4	5.8%
2004	\$18,534.0	\$4,607.8	\$4,462.8	\$3,369.1	\$30,973.6	7.2%
2005	\$20,194.9	\$4,901.8	\$4,772.7	\$3,609.6	\$33,479.0	8.1%
2006	\$20,918.1	\$5,323.0	\$5,339.6	\$3,972.2	\$35,552.9	6.2%
2007	\$18,874.2	\$5,890.3	\$5,837.0	\$4,513.1	\$35,114.6	(1.2%)
2008	\$21,233.5	\$6,451.0	\$6,342.7	\$4,952.7	\$38,980.0	11.0%
2009	\$21,780.1	\$6,593.8	\$6,526.7	\$5,133.8	\$40,034.4	2.7%
2010	\$21,558.3	\$6,755.4	\$6,567.1	\$5,392.5	\$40,273.3	0.6%
2011	\$22,001.6	\$6,810.0	\$6,742.9	\$4,926.1	\$40,480.6	0.5%
2012	\$23,072.8	\$7,055.0	\$7,064.7	\$5,543.4	\$42,735.9	5.6%
2013	\$24,854.7	\$7,324.4	\$7,537.7	\$5,529.4	\$45,246.3	5.9%
2014	\$26,792.7	\$7,828.6	\$8,115.0	\$6,370.5	\$49,106.7	8.5%
2015	\$28,176.5	\$8,380.4	\$8,689.5	\$6,954.1	\$52,200.6	6.3%
2016	\$29,854.8	\$9,165.2	\$9,027.4	\$8,031.4	\$56,078.9	7.4%
2017	\$32,132.6	\$9,730.4	\$9,531.7	\$8,010.2	\$59,405.0	5.9%
2018	\$34,876.9	\$10,387.8	\$10,036.6	\$8,469.3	\$63,770.6	7.3%
2019	\$36,246.5	\$11,152.2	\$11,000.6	\$8,887.2	\$67,286.5	5.5%
2020	\$37,759.7	\$11,963.5	\$11,290.5	\$9,486.2	\$70,499.8	4.8%
2021	\$38,946.1	\$12,495.9	\$11,694.1	\$10,401.0	\$73,537.2	4.3%

SOURCE: Comptroller of Public Accounts.

FIGURE 44
ANNUAL SCHOOL DISTRICT TAX LEVY AND ANNUAL PERSONAL INCOME PERCENTAGE CHANGES
CALENDAR YEARS 2001 TO 2021



SOURCES: Comptroller of Public Accounts; U.S. Department of Commerce, Bureau of Economic Analysis.

FIGURE 45
LOCAL SALES TAX REMITTANCES, CALENDAR YEARS 2020 TO 2022

(IN MILLIONS)	2020		2021			2022		
	REMITTED	PERCENTAGE OF TOTAL	REMITTED	PERCENTAGE OF TOTAL	PERCENTAGE INCREASE	REMITTED	PERCENTAGE OF TOTAL	PERCENTAGE INCREASE
Cities	\$6,225.2	64.6%	\$7,137.3	64.6%	14.7%	\$8,127.3	63.9%	13.9%
Transit authorities	\$2,067.0	21.4%	\$2,351.2	21.3%	13.8%	\$2,701.7	21.2%	14.9%
Counties	\$592.2	6.1%	\$647.0	5.9%	9.3%	\$755.1	5.9%	16.7%
Special districts	\$756.2	7.8%	\$905.7	8.2%	19.8%	\$1,132.8	8.9%	25.1%
Total	\$9,640.6		\$11,041.1		14.5%	\$12,717.0		15.2%

SOURCE: Comptroller of Public Accounts.

impose local sales and use taxes. State law caps the combined rate set by local jurisdictions at 2.0 percent. The taxes are administered and collected by CPA and then remitted back to the local jurisdiction. **Figure 45** shows the remittances for calendar years 2020 to 2022.

ECONOMIC INDICATORS

The Texas economy continued its strong post-pandemic recovery, with Real Gross State Product (GSP) growth measuring 4.8 percent in fiscal year 2023, the strongest pace of growth in 12 years. Employment levels in Texas also recorded strong growth during fiscal year 2023, increasing at a rate of 4.1 percent, which kept the statewide unemployment rate steady at 4.0 percent during the year. Projections from

the Comptroller of Public Accounts’ October 2023 *Certification Revenue Estimate* indicate slowing, but still positive economic growth during the upcoming biennium. Texas Real GSP is forecast to increase by 2.3 percent in fiscal year 2024 and 1.7 percent in fiscal year 2025.

Figure 46 shows the recent historical values of several Texas economic indicators and the Comptroller of Public Accounts’ most recent forecast of these values for the 2024–25 biennium.

FIGURE 46
TEXAS ECONOMIC-BASED INDICATORS, FISCAL YEARS 2016 TO 2025 (1)

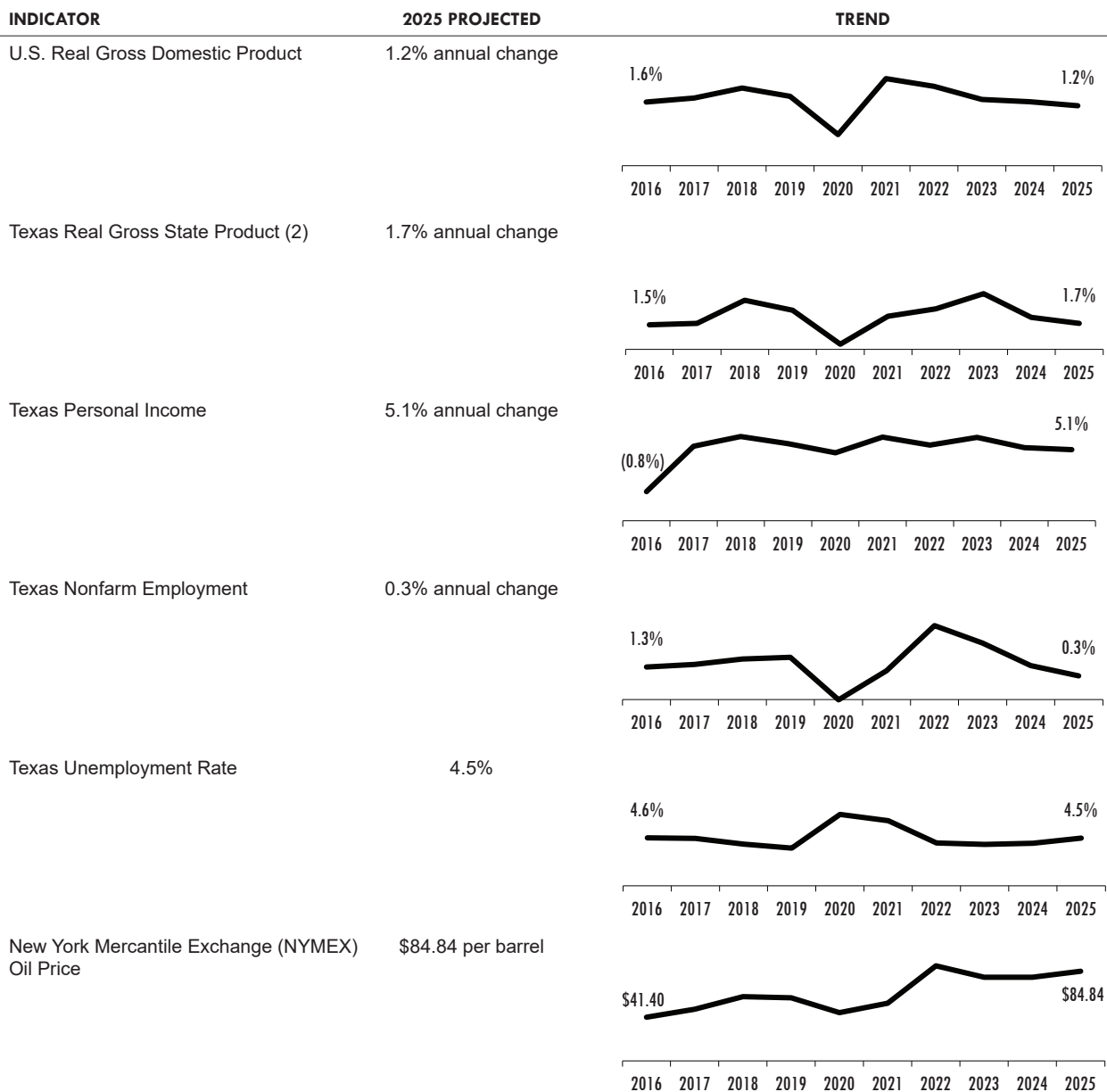
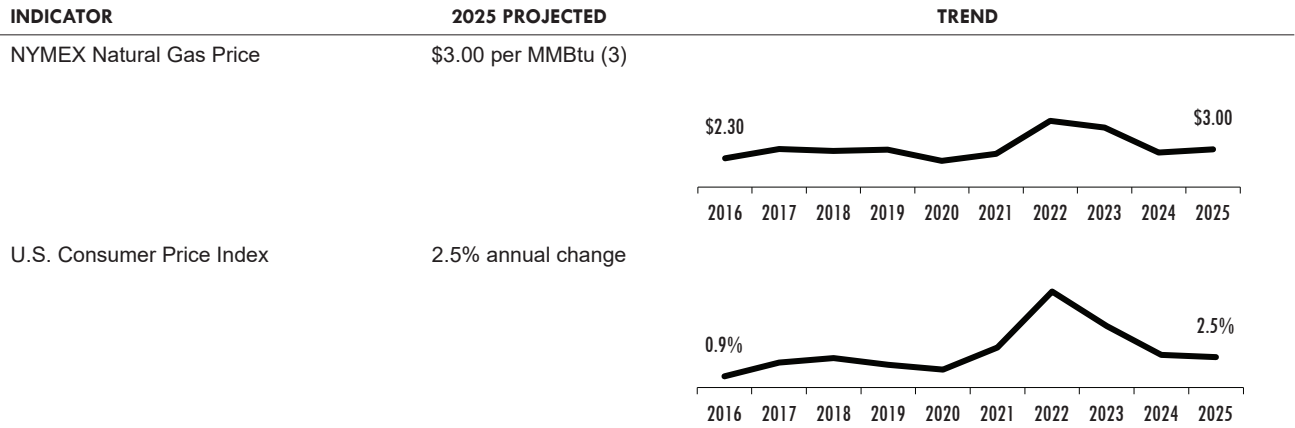


FIGURE 46 (CONTINUED)
TEXAS ECONOMIC-BASED INDICATORS, FISCAL YEARS 2016 TO 2025 (1)



NOTES:

- (1) Trends for fiscal years 2023 to 2025 are based on projections from the Comptroller of Public Accounts' *Certification Revenue Estimate*, October 2023.
- (2) Amounts for the Gross State Product are based on 2012 dollars.
- (3) MMBtu=million British thermal units.

SOURCES: Legislative Budget Board; Comptroller of Public Accounts.

3. SUMMARY OF SIGNIFICANT FISCAL LEGISLATION

This chapter provides brief summaries of those bills and joint resolutions passed by the Eighty-eighth Legislature, 2023, all sessions, that significantly will affect the fiscal condition or that represent a material change to the fiscal operation of the state, beginning with the fiscal year 2023 supplemental appropriations bill. The chapter is divided into three sections: (1) legislation with significant implications for the state budget or operations; (2) legislation that materially affects state fiscal policy; and (3) significant tax and revenue legislation. All other bills and joint resolutions are shown in alphanumeric order by session within each section.

BILLS WITH SIGNIFICANT BUDGETARY OR OPERATIONAL IMPLICATIONS

SENATE BILL 30

The Texas Constitution authorizes the Legislature to consider and adopt budget bills, referred to as General Appropriations Bills, during regular or special legislative sessions. To maintain the operation of state government, the Legislature passes the bills to provide funding to state agencies and institutions of higher education for the upcoming biennium. As discussed in **Chapter 1, State Budget Overview**, House Bill 1 provides funding for the 2024–25 biennium. However, the Legislature may consider additional bills that modify existing spending levels and authority for the current and upcoming fiscal periods. Such bills commonly are referred to as supplemental appropriations bills and include appropriations and provisions that can be effective for up to a two-year period. As deemed necessary by the Legislature or the Governor, one or more items in a supplemental bill may be designated as an emergency pursuant to the Texas Constitution, Article III, Section 5. **Figure 47** shows the 18 supplemental bills enacted since fiscal year 2005.

The Eighty-eighth Legislature, Regular Session, 2023, passed Senate Bill 30, which increased appropriations by a total of \$13,207.9 million in All Funds, representing an increase of \$8,632.7 million in General Revenue Funds and General Revenue–Dedicated Funds, as shown in **Figure 48**.

Some of the significant appropriations and decreases in Senate Bill 30 include the following amounts:

- a \$8.4 billion decrease from General Revenue Funds appropriations to the Texas Education Agency

FIGURE 47
SUPPLEMENTAL APPROPRIATIONS BILLS
2004–05 TO 2024–25 BIENNIA

LEGISLATIVE SESSION	BILL
Eighty-eighth, Fourth Called, 2023	Senate Bill 3
Eighty-eighth, Second Called, 2023	Senate Bill 2
Eighty-eighth, Regular, 2023	Senate Bill 30
Eighty-seventh, Third Called, 2021	Senate Bill 8
Eighty-seventh, Second Called, 2021	House Bill 9
Eighty-seventh, Second Called, 2021	House Bill 5
Eighty-seventh, Regular, 2021	House Bill 2
Eighty-sixth, Regular, 2019	Senate Bill 500
Eighty-fifth, Regular, 2017	House Bill 2
Eighty-fourth, Regular, 2015	House Bill 2
Eighty-third, Regular, 2013	House Bill 1025
Eighty-third, Regular, 2013	House Bill 10
Eighty-second, Regular, 2011	House Bill 4
Eighty-second, Regular, 2011	House Bill 275
Eighty-first, Regular, 2009	House Bill 4586
Eightieth, Regular, 2007	House Bill 15
Seventy-ninth, Third Called, 2006	House Bill 63
Seventy-ninth, Regular, 2005	House Bill 10

SOURCE: Legislative Budget Board.

(TEA) from the Foundation School Fund, resulting from updated projections since the funds were appropriated by the Eighty-seventh Legislature, multiple sessions, 2021; net savings result primarily from increased District Property Value growth, lower-than-anticipated average daily attendance, and increased non-General Revenue Funds revenues;

- \$3.0 billion in General Revenue Funds to the Comptroller of Public Accounts (CPA) to be deposited to the Texas University Fund (TUF), pursuant to House Bill 1595, Eighty-eighth Legislature, Regular Session, 2023, and voter approval of House Joint Resolution 3 at the November 2023 election, which redesignated the National Research University Fund as the TUF;
- \$2.5 billion in General Revenue Funds and \$4.7 billion in Federal Funds to the Health and Human

FIGURE 48
SENATE BILL 30, REGULAR SESSION, APPROPRIATIONS, FISCAL YEAR 2023

(IN MILLIONS)	GENERAL REVENUE FUNDS AND GENERAL REVENUE–DEDICATED FUNDS	ALL FUNDS
General Government	\$8,571.4	\$8,371.7
Health and Human Services	\$4,845.1	\$9,545.2
Public Education	(\$7,242.4)	(\$7,242.4)
Higher Education	\$1,283.1	\$1,283.1
Judiciary	\$0.0	\$0.0
Public Safety and Criminal Justice	\$763.9	\$804.1
Natural Resources	\$208.7	\$209.9
Business and Economic Development	\$201.0	\$234.5
Regulatory	\$1.9	\$1.9
Total	\$8,632.7	\$13,207.9

NOTES:

(1) General Government includes appropriations to the following established funds: Texas Water Fund (\$1,000.0 million); Flood Infrastructure Fund (\$624.9 million); Clean Water State Revolving Fund (\$51.1 million); Drinking Water State Revolving Fund (\$73.9 million); Texas University Fund (\$3,000.0 million); Texas Historical Commission Fund (\$300.0 million); and State Preservation Board Fund (\$200.0 million).

(2) Totals may not sum due to rounding.

SOURCE: Legislative Budget Board.

Services Commission to cover additional costs related to Medicaid;

- \$2.2 billion in General Revenue Funds to the Health and Human Services Commission for construction of state hospitals and additional inpatient capacity;
- \$1.4 billion in All Funds for semiconductor innovation projects, including a \$698.3 million transfer from General Revenue Funds to the Texas Semiconductor Innovation Fund and appropriations out of the fund to the Trusteed Programs within the Office of the Governor pursuant to House Bill 5174, Eighty-eighth Legislature, Regular Session, 2023, which established the fund and the terms of its administration;
- \$440.0 million in General Revenue Funds to the University of Texas at Austin; and \$226.4 million in General Revenue Funds to the Texas A&M University System;
- \$1.1 billion in General Revenue Funds to TEA to assist school districts in implementing school safety initiatives;
- \$1.0 billion in General Revenue Funds to CPA to be deposited to the Texas Water Fund to assist in financing water projects in the state, pursuant to Senate Bill 28, Eighty-eighth Legislature, Regular Session, 2023, and

voter approval of Senate Joint Resolution 75 at the November 2023 election, which established the fund and the terms of its administration;

- \$900.0 million in General Revenue Funds to the Employees Retirement System of Texas for a onetime legacy payment to the system’s unfunded actuarial liabilities to decrease long-term interest costs;
- \$624.9 million in General Revenue Funds to CPA for deposit to the Flood Infrastructure Fund for use by the Texas Water Development Board and \$125.0 million in General Revenue Funds to CPA for deposit to the Clean Water and Drinking Water Revolving Fund to provide state matching funds for programs established by the federal Infrastructure Investment and Jobs Act;
- a \$400.0 million transfer of General Revenue Funds to General Revenue–Dedicated Account No. 5166, Deferred Maintenance, for use by the Texas Facilities Commission to fund future maintenance of state buildings (note: the transfer is not included in appropriation totals);
- \$379.0 million in General Revenue Funds to the Texas Department of Criminal Justice, including \$237.2 million for correctional security operations, staffing adjustments, and other expenses and \$141.8 million to fill a shortfall in correctional managed healthcare;

- \$313.9 million in All Funds to various agencies for vehicle replacement, including \$227.4 million in General Revenue Funds, \$42.5 million in General Revenue–Dedicated Funds, \$31.8 million in Other Funds, and \$12.2 million in Federal Funds;
- \$155.0 million in General Revenue Funds to the Trusteed Programs within the Office of the Governor for the Moving Image Industry Incentive Program and \$150.0 million in General Revenue Funds to the Texas Enterprise Fund;
- \$300.0 million in General Revenue Funds to CPA to be deposited in the Historic Infrastructure Sustainability Trust Fund outside the state Treasury for use by the Texas Historical Commission (THC), pursuant to Senate Bill 1332, Eighty-eighth Legislature, Regular Session, 2023, which established the fund;
- \$243.8 million in General Revenue Funds to CPA to fully fund remaining Texas Guaranteed Tuition Plan obligations;
- \$217.1 million in General Revenue Funds to THC for maintenance, restoration, and promotion of various historical sites, including the following sites: San Jacinto Battleground (\$102.7 million), courthouses (\$45.0 million), Battleship TEXAS (\$40.0 million), National Museum of the Pacific War (\$7.5 million), Levi Jordan Plantation (\$5.0 million), Monument Hill Visitor Center (\$4.3 million), Magoffin Home (\$4.1 million), Eisenhower Birthplace Visitor Center (\$3.4 million), deferred maintenance projects at various sites (\$2.9 million), Varner-Hogg Plantation (\$0.8 million), Heritage Tourism Publications (\$0.5 million), Fort Velasco Historic Site (\$0.5 million), and deferred maintenance at THC-managed properties in the Capitol Complex in Austin (\$0.3 million);
- \$210.3 million in General Revenue Funds to the Texas Facilities Commission for construction of a new facility for the Texas State Library and Archives Commission for records storage;
- \$200.0 million in General Revenue Funds to CPA to be deposited in the Texas State Buildings Preservation Endowment Fund outside the state Treasury for use by the State Preservation Board, pursuant to Senate Bill 1333, Eighty-eighth Legislature, Regular Session, 2023, which established the fund;
- \$200.0 million in General Revenue Funds to the General Revenue–Dedicated Account No. 5199, Port Access, for appropriation to the Texas Department of Transportation for maritime port capital improvement projects;
- \$165.6 million in General Revenue Funds to the Employees Retirement System of Texas to cover remaining fiscal year 2023 legacy payments pursuant to Senate Bill 321, Eighty-seventh Legislature, Regular Session, 2021;
- \$146.1 million in General Revenue Funds to the Texas A&M Forest Service for the mobilization and use of firefighting aircraft;
- \$141.5 million in General Revenue–Dedicated Funds to the Texas Higher Education Coordinating Board to close out the B-On-Time loan program;
- \$125.0 million in General Revenue Funds to the Texas Parks and Wildlife Department for acquisition of park property;
- \$115.0 million in General Revenue Funds to Trusteed Programs within the Office of the Governor to provide funding for grants for victims of crime and an additional \$5.0 million in General Revenue Funds to the Office of the Attorney General for deposit to the General Revenue–Dedicated Account No. 469, Compensation to Victims of Crime; and
- \$99.2 million in All Funds to CPA to fund two months of a 5.0 percent salary increase (or \$250 per month if greater) to classified state employees, including \$63.9 million in General Revenue Funds, \$5.7 million in General Revenue–Dedicated Funds, \$18.2 million in Federal Funds, and \$11.4 million in Other Funds.

HOUSE BILL 3

House Bill 3 sets out provisions relating to the development, implementation, and funding of public school safety and security requirements. The legislation requires regional education service centers (ESC) to provide assistance to school districts and open-enrollment charter schools for safety and security and to school safety review teams established under the legislation. ESCs, directly or in collaboration with the Texas School Safety Center (TxSSC) and local law enforcement agencies, may assist schools with certain safety plans and requirements.

The legislation requires the Texas Education Agency (TEA) to provide an allotment to each school district equal to the amount spent by district employees on travel and training for certain school-safety-related mental health training and requires school district boards to determine the appropriate number of armed security officers for each campus, ensuring the placement of at least one armed security officer at each school campus, with certain exceptions.

House Bill 3 requires TEA to establish an office of school safety and security within the agency to coordinate the agency's monitoring of school district safety and security requirements, including multihazard emergency operations plans and safety and security audits. TEA may require school districts to submit necessary information for the agency to monitor the implementation and operation of school district safety and security requirements to ensure compliance. The legislation requires TEA or TxSSC to establish and publish a directory of approved vendors of school safety technology and equipment from which a school district may select when using school safety allotment funding.

The legislation requires TxSSC, at least once every five years, to review the facilities standards for instructional facilities and make recommendations to the Commissioner of Education regarding any changes necessary to align the standards with best practices for improving student safety. The legislation requires the Commissioner to ensure the standards are updated as necessary to maintain compliance with any changes to state law and local building codes and requires TxSSC, in collaboration with the Department of Public Safety (DPS), to provide resources to assist schools with safe firearm storage. Districts must provide DPS and other law enforcement agencies and emergency first responders with an accurate map of district campuses and school buildings and an opportunity to conduct a walk-through of each district campus and school building using the map.

The legislation requires semiannual meetings of school and law enforcement officials in certain counties coordinated by the county sheriff. The sheriffs must submit related reports to TxSSC, which is required to maintain the reports and make them publicly available on its website.

The legislation amends the school safety allotment under the Foundation School Program such that a school district is entitled to \$15,000 per campus and \$10 per student in average daily attendance, plus \$1 per student in average daily attendance for every \$50 increase in the basic allotment.

HOUSE BILL 8

House Bill 8 makes various changes relating to the administration, coordination, and support of public higher education, primarily to the financing of community colleges.

The legislation establishes two community college funding formulas to replace the current formulas: a Base Tier formula that provides funding to institutions unable to cover operational costs through tuition and property taxes; and a Performance Tier formula that provides funding based on student outcomes. The Eighty-eighth Legislature, Regular Session, 2023, appropriated community colleges a total of \$114.5 million in General Revenue Funds for the Base Tier formula and \$2,158.7 million in General Revenue Funds for the Performance Tier formula, which constitutes an increase of \$428.2 million from 2022–23 formula funding appropriations.

House Bill 8 establishes the Financial Aid for Swift Transfer Program to enable economically disadvantaged students to enroll at no cost in dual-credit programs at certain institutions, including community colleges. The Eighty-eighth Legislature, Regular Session, 2023, appropriated an estimated \$78.6 million for the program from the Foundation School Program to the Texas Education Agency (TEA), to be transferred to the Texas Higher Education Coordinating Board (THECB), with actual funding dependent on the number of students enrolled in the program. Additionally, \$2.7 million in General Revenue Funds was appropriated to TEA for costs associated with the administration of the program.

The Eighty-eighth Legislature, Regular Session, 2023, also provided THECB with \$139.0 million in General Revenue Funds for Texas Educational Opportunity Grants, including \$125.0 million for community colleges and \$14.0 million for state and technical colleges, and \$33.0 million in General Revenue Funds to improve institutional innovations and collaboration, including grants to institutions to add capacity to meet regional workforce needs.

House Bill 8 also expands the types of institutions of higher education eligible to participate in the Texas First Early High School Completion Program and the Texas First Scholarship Program, establishes the Opportunity High School Diploma pilot program to enable adult students enrolled in workforce education programs at community colleges to earn a high school diploma concurrently, requires an early college high school program to enable a student to receive both a high school diploma and an associate degree, and authorizes

community colleges to use Pell Grants to cover the difference in the amount of a Texas Educational Opportunity Grant and the actual amount of tuition and fees.

See the **Chapter 6** section on the **Public Community/Junior Colleges** for additional details regarding House Bill 8.

HOUSE BILL 9 AND HOUSE JOINT RESOLUTION 125

House Joint Resolution 125 establishes the Broadband Infrastructure Fund (BIF) as a special fund in the state Treasury outside the General Revenue Fund (Other Fund) to be administered by the Comptroller of Public Accounts (CPA) and used, without further appropriation, to expand access to and adoption of broadband and telecommunication services in the state.

House Bill 9, the enabling legislation for House Joint Resolution 125, includes the authorized uses for funding in the BIF, including providing funding for 911 services and Next Generation 911 services; supporting the Texas Broadband Pole Replacement Program; matching federal funding for the Broadband Equity, Access, and Deployment Program; and expanding access to broadband services in economically distressed communities. Additionally, the legislation requires the Texas Treasury Safekeeping Trust Company (TTSTC) to hold and invest the BIF for the CPA while maintaining sufficient liquidity to meet the needs of the fund and recovering management costs and to report annually to the CPA with respect to the investments of the BIF. The legislation also requires the CPA annually to provide TTSTC with a forecast of cash flows to and from the BIF.

The Eighty-eighth Legislature, Regular Session, 2023, appropriated \$1.5 billion in General Revenue Funds to the Fiscal Programs within the Office of the CPA to implement House Bill 9 and House Joint Resolution 125. Of that amount, the CPA is to transfer \$155.2 million to the Next Generation 9-1-1 Service Fund and \$75.0 million to the Broadband Pole Replacement Fund no later than September 15, 2024.

HOUSE BILL 12

House Bill 12 extends Medicaid postpartum health coverage from two months to 12 months, beginning on the last day of a woman's pregnancy. The legislation requires the Health and Human Services Commission to submit a state plan and waiver amendment to the federal Centers for Medicare and Medicaid Services before implementation of the legislation.

Additional funding for implementation was not provided, and the extended coverage will increase entitlement expenditures for Medicaid client services, but that increase is estimated to be partially offset by savings associated with averted births and reduced client services costs in other programs, including Healthy Texas Women, a women's health and family planning program, and Healthy Texas Women Plus, an enhanced postpartum program.

HOUSE BILL 19

House Bill 19 establishes a specialized statewide business trial court as a statutory court pursuant to the Texas Constitution Article V, Section 1. The legislation requires the Governor to appoint to the court 16 judges, with the advice and consent of the Senate. It also sets a business court judge's annual salary as the sum of the salary paid to a district judge by the state pursuant to the Texas Government Code, Section 659.012, and the maximum amount of county contributions and supplements authorized by law to be paid to a district judge pursuant to that section. The legislation requires the appointment of judges to the First, Third, Fourth, Eighth, and Eleventh business court divisions as soon as practicable after the effective date of the legislation and the appointment of judges to the Second, Fifth, Sixth, Seventh, Ninth, and Tenth business court divisions on or before September 1, 2026, but not before July 1, 2026.

The legislation establishes the court's jurisdiction, subject to certain limits, giving it concurrent civil jurisdiction with district courts in certain matters, and requires some cases to involve amounts in controversy exceeding \$5.0 million or \$10.0 million, as outlined in the legislation. House Bill 19 also requires fees charged by the business court to be set in amounts sufficient to cover the costs of the court.

The Eighty-eighth Legislature, Regular Session, 2023, appropriated \$9.8 million in General Revenue Funds to the Office of Court Administration to implement the legislation.

HOUSE BILL 90

House Bill 90 requires the Attorney General to award a lump-sum payment to certain surviving claimants on behalf of a member of the Texas military forces who died while on active duty if the death was connected with operations initiated to address criminal activity in the border region and adds survivors of a member of the Texas military forces on state active duty who died in the line of duty to the current list of those eligible to receive certain survivor benefits pursuant to the Texas Government Code, Chapter 615. The

legislation also establishes that the travel of a member of the Texas military forces to or from the member's duty location while on state active duty and engaged in authorized duty under written orders or while on state training and other duty is considered to be in the course and scope of the member's employment for purposes of the Texas Workers' Compensation Act.

The Eighty-eighth Legislature, Regular Session, 2023, appropriated the Office of the Attorney General \$2.0 million from General Revenue–Dedicated Account No. 469, Compensation to Victims of Crime, for the lump-sum payment and \$4.8 million in General Revenue Funds for public safety retirement and group benefits.

HOUSE BILL 718

House Bill 718 amends the requirements for issuing temporary license plates for motor vehicles. Effective July 1, 2025, the legislation requires the issuance of metal license plates instead of the current paper temporary buyer's, dealer's, and converter's temporary tags and paper one-trip and 30-day permits. House Bill 718 requires motor vehicle dealers to issue vehicle buyers metal license plates obtained from the Texas Department of Motor Vehicles (TxDMV). The legislation authorizes TxDMV to establish the maximum number of license plates that a dealer may obtain in a calendar year and requires the department to ensure that a dealer may obtain a sufficient amount of license plates in advance to continue selling vehicles without an unreasonable disruption of business due to the unavailability of plates. TxDMV is required to monitor the number of license plates obtained by a dealer and maintain a database of dealer-issued license plates.

The Eighty-eighth Legislature, Regular Session, 2023, appropriated \$35.0 million in Other Funds and 44.0 full-time-equivalent positions to TxDMV to implement House Bill 718.

HOUSE BILL 900

House Bill 900 amends the standards for materials in the collections of Texas public school libraries. The legislation requires the Texas State Library and Archives Commission to adopt standards for school library collection development with approval from the State Board of Education. House Bill 900 also prohibits a school library material vendor from selling library materials to a school district or open-enrollment charter school unless the vendor has issued ratings regarding sexually explicit and sexually relevant

material sold to a district or school. The legislation prohibits a vendor from selling library material rated as sexually explicit, requires a vendor to recall previously sold material rated as sexually explicit, and requires parental consent for the use of material rated as sexually relevant.

Additionally, House Bill 900 authorizes the Texas Education Agency (TEA) to review library material not rated or incorrectly rated as sexually relevant or sexually explicit and requires vendors to take certain actions regarding material that has received no rating or is determined by TEA to be sexually explicit or relevant. The legislation also requires TEA to publish on the agency's website a list of vendors that fail to comply and prohibits school districts and open-enrollment charter schools from purchasing materials from vendors on the list.

HOUSE BILL 1605

House Bill 1605 establishes and revises provisions related to public school instructional materials and technology. The legislation amends procedures and criteria for the review and adoption of instructional materials, granting authority to the State Board of Education (SBOE) to determine the review and revision cycle of instructional materials. The legislation establishes a process by which parents may request a review of instructional materials, requires the Commissioner of Education to ensure open education resource (OER) instructional materials are available for use by school districts, and establishes an OER advisory board and an OER repository that provides review and comments. House Bill 1605 also provides additional state aid to school districts and open-enrollment charter schools through the Foundation School Program for printing and shipping OER materials and purchasing SBOE-approved instructional materials and requires the Legislative Budget Board to include in the budget of estimated appropriations the amount set aside from the Available School Fund for the instructional materials and technology fund and the amount remaining in the state instructional materials and technology fund.

HOUSE BILL 2209

House Bill 2209 requires the Commissioner of Education to establish and administer the Rural Pathway Excellence Partnership program to enable small school districts to partner with a nearby school district and a coordinating entity to provide college and career pathways. The legislation requires the commissioner to provide grants to school districts for implementation and establishes a related allotment and outcomes bonus through the Foundation School Program capped at \$5.0 million per year.

HOUSE BILL 3447

House Bill 3447 establishes the Texas Aerospace Research and Space Economy Consortium and the Texas Space Commission, both administratively attached to the Office of the Governor (OOG), and the Space Exploration and Aeronautics Research Fund as a trust fund outside the state Treasury to be administered by the commission. Using money available in the fund, the commission may provide grants to certain eligible entities to develop emerging technologies required for any aspect of human space flight; for research involving any aspect of space exploration and space flight; for workforce training to promote space exploration and space flight; to curate post-mission materials involved in space exploration and space flight; and to develop infrastructure useful or necessary for the establishment or maintenance of a spaceport.

The consortium, which consists of each institution of higher education and any other entity that the consortium's executive committee considers necessary, is established to provide funding and research recommendations to the commission and to identify research opportunities for entities within the state that strengthen the state's proven leadership in civil, commercial, and military aerospace activity; to enhance the state's position in aeronautics research and development, astronautics, space commercialization, and space flight infrastructure; and to enhance the integration of the space, aeronautics, astronautics, and aviation industries into the state's economy. House Bill 3447 specifies that the OOG is not responsible for providing contract monitoring, purchasing, or any other administrative support services to consortium staff.

The Eighty-eighth Legislature, Regular Session, 2023, appropriated \$350.0 million in General Revenue Funds to implement the legislation.

HOUSE BILL 4990

House Bill 4990 establishes the Texas Pharmaceutical Initiative to provide cost-effective access to prescription drugs and other medical supplies for employees, dependents, and retirees of public higher education systems, members of the Employees Retirement System of Texas and the Teacher Retirement System of Texas, persons confined by the Texas Department of Criminal Justice or the Texas Juvenile Justice Department, and certain individuals served by programs operated or administered by the health and human services system. The initiative is governed by a gubernatorially appointed board that is administratively attached to the

Health and Human Services Commission (HHSC). The legislation also establishes the Texas Pharmaceutical Initiative Advisory Council to advise the board.

The Eighty-eighth Legislature, Regular Session, 2023, appropriated HHSC \$150.0 million in General Revenue Funds to implement the legislation.

SENATE BILL 10 AND HOUSE JOINT RESOLUTION 2

Senate Bill 10 establishes cost-of-living adjustments for certain retired teachers, as authorized by voter approval of the constitutional amendment proposed by House Joint Resolution 2 at the November 2023 election.

The legislation increases the monthly annuity for certain categories of Teacher Retirement System of Texas (TRS) members who retired on or before August 31, 2020. Members who retired after August 31, 2013, but on or before August 31, 2020, will receive a 2.0 percent increase to their monthly annuity. Members who retired after August 31, 2001, but on or before August 31, 2013, will receive a 4.0 percent increase to their monthly annuity. Members who retired on or before August 31, 2001, will receive a 6.0 percent increase to their monthly annuity.

The legislation also provides a onetime payment in September 2023 for retired members age 70 or older. Retired members age 75 or older receive a onetime payment of \$7,500. Retired members from ages 70 to 74 receive a onetime payment of \$2,400.

The Eighty-eighth Legislature, Regular Session, 2023, appropriated General Revenue Funds to TRS in the amounts of \$3.4 billion for implementation of the cost-of-living adjustments and \$1.6 billion for implementation of the onetime supplemental payment.

SENATE BILL 24

Senate Bill 24 transfers certain family services from the Department of Family and Protective Services (DFPS) to the Health and Human Services Commission (HHSC). The legislation renames Prevention and Early Intervention (PEI) Services as Family Support Services and requires the transfer of legacy PEI services, administrative support services, contracts, records, and other resources necessary to comply with the legislation from DFPS to HHSC in fiscal year 2025. This includes the transfer of associated grant programs, funds, and accounts from DFPS to HHSC to support Family Support Services, including the Nurse-Family Partnership Competitive Grant Program and the Child Abuse Neglect

Prevention Trust Fund and Operating Account. It is assumed that DFPS will transfer \$152.7 million in All Funds (\$103.1 million in General Revenue Funds and General Revenue–Dedicated Funds) and 76.7 full-time-equivalent (FTE) positions to HHSC in fiscal year 2025 related to the transfer of certain family services, including \$32.5 million in All Funds (\$32.5 million in General Revenue Funds) in funding newly appropriated by the Eighty-eighth Legislature for legacy PEI services and administration. Each agency also received onetime funding to implement the provisions of the legislation, with DFPS receiving \$4.5 million in General Revenue Funds and HHSC receiving \$18.3 million in All Funds (\$15.0 million in General Revenue Funds) and 39.8 FTE positions in each fiscal year for this purpose.

The legislation also requires HHSC to establish the Thriving Texas Families Program as a continuation of the Alternatives to Abortion program to facilitate the operation of a statewide support network that provides community outreach, consultation, and care coordination for women with an unexpected pregnancy. The legislation defines services provided through the program to include counseling and mentoring, care coordination, educational materials, housing, and other services. HHSC is required to monitor program performance outcomes, conduct impact evaluations through a third party, perform audits on performance outcome reports, and produce an annual report on the program. HHSC was appropriated \$140.0 million in General Revenue Funds for the legacy Alternatives to Abortion program that can be used to establish and fund the Thriving Texas Families Program, and \$1.4 million in General Revenue Funds and 4.0 FTE positions in each fiscal year to support onetime costs related to implementing the legislation.

See the **Chapter 5** sections on the **Department of Family and Protective Services** and **Health and Human Services Commission** for additional details regarding Senate Bill 24.

SENATE BILL 26

Senate Bill 26 establishes a matching grant program at the Health and Human Services Commission (HHSC) to provide support for community-based initiatives that promote identification and improve access to early intervention and treatment of mental health issues for children and families. Entities eligible to receive grant funding include hospitals, mental health hospitals, local mental health authorities, and childcare facilities. HHSC receives \$30.0 million in General Revenue Funds for the

innovation grant program. The Texas Health and Human Services Office of Inspector General (OIG) is required to conduct performance audits of each local behavioral health authority. OIG will receive \$1.9 million in All Funds (\$1.2 million in General Revenue Funds) and 9.0 FTE positions in each fiscal year to implement these auditing provisions. HHSC also will receive an additional \$12.7 million in All Funds (\$12.3 million in General Revenue Funds) and 2.0 FTE positions in each fiscal year to implement other administrative changes required by the legislation.

SENATE BILL 222

Senate Bill 222 provides state employees 40.0 days of paid leave during leave taken pursuant to the federal Family Medical and Leave Act (FMLA) for the birth of a child and 20.0 days of paid leave during FMLA leave taken for the birth of a child by the employee's spouse or a gestational surrogate or for the adoption of a child. Employees are not required to use all available paid vacation and sick leave before taking the paid leave provided. The legislation applies to state employees who are members of the Employees Retirement System of Texas or are employed by a board, commission, department, or other executive branch agency established by the Texas Constitution or statute, except for institutions of higher education.

SENATE BILL 1045

Senate Bill 1045 establishes the Fifteenth Court of Appeals District on September 1, 2024, to be composed of all counties, and places the court in Austin. The court will have exclusive intermediate appellate jurisdiction over the following matters arising out of, or related to, a civil case: matters brought by or against the state or an executive branch agency or by or against an officer or employee of the state or an executive branch agency arising out of the officer's or employee's official conduct, with certain exceptions; matters in which a party to the proceeding files a pleading challenging the constitutionality or validity of a state statute or rule and the attorney general is a party to the case; and other matters provided by law. The legislation authorizes the court to transact its business in any county in Texas as the court determines necessary and convenient and establishes that the district consists of a chief justice and two justices from fiscal years 2025 to 2027, with two additional justices beginning in fiscal year 2028. Senate Bill 1045 sets the salary for a justice of the Fifteenth Court of Appeals District, other than the chief justice, at an annual base salary from the state in an amount equal to \$5,000 less than 120.0 percent of the state

base salary of a district judge as set by the General Appropriations Act. The legislation establishes that Fifteenth Court of Appeals justices are not eligible for county supplements provided to justices of the other courts of appeals districts.

Senate Bill 1045 limits the writs a justice of the Fifteenth Court of Appeals may issue and requires the Supreme Court of Texas to adopt rules for transferring certain cases to and from the Fifteenth Court of Appeals. The legislation also prohibits the Supreme Court from transferring any case or proceeding properly filed in the Fifteenth Court of Appeals for the purpose of equalizing dockets. In addition, the legislation requires the Office of Court Administration to report to the Legislature the number and type of cases processed by the court.

The Eighty-eighth Legislature, Regular Session, 2023, appropriated \$4.7 million in General Revenue Funds and 17.0 full-time-equivalent positions to implement Senate Bill 1045.

SENATE BILL 1648 AND SENATE JOINT RESOLUTION 74

Senate Bill 1648 and Senate Joint Resolution 74 establish the Centennial Parks Conservation Fund (CPCF) as a trust fund held outside the state Treasury by the Texas Treasury Safekeeping Trust Company (TTSTC) and administered by the Texas Parks and Wildlife Department (TPWD) for the establishment and improvement of state parks. Senate Bill 1648 authorizes TPWD to request from TTSTC a distribution from the CPCF to acquire real property for the establishment and improvement of publicly accessible state parks in Texas and requires TPWD to submit a request outlining the proposed acquisition of real property to the Legislative Budget Board for review and approval prior to executing the acquisition. Money from the CPCF may not be used for salaries, employee benefits and associated costs related to these benefits; the administration, operation, or program costs of TPWD; or state park maintenance or operation costs.

The Eighty-eighth Legislature, Regular Session, 2023, appropriated \$1.0 billion in General Revenue Funds to TPWD to capitalize the CPCF.

SENATE BILL 2627 AND SENATE JOINT RESOLUTION 93

Senate Bill 2627, in conjunction with Senate Joint Resolution 93, establishes the Texas Energy Fund (TEF) as a fund in the state Treasury outside the General Revenue Fund (Other Fund) to be administered and used by the

Public Utility Commission of Texas (PUC), without further appropriation, to provide loans and grants to finance or incentivize the construction, maintenance, modernization, and operation of electric generating facilities, including associated infrastructure, necessary to ensure the reliability or adequacy of an electric power grid in the state.

The Eighty-eighth Legislature, Regular Session, 2023, provided for the transfer of \$5.0 billion from the General Revenue Fund to the TEF and the appropriation of that amount from the TEF to the PUC for implementation of Senate Bill 2627 during the 2024–25 biennium.

SENATE BILL 3, FOURTH CALLED SESSION

Senate Bill 3 appropriates \$1,540.0 million in General Revenue Funds to the Truusted Programs within the Office of the Governor for use during the two-year period beginning on March 5, 2024, for the purpose of providing funding for border security operations, including to provide grants to local governments and local law enforcement agencies to alleviate costs associated with an increased demand on local prosecutorial, judicial, and correctional resources, and the construction, operation, and maintenance of border barrier infrastructure. The legislation requires \$40.0 million of the appropriation to be transferred to the Department of Public Safety for border security operations, including paying for additional overtime expenses and costs due to an increased law enforcement presence in the Colony Ridge development in Liberty County. The legislation also sets out certain prohibitions on the use of the appropriation.

FISCAL MATTERS AND FUND ACCOUNTING

HOUSE BILL 1595 AND HOUSE JOINT RESOLUTION 3

House Bill 1595, in conjunction with House Joint Resolution 3, redesignates the National Research University Fund as the Texas University Fund (TUF) and amends the fund's administration and investment, eligibility criteria, and distribution methodology to eligible institutions. The legislation also appropriates annually to the Comptroller of Public Accounts (CPA) for deposit to the TUF the interest, dividends, and investment earnings attributable to the Economic Stabilization Fund for the preceding fiscal year, up to \$100.0 million in fiscal year 2024, or an amount adjusted for inflation of up to 2.0 percent thereafter.

House Bill 1595 renames the Core Research Support Fund as the National Research Support Fund and amends the fund's eligibility requirements and allocation methodology.

The legislation also amends the allocation methodology for the Texas Comprehensive Research Fund.

The Eighty-eighth Legislature, Regular Session, 2023, appropriated \$3.0 billion in General Revenue Funds to the CPA for transfer to the TUF and \$136.4 million in General Revenue Funds for distribution to eligible institutions in lieu of a distribution from the fund in fiscal year 2024.

HOUSE BILL 3461

Each session, starting with the Seventy-fourth Legislature, 1995, the Legislature has passed a funds consolidation bill.

Like previous funds consolidation bills, House Bill 3461 abolishes all funds, accounts, and revenue dedications established or reestablished by the Eighty-eighth Legislature, except those specifically exempted by the legislation's provisions. The legislation continues the provision making unappropriated revenue and balances in General Revenue–Dedicated accounts available for general governmental purposes and certification of General Revenue Fund appropriations by the Comptroller of Public Accounts. The legislation provides an exemption to the requirement that interest generated by General Revenue–Dedicated Funds be deposited in the General Revenue Fund. It also authorizes General Revenue–Dedicated Account No. 5010, Sexual Assault Program, and General Revenue–Dedicated Account No. 5166, Deferred Maintenance, to retain interest generated by each account. The legislation abolishes General Revenue–Dedicated Account No. 5000, Solid Waste Disposal, and transfers all balances and future revenue for that account to General Revenue–Dedicated Account No. 0549, Waste Management.

HOUSE BILL 5174

House Bill 5174 establishes the Texas Semiconductor Innovation Consortium (TSIC) to serve as an advisory panel to the Governor and the Legislature and establishes the Texas Semiconductor Innovation Fund as a dedicated account within the General Revenue Fund. TSIC is administratively attached to the Office of the Governor (OOG), and the legislation requires the OOG to provide the staff and facilities necessary for the consortium to perform its duties. TSIC is governed by an executive committee charged with developing and executing a comprehensive statewide strategic plan to further the consortium's objectives.

House Bill 5174 establishes that the purposes of the TSIC are to leverage the expertise and capacity of institutions of higher education, industry, and nonprofit stakeholders to

develop a comprehensive strategic plan designed to ensure ongoing semiconductor innovation; sustain the state's leadership in advanced semiconductor research, design, and manufacturing; attract public and private investment in the state related to semiconductors; identify and expand opportunities for workforce training and development related to semiconductors; and establish a forum for public and private stakeholders across the semiconductor manufacturing industry in Texas to focus on education, research and development, and commercial production. Use of money in the Texas Semiconductor Innovation Fund is limited to providing matching funds to state entities for semiconductor manufacturing and design projects, awarding grants to business entities with an established presence in the state to encourage economic development related to semiconductor manufacturing and design; and, with Legislative Budget Board approval, paying for certain consortium staff support services.

The Eighty-eighth Legislature, Regular Session, 2023, transferred \$698.3 million in General Revenue Funds to the Texas Semiconductor Innovation Fund.

SENATE BILL 28 AND SENATE JOINT RESOLUTION 75

Senate Bill 28 establishes the New Water Supply for Texas Fund (NWSTF) as a special fund in the state Treasury outside the General Revenue Fund (Other Funds) to finance projects that develop new sources of water supply and the Statewide Water Public Awareness Account as an account within the General Revenue Fund to be used to administer the associated program to educate residents of the state about water. It also establishes a new technical assistance program for retail public utilities to conduct water audits and apply for financial assistance related to mitigating water losses of utility systems; expands permissible uses of the Rural Water Assistance Fund to include rural technical assistance and outreach; and outlines the purpose and use of the new Texas Water Fund (TWF).

Senate Joint Resolution 75 establishes the TWF as a special fund in the state Treasury outside the General Revenue Fund administered by the Texas Water Development Board (TWDB). TWDB may disburse money from the TWF to various other funds administered by TWDB to finance a range of water infrastructure projects. It also provides appropriation authority to money transferred between the TWF and other TWDB accounts; requires the immediate transfer to the NWSTF of at least 25.0 percent of the initial appropriation to the TWF (at least \$250.0 million); requires

TWF administration costs to be paid from the fund; and authorizes unexpended and unobligated balances in the TWF to be carried forward between biennia.

The Eighty-eighth Legislature, Regular Session, 2023, appropriated \$1.0 billion in General Revenue Funds to the Comptroller of Public Accounts for immediate deposit to the TWF for TWDB's use in capitalizing the TWF.

SENATE BILL 1332

Senate Bill 1332 establishes the Historic Infrastructure Sustainability Trust Fund as a fund outside the state Treasury held by the Texas Treasury Safekeeping Trust Company (TTSTC) and administered by the Comptroller of Public Accounts to generate earnings on money in the fund for the purpose of maintaining, preserving, rehabilitating, and restoring historic sites throughout the state. The legislation requires the annual distribution of money from the fund to the Texas Historical Commission in an amount determined by TTSTC. Expenditures are limited to maintaining, preserving, rehabilitating, and restoring the state historic sites under the commission's control and for the historic courthouse preservation program. The legislation also increases the maximum historic courthouse project grant from \$6.0 million to \$10.0 million.

The Eighty-eighth Legislature, Regular Session, 2023, appropriated \$300.0 million in General Revenue Funds as an endowment to the fund.

SENATE BILL 1333

Senate Bill 1333 establishes the Texas State Buildings Preservation Endowment Fund as a fund outside the state Treasury to support the maintenance, preservation, rehabilitation, and restoration of the Texas Capitol, Governor's Mansion, Texas State Cemetery, Bob Bullock Texas State History Museum, and other facilities under the jurisdiction of the State Preservation Board (SPB). The legislation abolishes the Capital Renewal Trust Fund, the Governor's Mansion Renewal Trust Fund, and the State Cemetery Preservation Trust Fund and transfers the unencumbered balances of those trust funds to the new Texas State Buildings Preservation Endowment Fund. Senate Bill 1333 requires the annual distribution of money from the new fund in an amount determined by the Texas Treasury Safekeeping Trust Company. Expenditures are limited to maintaining, preserving, rehabilitating, and restoring the buildings and grounds under the SPB's jurisdiction. The legislation also authorizes SPB to use distributed funds to

acquire land near the State Cemetery for expansion. With certain exceptions, Senate Bill 1333 requires SPB to allocate an amount equal to at least one-third of each annual distribution from the fund to projects at the Bob Bullock Texas State History Museum.

The Eighty-eighth Legislature, Regular Session, 2023, appropriated \$200.0 million in General Revenue Funds as an endowment to the fund.

TAX AND REVENUE

HOUSE BILL 5

House Bill 5 establishes a new property tax abatement program called the Texas Jobs, Energy, Technology, and Innovation Act. The legislation authorizes businesses, school districts, and the Office of the Governor to enter into property tax limitation agreements for certain capital-intensive development projects. The agreements reduce the taxable value used to calculate school district maintenance and operation tax rates for certain approved projects for a 10-year period, beginning in the tax year following the completion of the project's construction. The legislation establishes the types of projects that qualify for the program, an application and approval process, minimum investment and job creation requirements, and oversight procedures. The legislation is expected to increase the state's Foundation School Program obligation, but its cost cannot be determined at this time.

HOUSE BILL 3345

House Bill 3345 increases from \$5 to \$10 the fee imposed on certain sexually oriented businesses for deposit to the credit of General Revenue–Dedicated Account No. 5010, Sexual Assault Program (Account No. 5010). The legislation also allocates 1.0 percent of both the mixed beverage gross receipts tax and mixed beverage sales tax to Account No. 5010. The mixed beverage taxes previously were allocated to the General Revenue Fund. The Comptroller of Public Accounts estimates that House Bill 3345 will result in a cost to the General Revenue Fund of \$32.7 million and a gain to Account No. 5010 of \$60.3 million for the 2024–25 biennium.

SENATE BILL 379

Senate Bill 379 adds three items to the current healthcare supplies exemption from the sales and use tax: wound-care dressings, adult or children's diapers, and baby wipes. In addition, the bill establishes four new exemptions from the

sales and use tax: feminine hygiene products, maternity clothing, breast milk-pumping products, and baby bottles. The Comptroller of Public Accounts estimates the bill will reduce All Funds state sales tax revenue by \$234.9 million during the 2024–25 biennium.

SENATE BILL 2289 AND SENATE JOINT RESOLUTION 87

Senate Bill 2289, in conjunction with Senate Joint Resolution 87, provides a property tax exemption on certain equipment or inventory held by a manufacturer of medical or biomedical products. It is estimated that exempting from property taxation the value of this property would increase the state’s Foundation School Program obligation by \$28.8 million in fiscal year 2025.

SENATE BILL 2 AND HOUSE JOINT RESOLUTION 2, SECOND CALLED SESSION

Senate Bill 2 increases the mandatory residence homestead exemption from \$40,000 to \$100,000. The legislation provides for 10.7 cents of additional school district property tax rate compression, beginning in the 2023–24 school year and continued in each subsequent school year. Senate Bill 2 establishes a temporary limitation on annual appraised value increases of 20.0 percent on certain real property other than a residence homestead. The value limitation applies to property with an appraised value of less than \$5.0 million in the year in which the property first qualifies for the limitation. A residence homestead maintains the 10.0 percent annual appraisal growth limitation under existing law. The provisions of the legislation are estimated to increase the state’s Foundation School Program obligation by \$12.7 billion in the 2024–25 biennium.

House Joint Resolution 2 exempts appropriations for the purpose of ad valorem tax relief from the limit on the growth of appropriations of state tax revenue pursuant to the Texas Constitution, Article VIII, Section 22.

SENATE BILL 3, SECOND CALLED SESSION

Senate Bill 3 increases the amount of revenue below which a taxable entity would owe no franchise tax to \$2.47 million beginning in fiscal year 2024. Known as the no tax due threshold, this amount last was changed by the Legislature to \$1.0 million beginning in fiscal year 2010. With a statutory inflation adjustment, that amount had risen gradually since then to \$1.23 million in fiscal year 2023. The legislation is estimated to decrease franchise tax revenue to the Property Tax Relief Fund by \$600.0

million for the 2024–25 biennium, which must be made up with an equal amount of General Revenue Funds to fund the Foundation School Program.

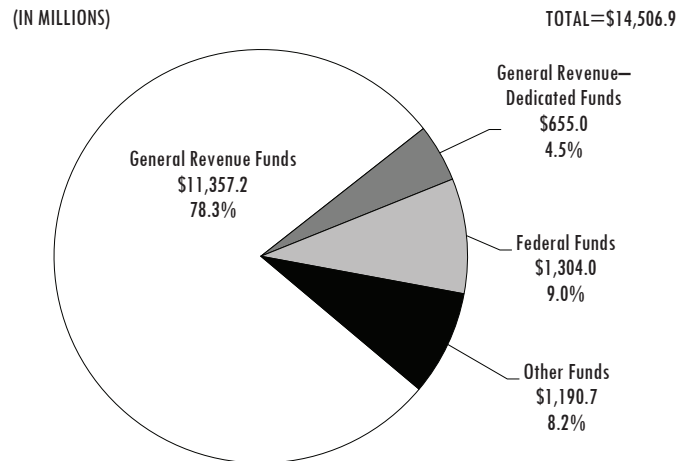
4. GENERAL GOVERNMENT

General Government agencies provide a variety of public and state administrative support services. Included in the functional area are executive-branch elective offices established by the Texas Constitution such as the Office of the Governor, the Comptroller of Public Accounts, and the Office of the Attorney General. In addition to the elective offices, other agencies are responsible for various functions, including the following: oversight and management of state debt; administration of state employee healthcare and retirement benefits; oversight of state and federal election laws; preservation of the state's cultural and historic resources; veterans' education and job training programs; management of information technology and telecommunications services; oversight of building construction and maintenance programs; and administration of cancer prevention and research programs.

FIGURE 49
ARTICLE I – GENERAL GOVERNMENT, BY METHOD OF FINANCE

METHOD OF FINANCE	(IN MILLIONS)			
	ESTIMATED/BUDGETED 2022–23	APPROPRIATED 2024–25	BIENNIAL CHANGE	PERCENTAGE CHANGE
General Revenue Funds	\$10,363.7	\$11,357.2	\$993.5	9.6%
General Revenue–Dedicated Funds	\$1,714.4	\$655.0	(\$1,059.3)	(61.8%)
Federal Funds	\$2,527.3	\$1,304.0	(\$1,223.3)	(48.4%)
Other Funds	\$2,085.6	\$1,190.7	(\$894.9)	(42.9%)
Total, All Methods of Finance	\$16,690.9	\$14,506.9	(\$2,184.0)	(13.1%)

SHARE OF FUNDING BY METHOD OF FINANCE (IN MILLIONS)



SIGNIFICANT DEVELOPMENTS

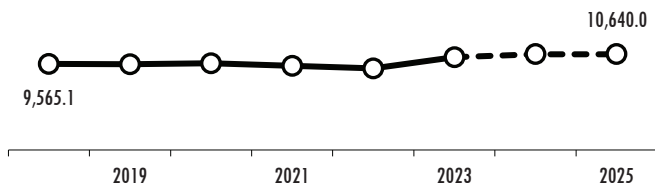
Appropriations for Fiscal Programs within the Comptroller of Public Accounts **increased by \$1.7 billion** primarily due to funding of **\$1.5 billion for broadband and telecommunications expansion** and **\$330.8 million for grant programs for rural county law enforcement agencies**.

Funding for the Texas Facilities Commission **decreased by \$942.0 million** primarily due to the removal of funding provided for the **construction of buildings in the Capitol Complex and North Austin**, a onetime grant from the Office of the Governor for the **construction of the Texas–Mexico border wall**, and funding provided for the **construction of a mental health facility in the Permian Basin**.

Funding for the Historical Commission **decreased \$250.6 million** primarily due to supplemental appropriations of \$219.1 million provided for fiscal year 2023 to fund various **projects at historic sites and courthouse preservation grants**.

Funding for the **Employees Retirement System of Texas decreased by \$879.2 million**, primarily due to supplemental appropriations of \$1,065.6 million provided for fiscal year 2023 for **legacy payments to reduce the system's unfunded actuarial liability**.

FULL-TIME-EQUIVALENT POSITIONS



NOTES:

- (1) Excludes Interagency Contracts.
- (2) Biennial change and percentage change are calculated on actual amounts before rounding. Therefore, figure totals may not sum due to rounding.
- (3) Full-time-equivalent positions show actual positions for fiscal years 2018 to 2022, budgeted positions for fiscal year 2023, and appropriated positions for fiscal years 2024 and 2025.
- (4) Included in amounts shown is \$497.3 million in General Revenue Funds appropriated to the Fiscal Programs within the Comptroller of Public Accounts in the Eighty-eighth Legislature, General Appropriations Act, 2024–25 Biennium, Article IX, Section 18.78(e), for an education savings account program contingent on the enactment of legislation by the Eighty-eighth Legislature.

SOURCES: Legislative Budget Board; State Auditor's Office.

FIGURE 50
ARTICLE I – GENERAL GOVERNMENT APPROPRIATED BY AGENCY, ALL FUNDS

(IN MILLIONS)	ESTIMATED/BUDGETED 2022–23	APPROPRIATED 2024–25	BIENNIAL CHANGE	PERCENTAGE CHANGE
Commission on the Arts	\$25.7	\$31.6	\$5.9	23.0%
Office of the Attorney General	\$1,349.7	\$1,524.0	\$174.3	12.9%
Bond Review Board	\$1.8	\$2.7	\$0.9	49.2%
Cancer Prevention and Research Institute of Texas	\$594.4	\$600.1	\$5.7	1.0%
Comptroller of Public Accounts	\$664.9	\$721.4	\$56.5	8.5%
Fiscal Programs within the Office of the Comptroller of Public Accounts	\$2,077.7	\$3,813.5	\$1,735.8	83.5%
Commission on State Emergency Communications	\$290.6	\$128.8	(\$161.9)	(55.7%)
Texas Emergency Services Retirement System	\$3.9	\$4.2	\$0.3	7.8%
Employees Retirement System	\$1,926.7	\$1,047.5	(\$879.2)	(45.6%)
Texas Ethics Commission	\$6.6	\$8.2	\$1.6	24.5%
Facilities Commission	\$1,523.5	\$581.5	(\$942.0)	(61.8%)
Public Finance Authority	\$3.6	\$4.4	\$0.8	23.4%
Office of the Governor	\$27.6	\$29.6	\$2.0	7.2%
Trusteed Programs within the Office of the Governor	\$6,510.6	\$4,272.2	(\$2,238.4)	(34.4%)
Historical Commission	\$353.5	\$102.9	(\$250.6)	(70.9%)
Department of Information Resources	\$1,198.5	\$1,360.1	\$161.6	13.5%
Library and Archives Commission	\$81.2	\$72.2	(\$9.1)	(11.2%)
Pension Review Board	\$2.9	\$2.6	(\$0.3)	(10.3%)
Preservation Board	\$221.9	\$39.3	(\$182.6)	(82.3%)
State Office of Risk Management	\$101.3	\$103.2	\$1.8	1.8%
Secretary of State	\$150.2	\$134.1	(\$16.1)	(10.7%)
Veterans Commission	\$134.3	\$129.3	(\$5.0)	(3.7%)
Subtotal, General Government	\$17,250.9	\$14,713.1	(\$2,537.8)	(14.7%)
Employee Benefits and Debt Service	\$918.7	\$1,108.5	\$189.8	20.7%
Less Interagency Contracts	\$1,478.7	\$1,314.6	(\$164.1)	(11.1%)
Total, All Functions	\$16,690.9	\$14,506.9	(\$2,184.0)	(13.1%)

NOTES:

- (1) Biennial change and percentage change are calculated on actual amounts before rounding. Therefore, figure totals may not sum due to rounding.
- (2) Included in amounts shown is \$497.3 million in General Revenue Funds appropriated to the Fiscal Programs within the Comptroller of Public Accounts in the Eighty-eighth Legislature, General Appropriations Act, 2024–25 Biennium, Article IX, Section 18.78(e), for an education savings account program contingent on the enactment of legislation by the Eighty-eighth Legislature.

SOURCE: Legislative Budget Board.

MAJOR FUNDING

The 2024–25 biennial funding levels of General Government agencies decreased by \$2.2 billion compared to 2022–23 biennial spending levels. Significant changes include the following components.

Funding for the **Commission on the Arts** totals \$31.6 million in All Funds for the 2024–25 biennium, which is an

increase of \$5.9 million from the 2022–23 biennium, primarily due to the removal of funding for onetime items in the previous biennium, offset by increased funding of \$8.0 million for the Arts Organization and Cultural District grants programs.

Funding for the **Office of the Attorney General** totals \$1.5 billion in All Funds for the 2024–25 biennium, which is an

increase of \$174.3 million from the 2022–23 biennium. This increase is due primarily to increases of \$47.6 million in funding for the statewide salary adjustment, \$19.9 million for targeted salary increases for legal and administrative staff, and \$36.0 million for the newly established Landowner Compensation Program.

Funding for the **Comptroller of Public Accounts** totals \$721.4 million in All Funds for the 2024–25 biennium, which is an increase of \$56.5 million from the 2022–23 biennium. The increase is related primarily to the statewide salary increase and a legacy modernization project to replace the Uniform Statewide Accounting System and the Texas Identification Number System.

Funding for **Fiscal Programs within the Comptroller of Public Accounts** totals \$3.8 billion in All Funds for the 2024–25 biennium, an increase of \$1.7 billion from the 2022–23 biennium. The increase is attributed primarily to contingency funding of \$1.5 billion for broadband and telecommunications expansion and \$330.8 million for grant programs for rural county law enforcement agencies. The increase is offset by decreases related to onetime funding provided during the 2022–23 biennium, including a supplemental appropriation of \$243.8 million during fiscal year 2023 to pay contract obligations on the Texas Guaranteed Tuition Plan, and onetime federal American Rescue Plan Act funding of \$500.5 million for broadband expansion, which was appropriated during the 2022–23 biennium. Also included is \$497.3 million in General Revenue Funds appropriated to the Fiscal Programs within the Comptroller of Public Accounts in the Eighty-eighth Legislature, General Appropriations Act, 2024–25 Biennium, Article IX, Section 18.78(e), for an education savings account program contingent on the enactment of legislation by the Eighty-eighth Legislature.

Funding for the **Commission on State Emergency Communications** totals \$128.8 million in All Funds for the 2024–25 biennium, a decrease of \$161.9 million from the 2022–23 biennium. The decrease is attributed primarily to removal of \$150.0 million in onetime Federal funds for the expansion of digital 911 services and a decrease of \$19.9 million in General Revenue–Dedicated funds for the completion of the Next Generation 911 transition.

Funding for the **Employees Retirement System of Texas** totals \$1.0 billion in All Funds for the 2024–25 biennium, a decrease of \$879.2 million from the 2022–23 biennium. The decrease is due primarily to supplemental appropriations

during fiscal year 2023 for legacy payments to reduce the system's unfunded actuarial liability.

Funding for the **Texas Ethics Commission** totals \$8.2 million in All Funds for the 2024–25 biennium, which is an increase of \$1.6 million from the 2022–23 biennium, due primarily to increases in funding for salaries of nonexempt positions and technology improvements.

Funding for the **Texas Facilities Commission** totals \$581.5 million in All Funds for the 2024–25 biennium, which is a net decrease of \$942.0 million in All Funds from the 2022–23 biennium. This decrease is due primarily to the removal of funding provided for the construction of buildings in the Capitol Complex and North Austin, a onetime grant from the Office of the Governor for the construction of the Texas–Mexico border wall, and funding provided for the construction of a mental health facility in the Permian Basin. Additional funding is provided for completion of buildings in the Capitol Complex and for deferred maintenance.

Funding for the **Office of the Governor** totals \$29.6 million in All Funds for the 2024–25 biennium, which is an increase of \$2.0 million from the 2022–23 biennium, due primarily to the statewide salary adjustment.

Funding for the **Trusted Programs within the Office of the Governor** totals \$4.3 billion in All Funds for the 2024–25 biennium, which is a decrease of \$2.2 billion from the 2022–23 biennium. This amount results from supplemental appropriations provided in Senate Bill 30, Eighty-eighth Legislature, Regular Session, for fiscal year 2023. These supplemental appropriations include \$698.3 million for the Texas Semiconductor Innovation Fund, \$115.0 million for grants for victims of crime, \$155.0 million for the Moving Image Industry Incentive Program, \$300.0 million for border operations, and \$150.0 million for the Texas Enterprise Fund.

Funding for the **Historical Commission** totals \$102.9 million in All Funds for the 2024–25 biennium, which is a decrease of \$250.6 million from the 2022–23 biennium, primarily due to supplemental appropriations during fiscal year 2023, which include \$170.7 million for various projects at historic sites and \$45.0 million for courthouse preservation grants. Additionally, the agency received funding increases for several items in the 2024–25 biennium, most notably \$23.2 million for the operation and improvement of historic sites, \$5.0 million for specific Preservation Trust Fund grants, and \$2.0 million for historic preservation.

Funding for the **Department of Information Resources** totals \$1.4 billion in All Funds for the 2024–25 biennium, primarily in Other Funds from Interagency Contracts and Appropriated Receipts. This increase of \$161.6 million from the 2022–23 biennium is due primarily to an increase of \$110.8 million for Data Center Services for the estimated growth in usage of services by customer agencies and other entities and an increase of \$20.2 million to provide additional information technology security services, including the addition of two new centers to the Regional Security Operations Center program.

Funding for the **State Preservation Board** totals \$39.3 million in All Funds for the 2024–25 biennium, a decrease of \$182.6 million from the 2022–23 biennium. The decrease is due primarily to funding that is no longer available, including supplemental appropriations during fiscal year 2023 of \$130.0 million for improvement projects to the House and Senate facilities and \$3.0 million for performing maintenance to the Texas State History Museum. Additionally, the agency received funding increases for the 2024–25 biennium, most notably \$16.1 million for deferred maintenance and operations of the legislative office buildings, \$0.6 million for the Texas Mall, and \$1.0 million for educational programs and field trips at the Texas State History Museum.

Funding for the **Secretary of State** totals \$134.1 million in All Funds for the 2024–25 biennium, which is a decrease of \$16.1 million from the 2022–23 biennium. This decrease is due primarily to expenditure of a onetime Help America Vote Act grant, removal of funds provided for the initial phase of replacing the agency’s Business Entity Secured Transaction (BEST) system, and removal of onetime funds provided for auditable voting machines. Additional funding is provided for continuing the replacement of the BEST system, replacement of the agency’s election funds management system, and implementing new statutory election duties including oversight of county elections and an expansion of statutory election audits expenditures.

Funding for the **Veterans Commission** totals \$129.3 million in All Funds for the 2024–25 biennium, which is a decrease of \$5.0 million from the 2022–23 biennium, due primarily to an estimated decrease in the Fund for Veterans’ Assistance. Significant additional funding for the 2024–25 biennium includes \$1.4 million for increases in support staff to the claims, women veterans, and entrepreneur programs, and \$2.1 million to establish a pilot program providing service dogs to veterans.

TEXAS COMMISSION ON THE ARTS

PURPOSE: To advance the state of Texas economically and culturally by supporting a diverse and innovative arts community through resources that enhance economic development, arts education, cultural tourism, and artist sustainability initiatives.

ESTABLISHED: 1965

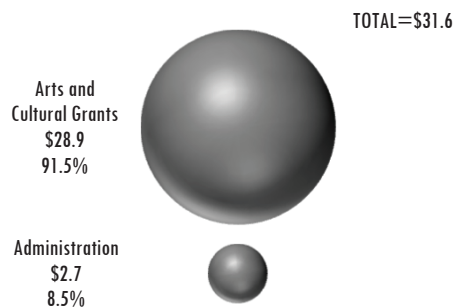
AUTHORIZING STATUTE: The Texas Government Code, §444.001

GOVERNANCE: Commission—nine members appointed by the Governor with advice and consent of the Senate

FIGURE 51
TEXAS COMMISSION ON THE ARTS BY METHOD OF FINANCE

METHOD OF FINANCE	(IN MILLIONS)				APPROPRIATED FULL-TIME-EQUIVALENT POSITIONS				
	ESTIMATED/BUDGETED 2022–23	APPROPRIATED 2024–25	BIENNIAL CHANGE	PERCENTAGE CHANGE					
General Revenue Funds	\$22.5	\$28.6	\$6.1	27.2%	<table border="1"> <tr> <td>2024</td> <td>14.0</td> </tr> <tr> <td>2025</td> <td>14.0</td> </tr> </table>	2024	14.0	2025	14.0
2024	14.0								
2025	14.0								
General Revenue–Dedicated Funds	\$0.0	\$0.0	(\$0.0)	(100.0%)					
Federal Funds	\$2.3	\$2.4	\$0.1	3.7%					
Other Funds	\$0.8	\$0.5	(\$0.3)	(36.9%)					
Total, All Methods of Finance	\$25.7	\$31.6	\$5.9	23.0%					

AGENCY PROGRAM AREAS BY APPROPRIATION (IN MILLIONS)



SIGNIFICANT DEVELOPMENTS

Appropriations include an increase of **\$3.0 million** in General Revenue Funds for **Arts Organizations Grants**.

Appropriations include an increase of **\$5.0 million** in General Revenue Funds for **Cultural Tourism Grants**. The agency will offer 94 Arts Respond Cultural District Project grants for fiscal year 2024.

Arts Respond Projects in Education will serve **1.5 million individuals** during the 2024–25 biennium.

SOURCE: Legislative Budget Board.

MAJOR FUNDING

Funding for the Texas Commission on the Arts (TCA) includes an increase of \$5.9 million, or 20.0 percent, in All Funds primarily due to the following changes: a decrease of \$2.2 million in General Revenue Funds from onetime funding for projects in the 2022–23 biennium; an increase of \$5.0 million in General Revenue Funds for the cultural districts program; an increase of \$3.0 million in General Revenue Funds for the arts organization grants program; and an increase of \$0.3 million for staff salary increases.

PROGRAMS

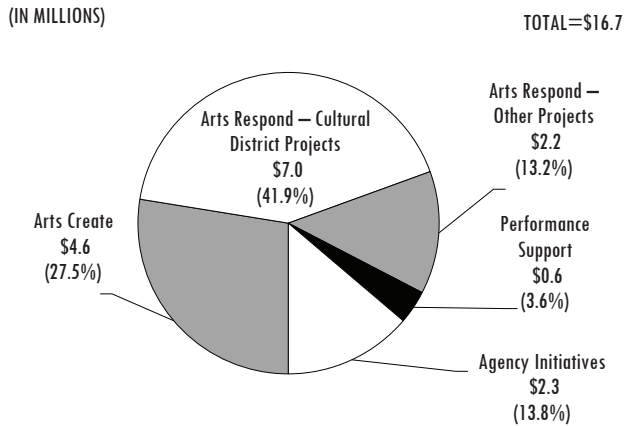
The agency carries out responsibilities through two major program areas: (1) arts and cultural grants; and (2) administration.

ARTS AND CULTURAL GRANTS

TCA’s primary function is providing financial assistance to local entities through grants in three broad categories: Arts Create, Arts Respond, and Performance Support and Agency Initiatives. Arts Create grants provide operational support, and the latter two categories provide support to projects in at least one of the following priority areas: economic development, education, health and human services, natural resources and agriculture, and public safety and criminal justice. **Figure 52** shows the agency’s funding allocation for the grant categories for fiscal year 2024. To promote effective grant distribution, agency staff consult with grant recipients on grant-writing procedures and presents webinar trainings, workshops, and seminars on issues relevant to applicants. Agency staff also conduct site visits of grant recipients to monitor and evaluate the use of grant funds. The agency’s website provides links to arts information and services throughout the state, professional development resources, an online grant application system, and online evaluation report forms. During fiscal year 2023, the agency received approximately 1,600 applications requesting nearly \$42.0 million in grants; of this amount, the agency awarded \$10.7 million to 1,490 applicants.

The Arts Create program provides operational support grants to nonprofit and local government arts organizations for administration, exhibits, performances, production, touring exhibitions, and other core programs. The agency awards Arts Create grants to arts organizations in five categories: established arts organizations with operating budgets of greater than \$5.0 million; those with operating budgets from \$1.0 million to \$5.0 million; those with budgets from

FIGURE 52
TEXAS COMMISSION ON THE ARTS GRANT AWARD
ALLOCATIONS, FISCAL YEAR 2024



NOTE: Amounts for fiscal year 2024 are estimated.
SOURCE: Texas Commission on the Arts.

\$50,000 to less than \$1.0 million; established minority arts organizations with budgets of at least \$50,000; and local arts organizations. Arts Create grant awards range from \$3,000 to \$22,000. All Arts Create grant awards require a one-to-one match from recipients. Appropriations for the 2024–25 biennium for the Arts Create program are approximately \$10.5 million.

The Arts Respond program includes grants for cultural district projects and other projects that are not affiliated with a cultural district. For the 2024–25 biennium, the agency is appropriated total funding of \$15.0 million in General Revenue Funds for cultural district programs. TCA has designated 52 cultural districts, which may apply for grants for cultural tourism projects that will attract visitors, enhance a cultural district, diversify local economies, or serve other purposes. These grants range from \$2,475 to \$225,000 for fiscal year 2023. Other Arts Respond grants are awarded in five categories, based on the state’s priorities as established by the Governor. These categories include economic development, education, health and human services, natural resources and agriculture, and public safety and criminal justice. Funds for the new Military Arts Healing program are considered Other Arts Respond grants and provide arts-based therapeutic programming for military patients and veterans. Typically, Arts Respond grant awards that are not for cultural districts range from \$1,000 to \$8,500; military and veteran organizations receive grants ranging from \$2,000 to \$7,000. All Arts Respond grants require a one-to-one match. Appropriations

for the 2024–25 biennium for these Arts Respond programs total approximately \$16.9 million.

Performance Support grants provide professional artist fees to schools, libraries, and other organizations to hire artists from the agency’s touring roster. The TCA Touring Artists and Companies Roster includes Texas-based artists and companies that perform regularly outside their communities and that maintain reasonable artistic fees for performances. The Young Masters program awards grants to students in grades eight to 11 to develop skills in arts disciplines. Quarterly Arts Respond Performance Support grants range from approximately \$75 to \$8,000.

The agency’s final grant program is referred to as Agency Initiatives, which is for specifically designated projects typically covered by external funds, such as conferences or Texas Folklife. The agency also awards grants from other funding sources—including those from the National Endowment for the Arts and private donors—for various purposes or initiatives, including Poetry Out Loud, a poetry recitation competition for high school students. Grants for Performance Support range from approximately \$75 to \$8,000, and grants for Special Initiatives range from \$2,000 to \$32,000. Total funding for this program area is \$28.9 million for the biennium.

ADMINISTRATION

TCA’s other major program area is administration, which includes central administration to support the agency and direct administration for awarding grants. Appropriations for administration total \$2.7 million for the 2024–25 biennium, which supports the agency’s 14.0 full-time-equivalent positions.

OFFICE OF THE ATTORNEY GENERAL

PURPOSE: To defend the constitution and laws of the state of Texas and serve as the legal counsel to the Governor, the Legislature, and the state’s more than 200 agencies, commissions, and institutions of higher education. The Attorney General represents the state in civil and criminal cases, assists and coordinates with local jurisdictions for the prosecution of certain criminal cases, enforces the state’s consumer protection laws, investigates and prosecutes Medicaid fraud and Internet crimes, and administers the state’s child support program and victims’ compensation program.

ESTABLISHED: 1876

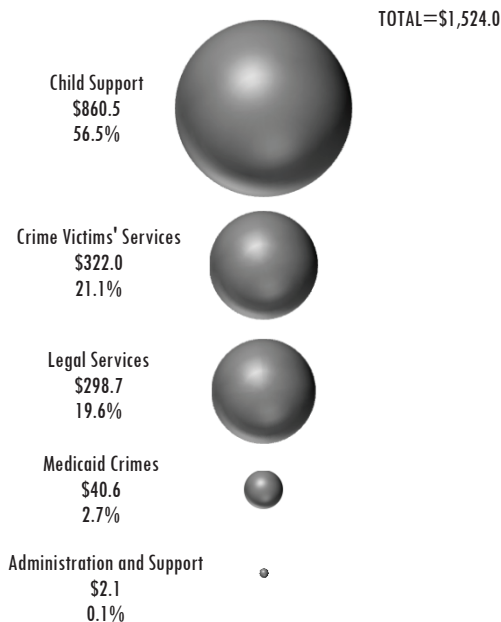
AUTHORIZING STATUTE: The Texas Constitution, Article IV, §22

GOVERNANCE: Statewide elected official

FIGURE 53
OFFICE OF THE ATTORNEY GENERAL BY METHOD OF FINANCE

METHOD OF FINANCE	(IN MILLIONS)				APPROPRIATED FULL-TIME-EQUIVALENT POSITIONS
	ESTIMATED/BUDGETED 2022–23	APPROPRIATED 2024–25	BIENNIAL CHANGE	PERCENTAGE CHANGE	
General Revenue Funds	\$540.8	\$672.7	\$131.9	24.4%	2024 4,269.5 2025 4,269.5
General Revenue–Dedicated Funds	\$192.0	\$158.5	(\$33.6)	(17.5%)	
Federal Funds	\$441.0	\$515.3	\$74.3	16.8%	
Other Funds	\$175.9	\$177.5	\$1.6	0.9%	
Total, All Methods of Finance	\$1,349.7	\$1,524.0	\$174.3	12.9%	

AGENCY PROGRAM AREAS BY APPROPRIATION (IN MILLIONS)



SIGNIFICANT DEVELOPMENTS

The agency collected **\$8.8 billion** in **child support payments** during the 2022–23 biennium and expects to collect approximately **\$8.9 billion** during the 2024–25 biennium.

Appropriations include **\$56.6 million** for Phase II of the Child Support IT System Modernization Project, **\$24.6 million** for Mainframe Decommissioning, and **\$7.5 million** for Legal Case Modernization.

Appropriations include **\$36.0 million** in funding for the newly established **Landowner Compensation Program** pursuant to Senate Bill 1133, Eighty-eighth Legislature, Regular Session, 2023.

Appropriations include **\$19.9 million** for **targeted salary increases** for attorneys, finance, and IT staff.

NOTE: IT=information technology.
SOURCE: Legislative Budget Board.

MAJOR FUNDING

Appropriations for the Office of the Attorney General (OAG) increased by a net \$174.3 million in All Funds due primarily to the newly established Landowner Compensation Program (\$36.0 million), targeted salary increases (\$19.9 million), decommissioning of the legal case and child support mainframe systems (\$13.2 million), outside legal counsel for litigation against Google LLC (\$19.9 million in estimated unexpended balances), and statewide salary increases (\$47.6 million). In addition, funding levels also represent increases related to the Legal Case Legacy Modernization Project (\$7.5 million), the implementation of a new Consumer Data Privacy System (\$6.9 million), and decreases related to onetime funding for Phase II of the Child Support Information Technology (IT) Modernization Project (\$14.9 million).

PROGRAMS

The agency carries out its mission through five main program areas: (1) child support; (2) crime victims’ services; (3) legal services; (4) Medicaid crimes; and (5) State Office of Risk Management administrative support.

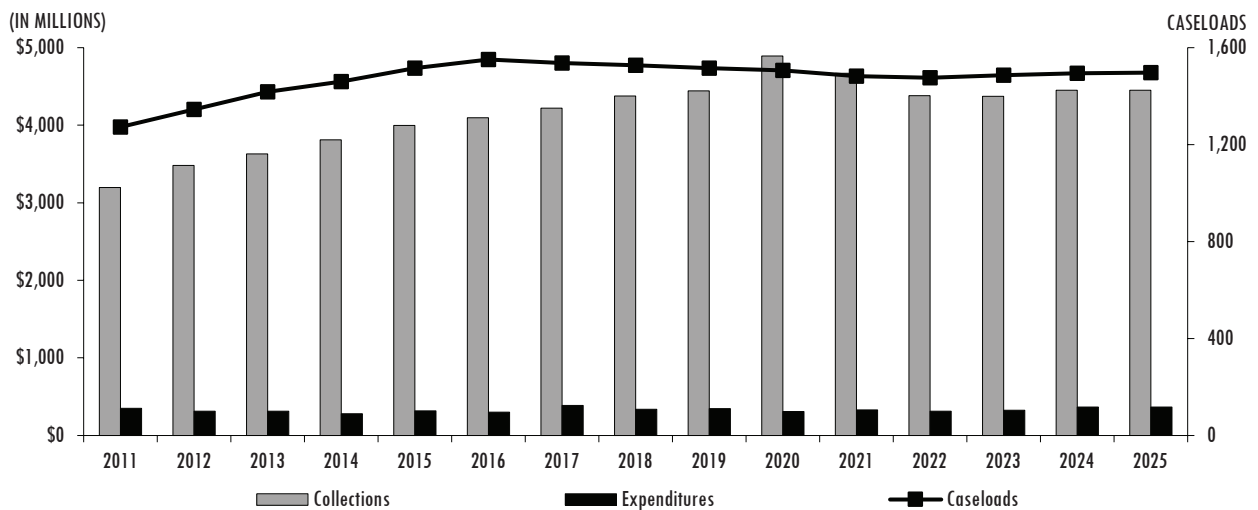
CHILD SUPPORT

The Child Support Division is OAG’s largest program area, representing 49.6 percent of total agency funding and 64.4 percent of the agency’s full-time-equivalent (FTE) positions. OAG is responsible for the Child Support Enforcement Program, as provided in the federal Social Security Act,

Title IV, Part D. The OAG Child Support Division provides services that locate delinquent parents, establish paternity and court-ordered support obligations, and enforce the collection of established support obligations. These activities are supported by state matched with Federal Funds. To cover costs associated with managing the retention and distribution of child support payments, OAG is required to collect annual service fees for certain child support cases. The federal government retains 66.0 percent of these annual service fees, which are classified as child support program income; the remainder is deposited to General Revenue Funds.

More than 86.0 percent of child support cases filed with the agency obtain child support orders. The agency concentrates greater resources on enforcement of child support orders, as opposed to establishing paternity and court-ordered support obligations. During fiscal year 2023, the agency collected approximately \$4.4 billion in child support payments, which are projected to total \$4.5 billion by fiscal year 2025. **Figure 54** shows the child support enforcement expenditures, collections, and caseloads from fiscal years 2011 to 2025. Child support operations are conducted in 64 field offices organized into nine regional offices located in Austin, Dallas, El Paso, Fort Worth, Houston, Lubbock, McAllen, San Antonio, and Tyler. San Antonio also is the location of the State Disbursement Unit (SDU). The SDU, which is required by federal statute, provides a central location for employers to send child support payments that are withheld

FIGURE 54
OFFICE OF THE ATTORNEY GENERAL CHILD SUPPORT ENFORCEMENT, FISCAL YEARS 2011 TO 2025



NOTE: Collection and expenditure amounts for fiscal years 2024 and 2025 are estimated.
SOURCE: Office of the Attorney General.

**FIGURE 55
VICTIMS' ASSISTANCE PROGRAMS AT THE OFFICE OF THE ATTORNEY GENERAL, 2024–25 BIENNIUM**

(IN MILLIONS)

PROGRAM	ALL FUNDS
Victim Assistance Organizations and Programs Funding for grants to support programs that serve victims of crime, such as Mothers Against Drunk Driving, SAFE – Stop Abuse for Everyone, People Against Violent Crime, Domestic Violence High Risk Teams, and others.	\$21.8
Sexual Assault Prevention and Crisis Services Program Provides funding and technical assistance to sexual assault programs. Distributes training materials for law enforcement, medical personnel, and sexual assault staff and volunteers. Provides evidence collection protocol for sexual assault forensic evidence collection. Certifies sexual assault training programs and sexual assault nurse examiners.	\$53.3
Victim Notification System Funding for the implementation of a statewide automated system at the county level to provide victims with information about a change in offender status or change in court date.	\$6.0
Victim-related Civil Legal Services Funding for the Supreme Court of Texas to provide grants to local programs that offer civil legal services for victims of violent crime.	\$5.0
Victims' Assistance Coordinators and Victims Liaisons Provides grants to local law enforcement agencies and prosecutor's offices to fund statutorily required coordinator and liaison positions.	\$4.9
Sexual Assault Services Program Grants Provides a grant to the Texas Association Against Sexual Assault for program development, technical assistance, and training to support local sexual assault programs. The grant also is used for statewide training for local programs, law enforcement agencies, and other victim services groups.	\$4.0
Address Confidentiality Provides address confidentiality for victims of family violence, stalking, and sexual assault.	\$0.3
Total, Programs at the Office of the Attorney General	\$95.3

NOTE: Totals may not sum due to rounding.

SOURCES: Legislative Budget Board; Office of the Attorney General.

from employees' paychecks. Since fiscal year 2001, the SDU has operated in San Antonio through a contract with a private vendor. The SDU is projected to process 22.0 million child support payments for fiscal year 2025. Appropriations for activities related to child support enforcement total approximately \$756.4 million and include 2,749.2 FTE positions in each fiscal year of the biennium.

CRIME VICTIMS' SERVICES

OAG's second-largest program area is related to the Crime Victims' Services Division. OAG administers several programs intended to assist victims of crime, including crime victims' compensation, grants for state and local programs that assist victims, and programs that address confidentiality for victims of family violence, stalking, and sexual assault. Much of the funding for these programs comes from the General Revenue–Dedicated Account No. 469, Compensation to Victims of Crime (CVC). **Figure 55** shows victims' assistance programs that receive funding from the CVC and identifies allocation of appropriations to

the programs for the 2024–25 biennium by All Funds and CVC funds. The account is constitutionally dedicated to provide payments and services to crime victims. Revenues, which come from court costs assessed against individuals convicted of certain felonies and misdemeanors, are collected in municipal and county treasuries and deposited in the state Treasury.

The largest of the OAG victims' assistance programs is the Crime Victims' Compensation Program. The program pays for expenses ranging from medical expenses to loss of wages incurred by victims of violent crimes. Appropriations for the 2024–25 biennium for the Crime Victims' Compensation Program total \$190.7 million in All Funds and provide 125.6 FTE positions. These appropriations include approximately \$116.3 million in General Revenue–Dedicated Funds from the CVC. The program is expected to pay more than \$162.0 million in compensation during the 2024–25 biennium. **Figure 56** shows the distribution of fiscal year 2023 awards among various categories. **Figure**

57 shows the trends in compensation awarded and in the number of awards from fiscal years 2015 to 2025.

OAG is appropriated funds to make grants to local programs that assist crime victims by providing counseling, crisis intervention, assistance with the Crime Victims' Compensation Program, legal assistance, victim advocacy, referrals, and other related information. The agency also administers an address confidentiality program for victims of family violence, stalking, and sexual assault. This program provides a substitute address and mail-forwarding service for these victims and members of their households. OAG grants also provide for sexual assault nurse examiner training and help local governments cover the costs of victims' assistance coordinators.

Appropriations for the Crime Victim Services and Crime Victims' Compensation programs total approximately \$286.0 million and include 154.3 FTE positions each fiscal year.

Senate Bill 1133, Eighty-eighth Legislature, Regular Session, 2023, establishes the Landowner Compensation Program to compensate landowners for the costs associated with real property damage to agricultural land committed by trespassers who are engaging in a border crime or law enforcement response to a trespasser who was engaged in a border crime. Appropriations for the 2024–25 biennium include \$36.0 million in General Revenue Funds.

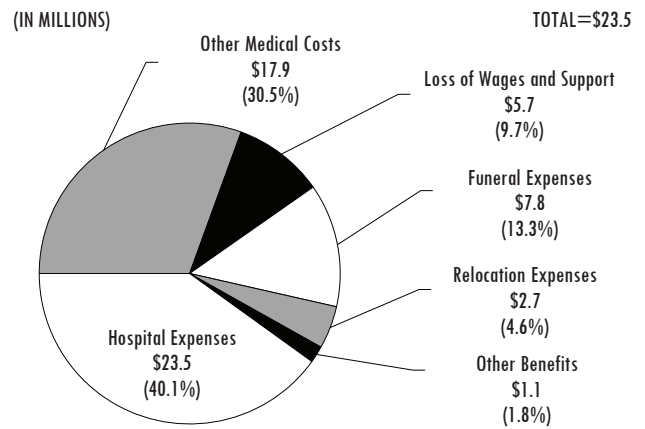
LEGAL SERVICES

As the state's legal counsel, OAG provides various legal and investigatory services. The agency defends state officials and agencies in lawsuits, provides general counsel upon request, issues opinions interpreting state law, rules on public information requests made to and disputed by governmental bodies, and approves bond issuances for state agencies and other political subdivisions of the state. OAG also investigates and prosecutes violations of antitrust activities, election law, human trafficking statutes, banking and securities activities, and environmental protection offenses.

OAG is responsible for collecting certain delinquent judgments and debts owed to the state. For fiscal years 2018 to 2023, the agency estimated collections of \$290.0 million and collected \$465.0 million. **Figure 58** shows the estimated and actual collections for fiscal years 2018 to 2023.

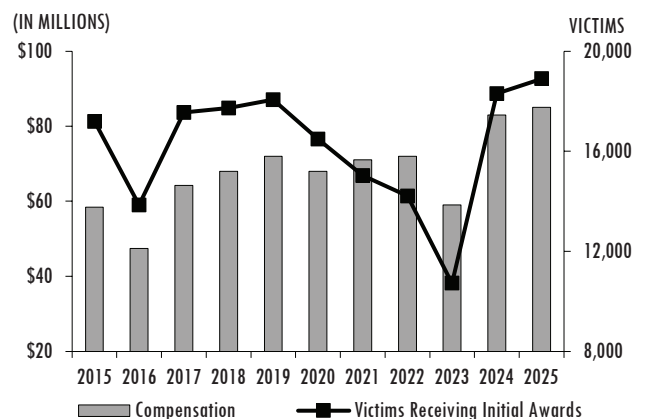
The Human Trafficking and Transnational Organized Crime (HTTOC) section was established in January 2016 to coordinate state and local responses to human trafficking and to provide investigative and prosecutorial assistance to

FIGURE 56
AWARDS FROM THE GENERAL REVENUE–DEDICATED FUNDS ACCOUNT NO. 469, COMPENSATION TO VICTIMS OF CRIME, FISCAL YEAR 2023



SOURCE: Office of the Attorney General.

FIGURE 57
TEXAS CRIME VICTIMS' COMPENSATION PROGRAM FISCAL YEARS 2015 TO 2025



NOTE: Compensation amounts for fiscal years 2024 and 2025 are estimated.
SOURCE: Office of the Attorney General.

district attorneys. HTTOC conducts an awareness campaign to educate state employees and the public on human trafficking prevention, including an online video and in-person training. Funding of \$6.2 million and 33.0 FTE positions for the 2024–25 biennium is included for HTTOC operations.

The Texas Election Code, Chapter 273, authorizes OAG to investigate and prosecute allegations of election fraud anywhere in the state. OAG has investigated and prosecuted 629 violations of the Texas Election Code since fiscal year

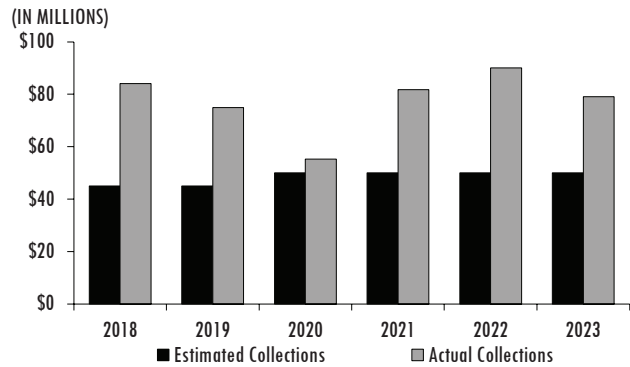
2004. Allegations of election fraud are reported by the public and local officials and by the Texas Secretary of State. To provide additional specialization regarding election matters within the legal services division, the Election Fraud Unit (EFU) was established during calendar year 2017 with partial grant funding from the Office of the Governor, Criminal Justice Division. Funding of \$4.8 million in General Revenue Funds and 24.0 FTE positions have been appropriated for EFU for the 2024–25 biennium.

The agency’s Cyber Crimes Unit is responsible for the investigation of Internet crimes against children. Law enforcement officers, posing as children in Internet chat rooms and social networking sites, seek out child predators that victimize children by soliciting sex online. In addition, the agency investigates individuals that produce, share, and distribute images of child sexual violence and exploitation. The unit also provides information and training regarding child exploitation crimes and cybersafety to law enforcement agencies across the state, various interest groups, school administrators, students, and the public.

Consumer protection and education are also important functions for the agency. OAG files civil lawsuits against companies in violation of the state Deceptive Trade Practices–Consumer Protection Act (the Texas Business and Commerce Code, Chapter 17, Subchapter E) and other state consumer protection laws. Agency staff also receive and process consumer complaints against a company’s business practices, which may result in lawsuits filed on behalf of the state. These lawsuits are not filed on behalf of individual complainants but are filed to enforce state law for the public good. Certain legal actions produce restitution for individual consumers. The agency also helps to ensure public awareness by posting consumer rights and information regarding common scams on its website and offers information regarding a range of consumer issues.

OAG also issues rulings and decisions that determine whether requested information is open to the public in accordance with the Texas Public Information Act (the Texas Government Code, Chapter 552). When a governmental entity receives a written request for documents or other recorded information, Texas law requires that entity to release the information to the requestor. If the governmental entity believes an exception to disclosure may apply to the requested information, the entity must request a decision from OAG regarding whether the claimed exception applies to the requested information. The entity must submit its request for an OAG open records decision, along with the requested

FIGURE 58
OFFICE OF THE ATTORNEY GENERAL DEBT COLLECTIONS
FISCAL YEARS 2018 TO 2023



SOURCE: Office of the Attorney General.

information and any legal arguments to support withholding the requested information, within deadlines established pursuant to the Texas Public Information Act. OAG reviews the submitted information, the legal arguments, and applicable laws, and issues a decision within 45 business days of receiving the entity’s request for the decision. During the 2022–23 biennium, OAG issued approximately 83,193 open records rulings.

Appropriations for the legal services function total \$298.7 million and provide for 1,146.3 FTE positions.

MEDICAID CRIMES

OAG is responsible for administering a statewide Criminal Medicaid Fraud Investigation Program. This responsibility includes referring for prosecution all violations of laws pertaining to fraud or misconduct in the administration of the Texas Medicaid program and identifying overpayments obtained through fraudulent provider activity. During the 2022–23 biennium, the agency identified more than \$90.7 million in Medicaid overpayments. Appropriations for Medicaid crimes total approximately \$40.6 million and include 200.3 FTE positions each fiscal year.

OTHER PROGRAM AREAS

OAG executes major information technology projects to support the agency’s mission. A strategy line-item provides funding for this purpose in the General Appropriations Act. Continued oversight of OAG’s major information technology projects is provided through an Executive Steering Committee for the 2024–25 biennium. In the 2020–21 biennium, the OAG started work on the Child Support IT

Modernization Project, which aims to transform and streamline the Child Support system. The OAG completed Phase I of the Child Support IT Modernization Project during the 2020–21 biennium at a capital project cost of \$46.0 million. Phase II of the project was completed during the 2022–23 biennium at a capital project cost of \$50.8 million. Appropriations for Phase III of the project total approximately \$53.0 million in All Funds.

OAG's fifth program area is related to the administrative support provided to the State Office of Risk Management (SORM). SORM is attached administratively to OAG and is required to provide administrative support for items such as payroll, human resources, accounting, procurement, and other administrative support. For the 2024–25 biennium, the agency is appropriated approximately \$2.1 million and 9.4 FTE positions each fiscal year.

SIGNIFICANT LEGISLATION

House Bill 4 – Consumer data protection. The legislation addresses the regulation of the collection, use, processing, and treatment of consumers' personal data by certain business entities. The legislation requires OAG to post on its website information relating to the responsibilities of a controller and a processor, as well as an online mechanism through which a consumer can submit a complaint.

House Bill 90 – Compensation for certain survivors of members of Texas military forces. The legislation directs the OAG to provide a lump sum payment of \$500,000 to certain survivors of members of Texas military forces who died on or after March 6, 2021, but before September 1, 2023, and whose death was in connection with operations initiated to address criminal activity in the border region.

Senate Bill 49 – Crime Victims' Compensation. The legislation amends the definition of "household member" to include any individual residing in the same permanent household as the victim at the time of the criminally injurious conduct, which expands the population of individuals who are eligible to receive assistance from the program.

Senate Bill 1133 – Landowner compensation for property damage caused by certain criminal activities. The legislation establishes a program within the OAG to compensate landowners for the costs associated with real property damage to agricultural land committed by trespassers who are engaging in a border crime or law enforcement response to a trespasser who was engaged in a border crime. The legislation directs that the program operate

as payer of last resort for property damage described by the bill and caps compensation at \$75,000 per incident. The legislation also requires for the Office of the Attorney General to submit an annual report to the Office of the Governor and the Legislature that contains the Office of the Attorney General's activities related to the grant program. The Eighty-eighth Legislature, Regular Session, General Appropriations Act, 2024–25 Biennium, appropriates \$36.0 million in General Revenue Funds for the program.

Senate Bill 1401 – Rights of sexual assault victims regarding forensic medical examinations and compensation eligibility. The legislation removes the 120.0-hour requirement for minors and certain adult victims to receive forensic medical examinations. Senate Bill 1401 provides that a victim receiving a forensic medical exam is considered sufficient evidence of cooperation in the investigation of a sexual assault and revises other provisions related to eligibility for crime victims' compensation.

BOND REVIEW BOARD

PURPOSE: To ensure that debt financing is used prudently to meet Texas’ infrastructure needs and other public purposes, to support and enhance the debt issuance and debt management functions of state and local entities, and to administer the state’s private activity bond allocation.

ESTABLISHED: 1987

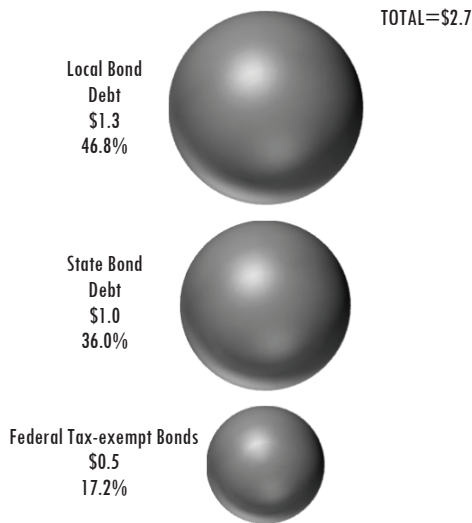
AUTHORIZING STATUTE: The Texas Government Code, Chapters 1231 and 1372

GOVERNANCE: Board—Governor, Lieutenant Governor, Speaker of the House of Representatives, who serves as a nonvoting member, and Comptroller of Public Accounts, or their respective designees

FIGURE 59
BOND REVIEW BOARD BY METHOD OF FINANCE

METHOD OF FINANCE	(IN MILLIONS)				APPROPRIATED FULL-TIME-EQUIVALENT POSITIONS				
	ESTIMATED/BUDGETED 2022–23	APPROPRIATED 2024–25	BIENNIAL CHANGE	PERCENTAGE CHANGE					
General Revenue Funds	\$1.8	\$2.7	\$0.9	49.2%	<table border="1"> <tr> <td>2024</td> <td>11.0</td> </tr> <tr> <td>2025</td> <td>11.0</td> </tr> </table>	2024	11.0	2025	11.0
2024	11.0								
2025	11.0								
General Revenue–Dedicated Funds	\$0.0	\$0.0	\$0.0	N/A					
Federal Funds	\$0.0	\$0.0	\$0.0	N/A					
Other Funds	\$0.0	\$0.0	\$0.0	N/A					
Total, All Methods of Finance	\$1.8	\$2.7	\$0.9	49.2%					

AGENCY PROGRAM AREAS BY APPROPRIATION (IN MILLIONS)



SIGNIFICANT DEVELOPMENTS

Outstanding debt totaled \$70.9 billion for fiscal year 2023 for all state agencies and universities, including conduit debt.

The agency **reviewed 44 bond documents** during fiscal year 2023, including proposed bond applications and lease-purchase agreements for state issuers.

The agency analyzed **1,564 local government financings** during fiscal year 2023.

The Bond Review Board reported that the **constitutional debt limit is at 1.95 percent of unrestricted General Revenue Funds** as of the end of fiscal year 2023.

SOURCE: Legislative Budget Board.

MAJOR FUNDING

Appropriations to fund the Bond Review Board (BRB) for the 2024–25 biennium increased by \$0.9 million, or 49.2 percent, from the 2022–23 biennium to a total of \$2.7 million in General Revenue Funds. This includes increases of \$0.2 million for staff salaries and \$0.6 million to fund upgrades to the agency’s website data entry portal.

The Eighty-eighth Legislature, General Appropriations Act, 2024–25 Biennium, authorized the issuance of \$143.0 million in new revenue bonds, appropriated to the Texas Department of Motor Vehicles, to finance the Camp Hubbard Renewal Project.

The constitutional debt limit, governed by the Texas Constitution, Article III, Section 49-j, is 1.95 percent as of the end of fiscal year 2023.

PROGRAMS

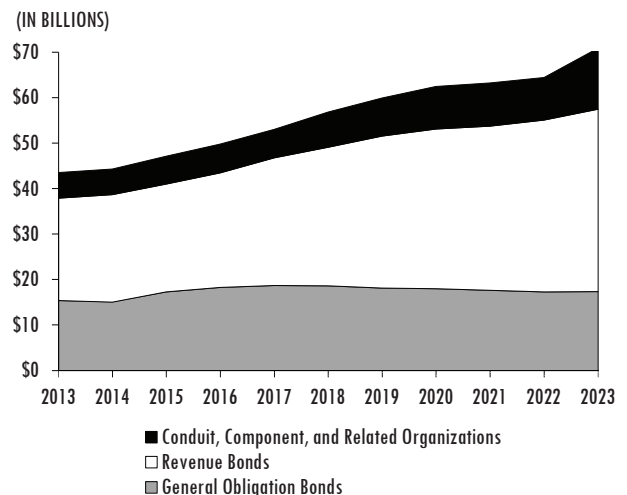
The agency carries out its responsibilities through three major program areas: (1) oversight of state debt issuance; (2) local government bond debt support; and (3) administration of private activity bonds and other federal tax-exempt bonds programs.

STATE BOND DEBT OVERSIGHT

BRB is tasked with ensuring that state bonds attain the highest possible rating and are issued in the most cost-effective manner. The agency accomplishes this goal by establishing guidelines for issuing debt, reviewing state debt issuance, and assisting in statewide capital project planning. The agency verifies the legal authorization for all bond issues proposed by state agencies and certain educational institutions. It also evaluates the proposed use of the proceeds, investment provisions, debt-administration provisions, market conditions for timing the sale of the bonds, and issuance costs.

BRB staff produce reports for the Legislature, local public officials, investors, rating agencies, and other stakeholders to provide information regarding the state’s debt burden and credit-worthiness. Included in the reports are recommendations for cost-effective capital financing practices to raise the state’s bond rating and lower its borrowing costs. The agency reviews proposed bond applications and lease-purchase agreements to ensure proper legal authorization, accurate and adequate disclosure, appropriate use of call provisions, bond insurance, and other provisions of the projects.

FIGURE 60
OUTSTANDING STATE DEBT BY TYPE
FISCAL YEARS 2013 TO 2023



SOURCE: Bond Review Board.

BRB is required to submit an annual report to the Legislature regarding state and local debt burdens and the aggregate impact of all recommended state debt issuance on the state’s debt burden. **Figure 60** shows the state’s total outstanding debt in bonds for fiscal years 2013 to 2023, including \$17.3 billion in General Obligation (GO) bonds, which are backed legally by the full faith and credit of the state, and \$53.6 billion in revenue bonds. **Figure 60** also shows the revenue bond conduit debt—which is not a legal liability of the state and which the state is not obligated to pay—at approximately \$13.5 billion as of August 31, 2023. Appropriations include \$4.6 billion for debt service payments for the 2024–25 biennium. As of August 2023, Texas’ GO debt was rated at Aaa/AAA/AAA by the three major credit rating agencies. Appropriations for state bond debt oversight total approximately \$1.0 million and include 4.0 full-time-equivalent (FTE) positions each fiscal year.

LOCAL BOND DEBT

BRB collects, maintains, analyzes, and reports on the status of local debt and works to ensure that local public officials have access to updated information regarding debt issuance, finance, and debt management. BRB does not have direct oversight of local government debt issuance. As of August 31, 2023, the state had a total of \$309.8 billion in local government debt outstanding, an increase of 28.7 percent from \$240.7 billion at the end of fiscal year 2019.

FIGURE 61
TEXAS PRIVATE ACTIVITY BOND ALLOCATION PROGRAM SET-ASIDE COMPARED TO ISSUED ALLOCATION AMOUNTS
PROGRAM YEAR 2023

(IN MILLIONS)				
SUBCEILING	AVAILABLE ALLOCATION	PERCENTAGE OF TOTAL	ISSUED ALLOCATION	PERCENTAGE OF TOTAL AVAILABLE ALLOCATION
Single-family Housing	\$2,545.3	40.4%	\$1,047.5	16.6%
State-voted Issues	\$360.4	5.7%	\$141.5	2.2%
Small-issue Industrial Development Bonds	\$72.1	1.1%	\$0.0	0.0%
Multifamily Housing	\$2,041.3	32.4%	\$1,571.5	24.9%
All Other Issues	\$1,285.5	20.4%	\$193.4	3.1%
Total	\$6,304.5	100.0%	\$2,953.9	46.9%

NOTE: Totals may not sum due to rounding. Includes carry-forward amounts. Allocation amounts are reported as of November 15, 2023.
 SOURCE: Bond Review Board.

These issuing entities include school districts, counties, community and junior colleges, cities, health and hospital districts, water districts, and other special districts. Local governments issue debt to finance construction and renovation of government facilities (school instructional facilities, public safety buildings, city halls, and county courthouses), public infrastructure (roads, and water and sewer systems), and other projects authorized by law. School districts and cities are the largest issuers of debt.

The Office of the Attorney General collects information regarding bond-issuing entities in the state and forwards the information to BRB. The agency analyzes the information to ensure reporting accuracy, prepares detailed fiscal year-end reports regarding tax-supported and revenue debt outstanding that include debt trends and debt ratios (debt to assessed value, debt per capita, debt per student), and provides its findings to bond-issuing entities and state officials.

The agency also compiles data regarding local government debt on its website for policy makers and other stakeholders and assists these local entities. Visitors to the BRB website can access and download spreadsheets that contain debt outstanding, debt ratio, and population data by government type at fiscal year-end. During fiscal year 2023, the agency analyzed more than 1,500 local government financings. Appropriations for local bond debt analysis and reporting total approximately \$0.9 million and include 5.0 FTE positions each fiscal year.

FEDERAL TAX-EXEMPT BONDS

The third program area involves the administration of federal tax-exempt bonds, primarily private activity bonds and Qualified Energy Conservation Bonds. The Private Activity Bond Allocation Program (PAB) is a federal program authorized by the federal Tax Reform Act of 1986. PAB statutes and rules regulate the amount of tax-exempt bonds that may be issued in the state and restrict the type of privately owned, public-use projects that may take advantage of this tax-exempt financing authority. The agency must ensure that issuance of tax-exempt bonds by public and private entities is consistent with federal law.

BRB administers the PAB by regulating the state’s total allocation of PAB authority (state ceiling or volume cap) for issuances of tax-exempt bonds and by monitoring the demand for and use of private activity bonds each calendar year. The state’s volume cap is based on a per capita amount multiplied by the state’s most recent population estimate as published by the U.S. Census Bureau. Total issuance authority for calendar year 2023 was set at a ceiling of \$120 per capita and indexed for inflation. For calendar year 2023, Texas’ state ceiling was \$3.6 billion with an additional \$2.7 billion in carry-forward ceiling. **Figure 61** shows the subceiling authorizations for the PAB and the actual amount of the state ceiling that was issued for program year 2023, showing that approximately 46.9 percent of the total state allocation has been issued. Issuers have three years in which to issue authority that has been carried forward from previous years. Most of the PABs issued are from previous years’ authority and do not affect the state ceiling. Appropriations for the administration of federal tax-exempt

bonds total approximately \$0.5 million and include 2.0 FTE positions each fiscal year.

SIGNIFICANT LEGISLATION

House Bill 1038 – Biennial report on state lending and credit support programs. The legislation requires BRB to submit to the Legislature and post on the board’s website by December 31 each even-numbered year a report regarding all lending programs and credit-support programs in Texas.

House Bill 1766 – Issuance of private activity bonds for qualified residential rental projects. The legislation creates a duty for the Office of the Attorney General to certify compliance with the approval of private activity bonds being issued to finance certain projects. The legislation modifies the criteria for BRB to use in determining priority for reservations to issuers of qualified residential rental project bonds.

CANCER PREVENTION AND RESEARCH INSTITUTE OF TEXAS

PURPOSE: Through awarding of grants for cancer research and prevention: (1) to initiate and expedite innovation in the area of cancer research and enhance the potential for a medical or scientific breakthrough in the prevention of cancer and cures for cancer; and (2) to attract, establish, or expand research capabilities of public or private institutions of higher education and other public or private entities that will promote a substantial increase in cancer research and in the establishment of high-quality jobs in the state.

ESTABLISHED: 2007

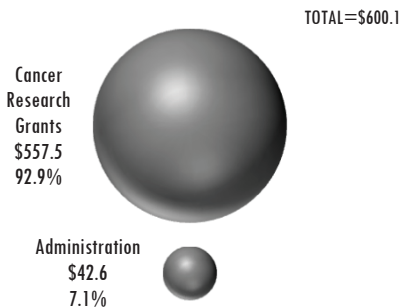
AUTHORIZING STATUTE: The Texas Health and Safety Code, §102.002

GOVERNANCE: Cancer Prevention and Research Institute of Texas Oversight Committee—nine members with three members each appointed by the Governor, the Lieutenant Governor, and the Speaker of the House of Representatives

FIGURE 62
CANCER PREVENTION AND RESEARCH INSTITUTE BY METHOD OF FINANCE

METHOD OF FINANCE	(IN MILLIONS)				APPROPRIATED FULL-TIME-EQUIVALENT POSITIONS				
	ESTIMATED/BUDGETED 2022–23	APPROPRIATED 2024–25	BIENNIAL CHANGE	PERCENTAGE CHANGE					
General Revenue Funds	\$0.0	\$0.0	\$0.0	N/A	<table border="1"> <tr> <td>2024</td> <td>44.0</td> </tr> <tr> <td>2025</td> <td>44.0</td> </tr> </table>	2024	44.0	2025	44.0
2024	44.0								
2025	44.0								
General Revenue—Dedicated Funds	\$0.0	\$0.0	\$0.0	N/A					
Federal Funds	\$0.0	\$0.0	\$0.0	N/A					
Other Funds	\$594.4	\$600.1	\$5.7	1.0%					
Total, All Methods of Finance	\$594.4	\$600.1	\$5.7	1.0%					

AGENCY PROGRAM AREAS BY APPROPRIATION (IN MILLIONS)



SIGNIFICANT DEVELOPMENTS

The Cancer Prevention and Research Institute of Texas (CPRIT) has awarded **1,901 grants** totaling **\$3.4 billion** through the end of fiscal year 2023.

CPRIT has provided **9.0 million cancer prevention services** to people in all 254 Texas counties through the end of fiscal year 2023.

During the 2024–25 biennium, CPRIT will offer **14 types** of awards for **Academic Research Grants**, **four types** of awards for **Product Development Research Grants**, and **four types** of awards for **Prevention Grants**.

SOURCE: Legislative Budget Board.

MAJOR FUNDING

The Cancer Prevention and Research Institute of Texas (CPRIT) is appropriated \$600.1 million in All Funds for the 2024–25 biennium. CPRIT is funded primarily with General Obligation (GO) Bond Proceeds. The agency also receives approximately \$11,000 per fiscal year in revenue from the sale of certain license plates and approximately \$40,000 per fiscal year in Appropriated Receipts consisting of application fees from product development grant applicants.

PROGRAMS

The agency carries out responsibilities through two major program areas: (1) cancer research grants; and (2) administration.

CANCER RESEARCH AND PREVENTION GRANTS

CPRIT’s first major program area is cancer research grants, which fund projects to directly or indirectly benefit subsequent cancer research efforts, cancer public health policy, or the continuum of cancer care from prevention to treatment and cure. Eligible grant recipients must be Texas-based, including the following entities: a public or private institution of higher education; academic health institution; government organization; nongovernmental entity; or a company established in or relocating to Texas upon receipt of a grant award. Grants are made in various amounts across multiyear periods, and GO Bond Proceeds are issued to pay grant recipients on a reimbursement basis.

Within the scope of cancer research grants are academic research grants and product development research grants. Academic research grants provide financial support to entities for research

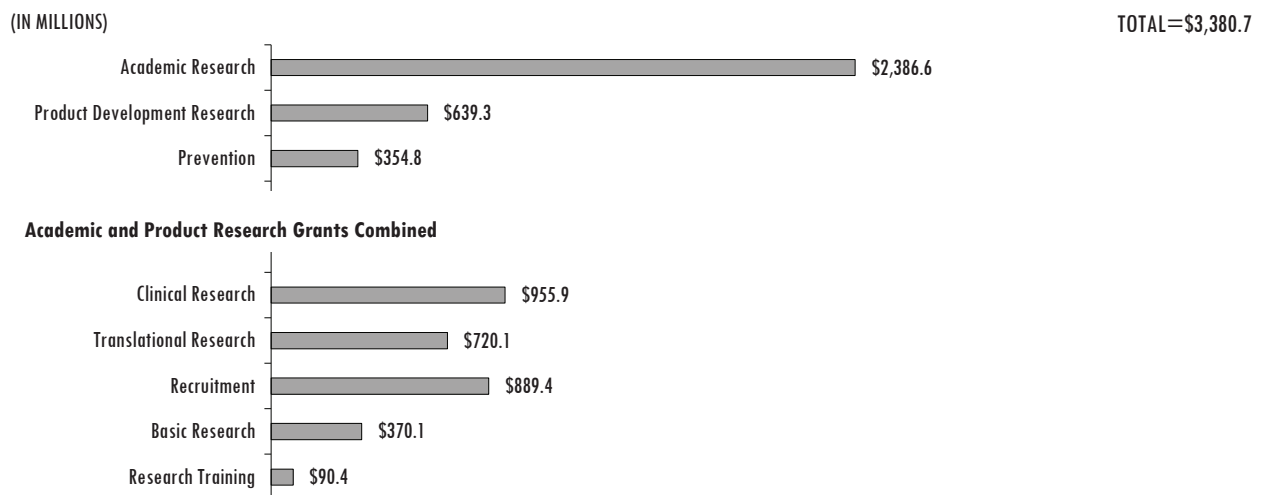
topics or issues related to cancer biology, causation, prevention, detection or screening, treatment, or cure. Product development research grants are related to cancer diagnosis, treatment, or prevention to develop new products with the ability to commercialize and produce returns on investment for the state. CPRIT may take equity ownership in companies that receive CPRIT awards or receive royalty payments, whichever provides the best return to the state, from investments in companies with successfully commercialized discoveries. Appropriations for the 2024–25 biennium for academic research grants and product development research grants total \$502.7 million in Other Funds from GO Bond Proceeds.

CPRIT also has a cancer prevention grant program, which awards grants that provide the following outcomes: affect the incidence, mortality, or morbidity of cancer; affect personal behaviors leading to prevention, risk reduction, and early detection of cancer; and improve the quality of life for survivors. Appropriations for cancer prevention grants total \$54.8 million for the 2024–25 biennium primarily from GO Bond Proceeds, including \$22,000 in Other Funds generated from sales of the Texans Conquer Cancer license plate and the Cancer of Unknown Primary Origin Awareness license plate.

Since its inception, CPRIT has awarded a total of \$3.4 billion in grant awards. Of this amount, \$2.4 billion was awarded for academic research grants, \$639.3 million was awarded for product development research grants, and \$354.8 million was awarded for cancer prevention grants.

Figure 63 shows the awards by grant type from fiscal years 2010 to 2023.

FIGURE 63
CANCER RESEARCH GRANTS AWARDS BY PROGRAM TYPE, FISCAL YEARS 2010 TO 2023



SOURCE: Cancer Prevention and Research Institute of Texas.

ADMINISTRATION

CPRIT’s other major program area is administration, which includes indirect administration to support the agency and direct administration for awarding grants and oversight. Grant applications for cancer research and prevention projects are reviewed and scored by the Scientific Research and Prevention Program committees, which subsequently recommend eligible grant awards to the program integration committee in a prioritized list. The program integration committee then recommends grant funding to the CPRIT Oversight Committee, which must approve grants by a two-thirds vote. Appropriations for administration total \$42.6 million for the 2024–25 biennium, including \$80,000 from Appropriated Receipts consisting of application fees from product development grant applicants, and support 44.0 full-time-equivalent positions.

COMPTROLLER OF PUBLIC ACCOUNTS

PURPOSE: To serve as the state’s chief tax collector, accountant, revenue estimator, treasurer, and purchasing manager. To interpret and apply tax laws and collect taxes and fees; monitor the financial status of state agencies; report on the state’s financial condition to the Legislature; oversee the cash management functions of the state; and manage statewide contracts.

ESTABLISHED: 1850

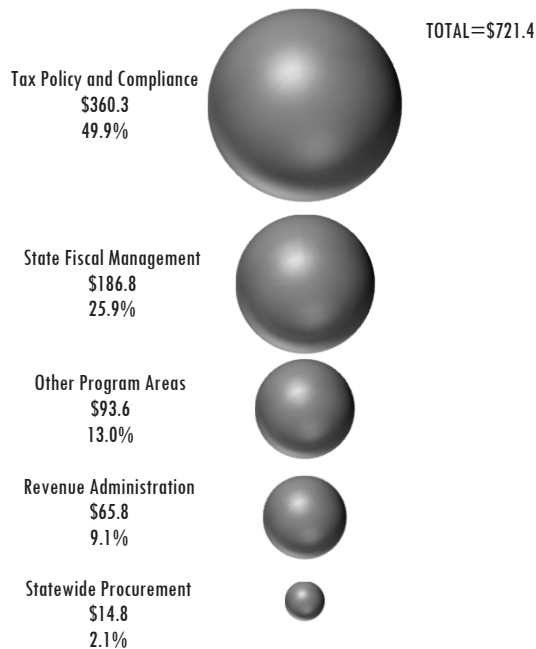
AUTHORIZING STATUTE: The Texas Constitution, Article IV, §23

GOVERNANCE: Statewide elected official

FIGURE 64
COMPTROLLER OF PUBLIC ACCOUNTS BY METHOD OF FINANCE

METHOD OF FINANCE	(IN MILLIONS)				APPROPRIATED FULL-TIME-EQUIVALENT POSITIONS
	ESTIMATED/BUDGETED 2022–23	APPROPRIATED 2024–25	BIENNIAL CHANGE	PERCENTAGE CHANGE	
General Revenue Funds	\$660.2	\$717.6	\$57.4	8.7%	2024 2,958.3 2025 2,966.3
General Revenue–Dedicated Funds	\$0.0	\$0.0	\$0.0	N/A	
Federal Funds	\$0.0	\$0.0	\$0.0	N/A	
Other Funds	\$4.7	\$3.8	(\$0.9)	(18.2%)	
Total, All Methods of Finance	\$664.9	\$721.4	\$56.5	8.5%	

AGENCY PROGRAM AREAS BY APPROPRIATION (IN MILLIONS)



SIGNIFICANT DEVELOPMENTS

Appropriations include an increase of **\$35.5 million for the statewide salary adjustment** and an additional salary increase for **auditors and tax compliance officers**.

Funding of **\$18.1 million** is provided to replace the **Uniform Statewide Accounting System** and the **Texas Identification Number System** with new applications.

Funding of **\$0.6 million and 8.0 full-time-equivalent positions** is provided to transfer the management of **unclaimed property securities** from the Texas Treasury Safekeeping Trust Company to the **Comptroller of Public Accounts**.

SOURCE: Legislative Budget Board.

MAJOR FUNDING

Total appropriations of \$721.4 million in All Funds for the Comptroller of Public Accounts (CPA) include an increase in General Revenue Funds of \$57.4 million. This amount includes \$30.5 million for statewide salary adjustments and \$18.1 million for a legacy modernization project to replace the Uniform Statewide Accounting System (USAS) and the Texas Identification Number System. Appropriations also include \$5.0 million in General Revenue Funds for an additional salary increase for auditors and tax compliance officers, and \$0.6 million to transfer the management of unclaimed property securities from the Texas Treasury Safekeeping Trust Company back to the CPA.

Funding to the CPA includes a decrease of \$0.9 million in Other Funds from Appropriated Receipts and Interagency Contracts, primarily because state seizure funds from fiscal year 2021 were carried forward into fiscal year 2022, and a project for the Texas Workforce Commission was completed.

Additionally, General Revenue Funds increases of \$3.2 million are provided to implement provisions of legislation passed by the Eighty-eighth Legislature, Regular Session, 2023, including Senate Bill 1237, relating to compensation and leave for certain security officers or investigators commissioned as peace officers by the CPA; Senate Bill 1340, relating to the local agreement database maintained by the CPA; and House Bill 4101, relating to limited binding arbitration for property appraisal protests.

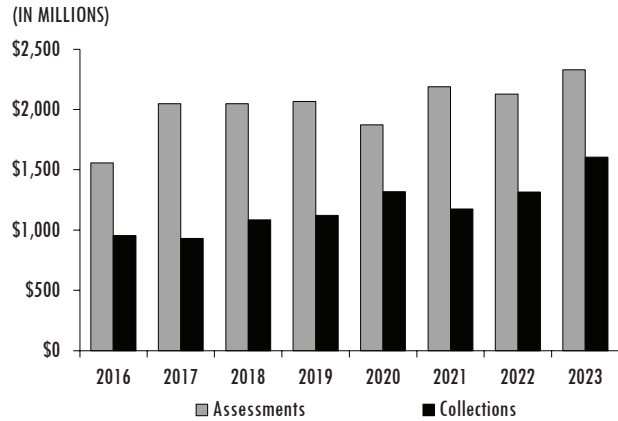
PROGRAMS

The agency carries out its responsibilities through five major program areas: (1) tax policy and compliance; (2) state fiscal management; (3) revenue administration; (4) statewide procurement; and (5) other program areas.

TAX POLICY AND COMPLIANCE

The tax policy and compliance program area includes five functional areas. The Tax Policy Division reviews and interprets laws and provides information to taxpayers through policy directives and rules. The agency offers seminars and webinars to taxpayers that provide overviews of the tax responsibilities of buyers, sellers, and service providers to promote their understanding of and compliance with appropriate tax laws. The Audit Division reviews taxpayer records to determine compliance with state tax laws and educates taxpayers about tax requirements. In conjunction with audit functions, the CPA's Enforcement Division manages compliance with tax laws by tracking

**FIGURE 65
COMPTROLLER OF PUBLIC ACCOUNTS TAX AUDIT
ASSESSMENTS COMPARED TO DELINQUENT COLLECTIONS
FISCAL YEARS 2016 TO 2023**



SOURCE: Comptroller of Public Accounts.

delinquent taxpayer accounts for collections and contacts taxpayers for payment through call center and remote field office activities. Along with audit and enforcement functions, the Criminal Investigation Division detects, investigates, and prosecutes tax-related fraud. **Figure 65** shows tax audit assessments, which are additional amounts owed by a taxpayer after an audit, compared to delinquent tax collections for fiscal years 2016 to 2023. During the 2024–25 biennium, the agency estimates delinquent tax collections of approximately \$3.3 billion.

Additionally, through the tax hearings program, CPA implements an Interagency Contract with the State Office of Administrative Hearings to hold redetermination and refund hearings requests. The CPA's Legal Counsel represents the agency during these hearings and provides agencywide legal research. Appropriations for programs within the tax policy and compliance area total \$360.3 million and provide 1,839.2 full-time-equivalent (FTE) positions.

STATE FISCAL MANAGEMENT

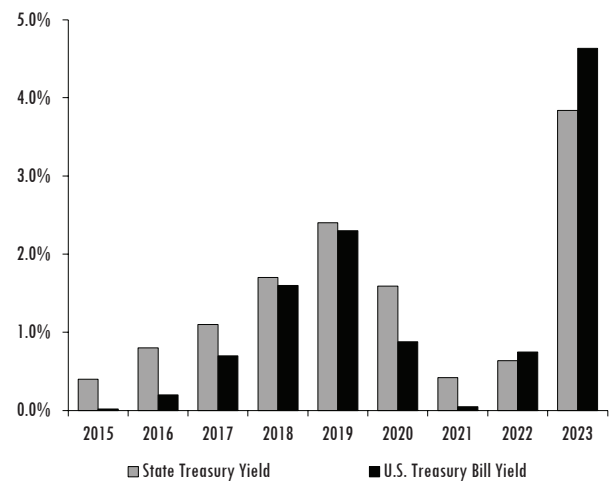
State fiscal management programs include statewide accounting, revenue forecasting, and cash management functions. The agency establishes and monitors appropriations to more than 170 state agencies and institutions of higher education for more than 570 funds and accounts each year; processes and issues payments for the state; and conducts post-payment audits of agencies' purchase, travel, and payroll expenditures to monitor compliance with state laws governing expenditures. This

area also monitors and projects state revenue and produces fiscal analyses of legislation affecting state revenue, including analyzing appropriations bills to determine whether the funds appropriated are within the amount of revenue certified to be available. Additionally, this area prepares the state's Annual Cash Report and the Texas Annual Comprehensive Financial Report, a set of financial statements detailing the state's financial condition.

Fiscal management uses various information technology tools to perform accounting functions, such as USAS and the Uniform Statewide Payroll/Personnel System. These systems and others are becoming outdated and will be retired after replacement systems have been deployed. To replace these systems and consolidate their functions, the agency implemented and is transitioning state agencies to the Centralized Accounting and Payroll/Personnel System (CAPPS), an enterprise resource planning system. CAPPS uses a web-based system that includes modules for financials and human resources (HR) and payroll. These modules provide agencies with updated access to financial, human resources, and payroll information and include enhanced reporting capabilities. CAPPS also eliminates obsolete business processes, including manual processing and reconciliation and duplicate data entry. As of the beginning of the 2024–25 biennium, all but three state agencies have transitioned to using CAPPS Financials and CAPPS HR/Payroll. CPA projects all remaining agencies to have deployed fully by September 1, 2026.

CPA manages the state Treasury, invests state cash and securities, pays state warrants, and enforces the state's cigarette and tobacco product laws. A primary function of the Treasury program is to manage and protect the state's cash and securities while maximizing the return on investments. During fiscal year 2023, the average balance of the state Treasury portfolio was \$75.6 billion. **Figure 66** shows the yields on annual state Treasury investments compared to the three-month U.S. Treasury Bill interest rate yield for fiscal years 2015 to 2023. In addition, the banking and electronic processing function of the Treasury program expedites the payment of all legitimate warrants. This function also ensures that all revenues are deposited within legally required time frames to maximize interest earnings and minimize collection overhead. Appropriations for state fiscal management programs total \$186.8 million and provide 395.4 FTE positions.

FIGURE 66
AVERAGE YIELD ON STATE FUNDS IN THE STATE
TREASURY, FISCAL YEARS 2015 TO 2023



SOURCE: Comptroller of Public Accounts.

REVENUE ADMINISTRATION

The revenue administration program area collects and processes the state's taxes, including taxes on sales, franchises, crude oil, natural gas, fuels, motor vehicle sales, cigarettes, and alcoholic beverages. CPA also collects and remits local sales taxes on behalf of more than 1,700 Texas city and county governments, special purpose districts, and transit authorities. This area also is responsible for maintaining taxpayer accounts and processing tax payment exceptions and adjustments. During fiscal year 2023, the agency processed approximately 7.7 million tax returns. In fulfilling these responsibilities, revenue administration relies heavily on information technology systems to improve service and voluntary compliance with tax laws through multiple automated systems. Those systems include access to self-service options for taxpayers to register, pay, and file taxes through online or automated voice-activated systems. Advanced document management systems help staff support a high-volume, paper-intensive, and time-sensitive operation. Instead of staff manually processing millions of tax returns, documents, and payments, processing occurs through a scanning and imaging system, which enables timely and accurate processing and results in fewer taxpayer data errors. Appropriations for the revenue administration program total \$65.8 million and 435.9 FTE positions.

STATEWIDE PROCUREMENT

The statewide procurement program area is responsible for procurement and support services for state and local

government agencies. As the state's purchasing manager, the CPA's Statewide Procurement Division has more than 9,000 registered state vendors and awards hundreds of statewide contracts for goods and services. The division's duties range from administering the Centralized Master Bidders List to processing bid invitations, tabulations, and awards for all statewide term, Texas Multiple Award Schedule Program, and open-market contracts. The division also provides a statewide training and certification program for state agencies, a state credit card account for travel and vehicle management, and support for the Statewide Historically Underutilized Business Program. The procurement program area also consists of the State Mail Office and the Office of Vehicle Fleet Management. The State Mail Office supports statewide mail-related initiatives such as postage and reviews of mail equipment and services for other agencies. The Office of Vehicle Fleet Management is charged with the administration and management of the State Vehicle Fleet Management Plan, which details recommendations to improve the administration and operation of the state's vehicle fleet, and the statewide vehicle data reporting system, which assists agencies in managing their fleets. Appropriations for the statewide procurement program area total \$14.8 million and provide 91.1 FTE positions.

OTHER PROGRAM AREAS

Other CPA programs include the property tax program and unclaimed property administration. The property tax program provides the annual Property Value Study (PVS), which is used to certify the taxable value of all property in the state's approximately 1,200 school districts to the Commissioner of Education to determine allocations of state funding for public education. Agency field appraisers inspect and appraise real and personal property by: verifying the condition, description, and contract terms for property that has sold; appraising property that has not sold but is included in the random sample of properties to be studied; obtaining deed information from county clerks; and collecting sales data from listing services, real estate brokers, and fee appraisers. The program develops values for properties that are appraised uniformly across county lines, such as railroads, pipelines, utilities, oil and gas interests, and agricultural and timber lands. Although the agency conducts the PVS annually, approximately one-half of Texas school districts are subjects of the PVS each year. For a year in which a school district is not a subject of the PVS, the values certified for the district are determined by the appraisal district. The program also conducts reviews of

governance, taxpayer assistance, operations, and appraisal procedures during the years in which a PVS is not conducted. Appropriations for the property tax program include \$34.3 million and 129.4 FTE positions.

CPA also administers the unclaimed property program. Businesses, financial institutions, and government entities, referred to as holders, remit property to CPA that is presumed abandoned. Property typically takes the form of forgotten bank accounts, insurance proceeds, uncashed checks, security deposits, and utility refunds. The agency processes claims and provides outreach efforts to help owners identify and claim their property, including an online searchable database, notice mailings, and participation in MissingMoney.com, a national unclaimed property database. Appropriations for the program include \$28.9 million and 67.3 FTE positions for fiscal year 2024 and 75.3 positions for fiscal year 2025.

Appropriations for other CPA programs include the statewide salary adjustment, which totals \$30.5 million for the 2024–25 biennium. Appropriations for the other programs area totals \$93.6 million and 196.7 FTE positions for fiscal year 2024 and 204.7 positions for fiscal year 2025.

SIGNIFICANT LEGISLATION

House Bill 4246 – Unclaimed property reported by nonprofit electric cooperative corporations. The legislation increases the amount of unclaimed capital credit retainable by electric cooperatives from 20.0 percent to 50.0 percent for purposes of providing scholarships for rural students, stimulating rural economic development, or providing emergency efficiency assistance to members. It also eliminates the previous \$2.0 million maximum on these transfers.

Senate Bill 1237 – Compensation for certain CPA peace officers. The legislation requires that certain security officers or investigators that are commissioned as peace officers by the CPA are compensated according to Schedule C of the position classification salary schedule prescribed by the General Appropriations Act.

Senate Bill 1340 – Local Development Agreement Database. The legislation adds agreements pursuant to the Texas Tax Code, Chapter 312, to the database that formerly held agreements pursuant to Chapters 380 and 381 only, and renames that tool the Local Development Agreement Database. It also requires taxing units that maintain a website and that execute tax abatement agreements pursuant to Chapter 312 to provide a link to the agreement information published on the CPA's website.

FISCAL PROGRAMS WITHIN THE OFFICE OF THE COMPTROLLER OF PUBLIC ACCOUNTS

PURPOSE: Statewide programs that are subject to the oversight of the Comptroller of Public Accounts, including disbursements to local governments, payment of unclaimed property claims, energy conservation programs, broadband development programs, and payment of claims, settlements, and judgments against the state.

ESTABLISHED: 1850

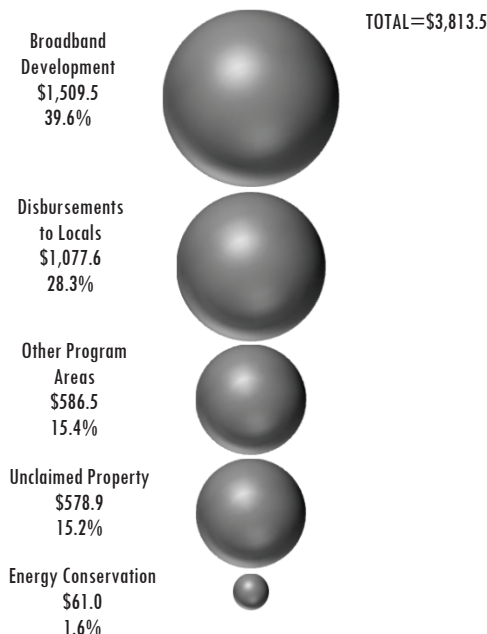
AUTHORIZING STATUTE: The Texas Constitution, Article IV, §23

GOVERNANCE: Comptroller of Public Accounts, statewide elected official

FIGURE 67
FISCAL PROGRAMS WITHIN THE OFFICE OF THE COMPTROLLER OF PUBLIC ACCOUNTS
BY METHOD OF FINANCE

METHOD OF FINANCE	(IN MILLIONS)				APPROPRIATED FULL-TIME-EQUIVALENT POSITIONS
	ESTIMATED/BUDGETED 2022–23	APPROPRIATED 2024–25	BIENNIAL CHANGE	PERCENTAGE CHANGE	
General Revenue Funds	\$1,456.7	\$3,685.4	\$2,228.7	153.0%	2024 43.0
General Revenue–Dedicated Funds	\$42.6	\$85.6	\$43.1	101.2%	
Federal Funds	\$528.2	\$27.8	(\$500.3)	(94.7%)	2025 43.0
Other Funds	\$50.3	\$14.6	(\$35.7)	(71.0%)	
Total, All Methods of Finance	\$2,077.7	\$3,813.5	\$1,735.8	83.5%	

AGENCY PROGRAM AREAS BY APPROPRIATION (IN MILLIONS)



SIGNIFICANT DEVELOPMENTS

Funding provides **\$1.5 billion** for the **Broadband Development Office** to fund the **Pole Replacement Program**, fund **911 and Next Generation 911 services**, and provide matching funds for the **Broadband Equity Access and Deployment program**.

A funding increase of **\$330.8 million** is included for **grant programs** to provide **rural law enforcement agencies** with additional resources, including a minimum salary for certain personnel.

Supplemental appropriations for fiscal year 2023 pursuant to Senate Bill 30, Eighty-eighth Legislature, Regular Session, 2023, include **\$243.8 million** to pay all remaining contract obligations of the **Texas Guaranteed Tuition Plan**.

A funding increase of **\$151.8 million** is provided to reimburse **counties and incorporated municipalities** a portion of mixed-beverage gross receipts and sales tax based on estimated growth in mixed-beverage sales.

NOTES:

- (1) Totals may not sum due to rounding.
- (2) Included in amounts shown is \$497.3 million in General Revenue Funds appropriated to the Fiscal Programs within the Comptroller of Public Accounts in the Eighty-eighth Legislature, General Appropriations Act, 2024–25 Biennium, Article IX, Section 18.78(e), for an education savings account program contingent on the enactment of legislation by the Eighty-eighth Legislature.

SOURCE: Legislative Budget Board.

MAJOR FUNDING

Appropriations for the 2024–25 biennium for Fiscal Programs within the Office of the Comptroller of Public Accounts (CPA) total \$3.8 billion in All Funds. This amount includes \$635.1 million for reimbursements to cities and counties of mixed-beverage taxes, which represents an increase of \$151.8 million due to mixed-beverage tax revenue surpassing pre-pandemic levels for the first time in fiscal year 2022, with a growth of 38.4 percent compared to the previous year. Appropriations for mixed-beverage tax reimbursements maintain statutorily set minimum disbursement levels of 10.7143 percent of mixed-beverage gross receipts and sales taxes. Also included is \$578.9 million for the payment of unclaimed property claims, which remains relatively consistent with amounts from the 2022–23 biennium. Funding also includes \$1.5 billion in General Revenue Funds for broadband development and \$330.8 million in grant funding for additional law enforcement resources in rural counties. Also included is \$497.3 million in General Revenue Funds appropriated to the Fiscal Programs within the Comptroller of Public Accounts in the Eighty-eighth Legislature, General Appropriations Act, 2024–25 Biennium, Article IX, Section 18.78(e), for an education savings account program contingent on the enactment of legislation by the Eighty-eighth Legislature.

Additionally, Senate Bill 30, Eighty-eighth Legislature, Regular Session, 2023, provides \$243.8 million in General Revenue Funds for fiscal year 2023 to fully pay down all remaining contract obligations for the Texas Guaranteed Tuition Plan.

PROGRAMS

Fiscal Programs within the Office of the CPA carry out responsibilities through five major program areas: (1) disbursements to local entities; (2) unclaimed property; (3) energy conservation; (4) broadband development; and (5) other program areas.

DISBURSEMENTS TO LOCAL ENTITIES

Appropriations within the disbursements to local entities program area typically provide for state obligations for disbursements to cities and counties. The largest disbursement within this program area is of mixed-beverage revenues, both the gross receipts tax and sales tax. The Texas Tax Code, Section 183.051, and the Eighty-eighth Legislature, General Appropriations Act (GAA), 2024–25

Biennium, require CPA to distribute to counties and incorporated municipalities 10.7143 percent of mixed-beverage tax revenues received from permit holders within the county or municipality. Estimated funding of \$635.1 million is included for this purpose.

Appropriations for this area also allocate an estimated \$48.6 million to counties for roads and bridges, including a portion of gross weight and axle weight permit fees and a portion of motor fuels tax revenue, pursuant to the Texas Transportation Code. Counties in which University of Texas endowment lands are located also receive funding distributions, which are estimated at \$20.1 million, from CPA for payment of county taxes, pursuant to constitutional provisions. Grant funding of \$330.8 million is allocated for additional law enforcement resources to counties with less than 300,000 people. This amount includes providing a minimum salary to certain personnel. In addition, \$24.0 million is allocated to local law enforcement agencies for continuing education and training of peace officers. Funding of \$19.0 million is provided for payments to certain qualifying cities and counties to offset their loss of revenue from total property tax exemptions for veterans who are 100.0 percent disabled or their surviving spouses. Total funding for disbursements to local entities includes \$1,077.6 million.

UNCLAIMED PROPERTY

Appropriations also provide payments of individuals' claims for unclaimed property that was presumed abandoned and remitted to the state by businesses, financial institutions, and government entities. Property typically takes the form of forgotten bank accounts, insurance proceeds, uncashed checks, security deposits, and utility refunds. Funding for payment of these claims is estimated to be \$578.9 million for the 2024–25 biennium.

ENERGY CONSERVATION

The energy conservation program area includes administration of the State Energy Conservation Office (SECO) and distribution of Oil Overcharge Funds, federal State Energy Program funds, and federal American Recovery and Reinvestment Act of 2009 (ARRA) funds for energy efficiency, energy-related economic development, and energy training projects. Oil Overcharge Funds became available to states in accordance with federal court settlements dealing with violations of price controls in effect for crude oil and refined petroleum products from calendar years 1973 to 1981. State Energy Program funds are received via formula funding from the U.S. Department of Energy. The ARRA

funds are repaid from loans originated through the 2009 ARRA program.

SECO’s largest program, Loans to Save Taxes and Resources (LoanSTAR), is a revolving loan program that finances energy-efficient facility retrofits for state agencies, institutions of higher education, cities, counties, public schools, hospitals, and other government entities. The program’s revolving loan mechanism enables borrowers to repay loans through cost savings generated by the funded projects. Funding for the LoanSTAR program comes from Oil Overcharge Funds, federal State Energy Program funds, and ARRA funds. The LoanSTAR fund balance, including loan receivables, is \$248.5 million. The fund balance consists of approximately \$151.1 million in Oil Overcharge Funds, \$9.5 million in Federal Funds, and \$87.9 in ARRA funds. **Figure 68** shows the distribution of LoanSTAR loans by entity type for the 2022–23 biennium.

SECO administers other energy programs that provide technical assistance, training, and grants to state agencies and local entities related to energy conservation and renewable or alternative fuels. Appropriations for energy conservation programs total \$61.0 million and 20.0 full-time-equivalent (FTE) positions.

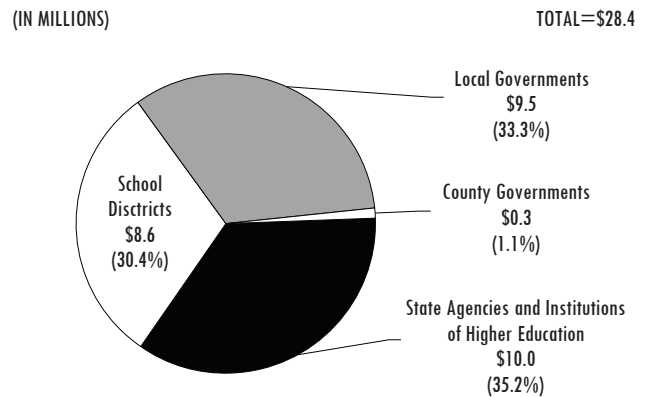
BROADBAND DEVELOPMENT

The broadband development program area includes the administration of the Broadband Development Office (BDO) and distribution of federal and state funds as grants, low-interest loans, and other financial incentives to expand broadband service to unserved and underserved areas of the state. In early 2023, BDO published a broadband availability map that divides the state into eligible and ineligible areas for funding based on the availability of broadband service in each area and prior federal funding commitments. Additionally, the BDO published the State Broadband Plan in June 2022, which contains observations and analysis from research and surveys conducted by the CPA and recommendations to improve broadband access and service.

Funding for broadband development comes from both General Revenue Funds appropriations and grant funding from federal broadband programs. Senate Bill 8, Eighty-seventh Legislature, Third Called Session, 2021, appropriated \$500.5 million from American Rescue Plan Act funds to provide funding for broadband infrastructure.

In addition to federal programs, the BDO administers the Bringing Online Opportunities to Texas (BOOT) program,

**FIGURE 68
LOANSTAR PROGRAM DISTRIBUTIONS OF
APPROPRIATIONS, 2022–23 BIENNIUM**



SOURCE: Comptroller of Public Accounts.

which funds infrastructure projects in eligible areas, and the Pole Replacement Program, which reimburses broadband providers and pole owners the lesser of \$5,000 or 50.0 percent of costs incurred to replace a pole that deploys broadband service. The 2024–25 GAA appropriates \$1.5 billion to expand broadband and telecommunications across Texas. This amount will provide funding for BOOT, the Pole Replacement Program, 911 and Next Generation 911 services, and matching funds for the Broadband Equity, Access, and Deployment program. Appropriations for broadband development programs total \$1,509.5 million and 23.0 FTE positions.

OTHER PROGRAM AREAS

Other programs and functions administered within the Fiscal Programs include the following: payments of certain claims, judgments, and settlements against the state; payments to victims of crime who have not made claims for restitution from local probation departments; contracts with external tax examiners to perform audits and for modernization of tax administration technology; the Texas Bullion Depository; opioid abatement programs; and funding outside of the Treasury for the Habitat Protection Fund for research on certain species for the development and administration of conservation plans. Funding levels for these programs total \$586.5 million for the 2024–25 biennium.

SIGNIFICANT LEGISLATION

House Bill 9 and House Joint Resolution 125 – Funding for broadband development. The legislation directs the use of funds in the Broadband Infrastructure Fund (BIF) for

expanding broadband and telecommunication services across the state, pursuant to the Texas Government Code, Chapter 490I. The BIF, proposed by House Joint Resolution 125 and approved by voters in November 2023, is administered by the CPA, and consists of transfers, deposits, dedicated revenues, and investment earnings that may be transferred, without further appropriation, to another agency for broadband expansion.

Senate Bill 22 – Salary assistance grant programs for the offices of rural sheriffs, constables, and prosecutors.

The legislation establishes three grant programs to provide financial assistance to rural law enforcement agencies and qualified prosecutor’s offices in counties of no more than 300,000 people. Assistance includes providing salary increases for county and district attorneys, and minimum salaries to county sheriffs, deputies, jailers, and elected constables who make motor vehicle stops in the routine performance of their duties. Grant funding may be used to increase salaries, hire additional staff, or purchase new equipment.

SOCIAL SECURITY AND BENEFIT REPLACEMENT PAY

PURPOSE: To administer payment of state and employee Social Security and Medicare taxes to the federal government.

ESTABLISHED: 1935

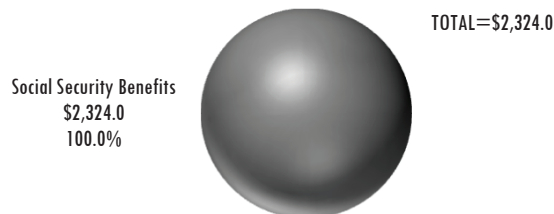
AUTHORIZING STATUTE: The Texas Government Code, §606.063

GOVERNANCE: N/A

FIGURE 69
SOCIAL SECURITY AND BENEFIT REPLACEMENT PAY BY METHOD OF FINANCE

METHOD OF FINANCE	(IN MILLIONS)				APPROPRIATED FULL-TIME-EQUIVALENT POSITIONS				
	ESTIMATED/BUDGETED 2022–23	APPROPRIATED 2024–25	BIENNIAL CHANGE	PERCENTAGE CHANGE					
General Revenue Funds	\$1,230.9	\$1,286.5	\$55.6	4.5%	<table border="1"> <tr> <td>2024</td> <td>0.0</td> </tr> <tr> <td>2025</td> <td>0.0</td> </tr> </table>	2024	0.0	2025	0.0
2024	0.0								
2025	0.0								
General Revenue–Dedicated Funds	\$184.3	\$199.7	\$15.3	8.3%					
Federal Funds	\$450.6	\$675.6	\$225.0	49.9%					
Other Funds	\$144.0	\$162.3	\$18.3	12.7%					
Total, All Methods of Finance	\$2,009.9	\$2,324.0	\$314.2	15.6%					

AGENCY PROGRAM AREAS BY APPROPRIATION (IN MILLIONS)



SIGNIFICANT DEVELOPMENTS

State contributions for Social Security fund the 6.2 percent employer payroll tax and the 1.45 percent Medicare payroll tax.

Benefit Replacement Pay is a benefit supplement for certain state employees that began employment before September 1, 1995.

SOURCE: Legislative Budget Board.

MAJOR FUNDING

Appropriations for the 2024–25 biennium for the employer Social Security payroll tax constitute an increase of \$317.3 million in All Funds. This increase is related primarily to the statewide salary adjustment.

Appropriations for the 2024–25 biennium for Benefit Replacement Pay (BRP) contributions decreased by approximately \$3.2 million in All Funds, which corresponds to the anticipated annual turnover of 20.1 percent for state employees hired before September 1, 1995.

PROGRAMS

The Comptroller of Public Accounts (CPA) is responsible for the payment of state and employee Social Security taxes to the federal government. Appropriations for the 2024–25 biennium fund the 6.2 percent employer payroll tax contribution for the Social Security program and the 1.45 percent payroll tax for the state Medicare program. The

Social Security wage base, which is the amount of wages subject to the 6.2 percent tax, increased from \$132,900 for fiscal year 2019 to \$160,200 for fiscal year 2023. Since calendar year 1993, Medicare-taxable earnings have no limit.

Also appropriated to CPA within the Social Security benefits program area are BRP contributions for certain state employees. Before fiscal year 1996, the state paid for a portion of the employees’ Social Security obligations. The Seventy-fourth Legislature, 1995, replaced that portion with a benefit supplement to ensure that employees’ take-home pay was not reduced. Employees retain BRP as long as they do not have a lapse in service from the state for 30 days. Employees hired after August 31, 1995, are not eligible to receive the benefit supplement or the additional state-paid Social Security benefit.

As with Employees Retirement System state contributions, the General Appropriations Act allocates the Social Security appropriation by functional area of state government, as shown in **Figure 70**.

**FIGURE 70
SOCIAL SECURITY AND BENEFIT REPLACEMENT PAY, 2022–23 AND 2024–25 BIENNIA**

(IN MILLIONS) CATEGORY	ESTIMATED 2022–23	APPROPRIATED 2024–25	BIENNIAL CHANGE	PERCENTAGE CHANGE
Social Security – Employer Match				
General Government	\$88.4	\$101.9	\$13.4	15.2%
Health and Human Services	\$405.2	\$484.4	\$79.2	19.6%
Education	\$704.5	\$785.7	\$81.2	11.5%
Judiciary	\$26.9	\$30.5	\$3.6	13.5%
Public Safety and Criminal Justice	\$469.5	\$565.5	\$96.0	20.5%
Natural Resources	\$84.7	\$102.2	\$17.5	20.7%
Business and Economic Development	\$165.6	\$182.2	\$16.6	10.0%
Regulatory	\$38.1	\$44.1	\$6.0	15.8%
Legislature	\$18.3	\$22.0	\$3.7	20.2%
Subtotal, Social Security	\$2,001.1	\$2,318.5	\$317.3	15.9%
Benefit Replacement Pay				
General Government	\$0.9	\$0.6	(\$0.3)	(36.2%)
Health and Human Services	\$2.6	\$1.7	(\$0.9)	(36.2%)
Education	\$0.2	\$0.1	(\$0.1)	(36.2%)
Judiciary	\$0.2	\$0.2	(\$0.1)	(36.2%)
Public Safety and Criminal Justice	\$2.0	\$1.3	(\$0.7)	(36.2%)
Natural Resources	\$0.8	\$0.5	(\$0.3)	(36.2%)
Business and Economic Development	\$1.5	\$1.0	(\$0.6)	(36.2%)
Regulatory	\$0.4	\$0.2	(\$0.1)	(36.2%)
Legislature	\$0.1	\$0.1	(\$0.0)	(36.2%)
Subtotal, Benefit Replacement Pay	\$8.7	\$5.6	(\$3.2)	(36.2%)
Total, Social Security and Benefit Replacement Pay	\$2,009.9	\$2,324.0	\$314.2	15.6%

NOTE: Biennial change and percentage change are calculated on actual amounts before rounding. Therefore, figure totals may not sum due to rounding.
SOURCE: Legislative Budget Board.

COMMISSION ON STATE EMERGENCY COMMUNICATIONS

PURPOSE: To preserve and enhance public safety and health in Texas through reliable access to emergency communications services. Agency functions support the standardized 911 emergency communications services statewide and maintain the state’s poison control network.

ESTABLISHED: 1987

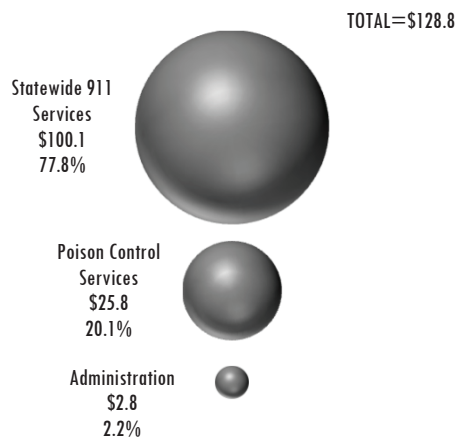
AUTHORIZING STATUTE: The Texas Health and Safety Code, Chapter 771

GOVERNANCE: Commission—12 members: nine appointed members and three ex officio members

FIGURE 71
COMMISSION ON STATE EMERGENCY COMMUNICATIONS BY METHOD OF FINANCE

METHOD OF FINANCE	(IN MILLIONS)				APPROPRIATED FULL-TIME-EQUIVALENT POSITIONS				
	ESTIMATED/BUDGETED 2022–23	APPROPRIATED 2024–25	BIENNIAL CHANGE	PERCENTAGE CHANGE					
General Revenue Funds	\$0.0	\$21.3	\$21.3	N/A	<table border="1"> <tr> <td>2024</td> <td>26.0</td> </tr> <tr> <td>2025</td> <td>26.0</td> </tr> </table>	2024	26.0	2025	26.0
2024	26.0								
2025	26.0								
General Revenue–Dedicated Funds	\$136.7	\$107.5	(\$29.2)	(21.4%)					
Federal Funds	\$154.0	\$0.0	(\$154.0)	(100.0%)					
Other Funds	\$0.0	\$0.0	\$0.0	N/A					
Total, All Methods of Finance	\$290.6	\$128.8	(\$161.9)	(55.7%)					

AGENCY PROGRAM AREAS BY APPROPRIATION (IN MILLIONS)



SIGNIFICANT DEVELOPMENTS

Appropriations decreased by **\$169.9 million** following **completion of the transition to digital 911 services** in fiscal year 2023.

An additional **\$7.1 million** is appropriated to the poison control program to support labor cost increases and to meet national accreditation standards.

The agency’s 911 program serves more than 4.3 million Texans, 14.4 percent of the state’s population. The poison control program serves all residents of the state.

Source: Legislative Budget Board.

MAJOR FUNDING

Funding for the Commission on State Emergency Communications (CSEC) decreased by \$161.9 million, primarily due to the removal of \$150.0 million in onetime federal funding related to the COVID-19 pandemic for the expansion of digital 911 services. House Bill 9, Eighty-eighth Legislature, Regular Session, 2023, provides a onetime transfer of \$155.2 million from the Broadband Infrastructure Fund to the Next Generation 911 Service Fund. Of this amount, \$22.6 million is provided to CSEC in addition to amounts appropriated in the Eighty-eighth Legislature, General Appropriations Act (GAA), 2024–25 Biennium.

Appropriations of General Revenue–Dedicated Funds constitute 83.5 percent of the agency’s budget, and the remaining 16.5 percent is provided from General Revenue Funds, a new funding source for the agency this biennium. General Revenue–Dedicated Funds appropriations to the agency are derived from four telecommunications fees: the 911 equalization surcharge, the emergency service fee, the wireless emergency service fee, and the prepaid wireless emergency service fee. **Figures 72 and 73** show an overview of each telecommunications fee for the 2024–25 biennium.

As shown in **Figure 73**, decreases in the emergency service fees collected are due primarily to metropolitan areas leaving the statewide 911 program. General Revenue–Dedicated Account No. 5050, 911 Service Fees, historically has provided the majority of funds for the agency’s 911 program; however, decreases in the emergency services fee revenue sources placed the account at risk of depletion. To address this issue, \$21.3 million in General Revenue Funds is provided to the agency for the 2024–25 biennium to offset the decrease in revenues.

PROGRAMS

The agency carries out its responsibilities through two major program areas: (1) administering the state 911 service program; and (2) the statewide poison control program.

STATEWIDE 911 SERVICES

The first major program area is providing 911 emergency communication services statewide primarily by administering grants to regional planning commissions (RPC). The agency also provides public education, reviews regional plans for compliance with statewide standards and funding allocations, coordinates 911 activities with emergency communications districts and national organizations, and participates in state and federal regulatory proceedings.

Texas residents who use landline telephones in their homes or businesses to place 911 calls can be located immediately because their addresses are relayed to a 911 public safety answering point (PSAP). In addition, wireless carriers are required to provide the wireless telephone number from which a 911 call is made to the PSAP. All counties in Texas have implemented services that assist emergency responders by providing (1) a callback number in the event of a dropped call, and (2) the caller’s location by providing the phone’s approximate location by latitude and longitude.

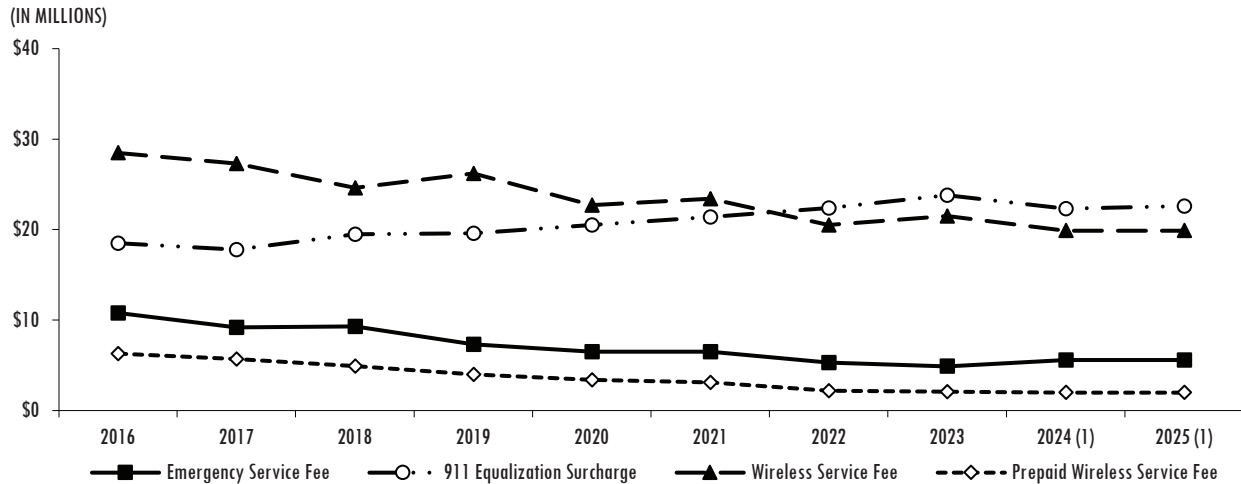
In fiscal year 2010, CSEC began funding a transition to Next Generation 911 services, formerly called the Emergency Services Internet Protocol Network. This new service is compatible with digital devices that transmit texts, images, and videos. Additionally, emergency calls route faster, more efficiently, and more reliably. Caller information can be transferred among geographically dispersed PSAPs and to the appropriate public safety

FIGURE 72
COMMISSION ON STATE EMERGENCY COMMUNICATIONS TELECOMMUNICATION FEES, 2022–23 BIENNIUM

CHARACTERISTIC	EMERGENCY SERVICE FEE	EMERGENCY SERVICE FEE FOR WIRELESS CONNECTIONS	PREPAID WIRELESS EMERGENCY SERVICE FEE	911 EQUALIZATION SURCHARGE
Rate	Maximum of \$0.50 per telephone line per month; may vary by RPC, currently at \$0.50 in all 20 RPCs	\$0.50 per wireless connection per month	2.0% of the retail sale of the prepaid wireless service	Not more than \$0.06 per telephone line or wireless connection per month; excludes prepaid wireless
Levied on	Standard telephone service	Wireless telephone service	Prepaid wireless telephone service	Standard and wireless telephone service
Rate set by	Agency, with review and comment by PUC	Legislature	Legislature	Agency, with review and comment by PUC

NOTE: RPC=regional planning commission; PUC=Public Utility Commission.
SOURCE: Commission on State Emergency Communications.

FIGURE 73
COMMISSION ON STATE EMERGENCY COMMUNICATIONS COLLECTIONS OF TELECOMMUNICATION FEES
FISCAL YEARS 2016 TO 2025



NOTE: (1) Amounts for fiscal years 2024 and 2025 are estimated.
 SOURCE: Commission on State Emergency Communications.

dispatchers. Full implementation of Next Generation 911 services for RPCs in the CSEC statewide program was completed in fiscal year 2023.

Appropriations for 911 activities for the 2024–25 biennium total \$100.1 million and include a net decrease of \$168.9 million from the 2022–23 biennium. This decrease is due to the removal of federal grants provided for the expansion of digital 911 service throughout the state, administered through CSEC.

POISON CONTROL SERVICES

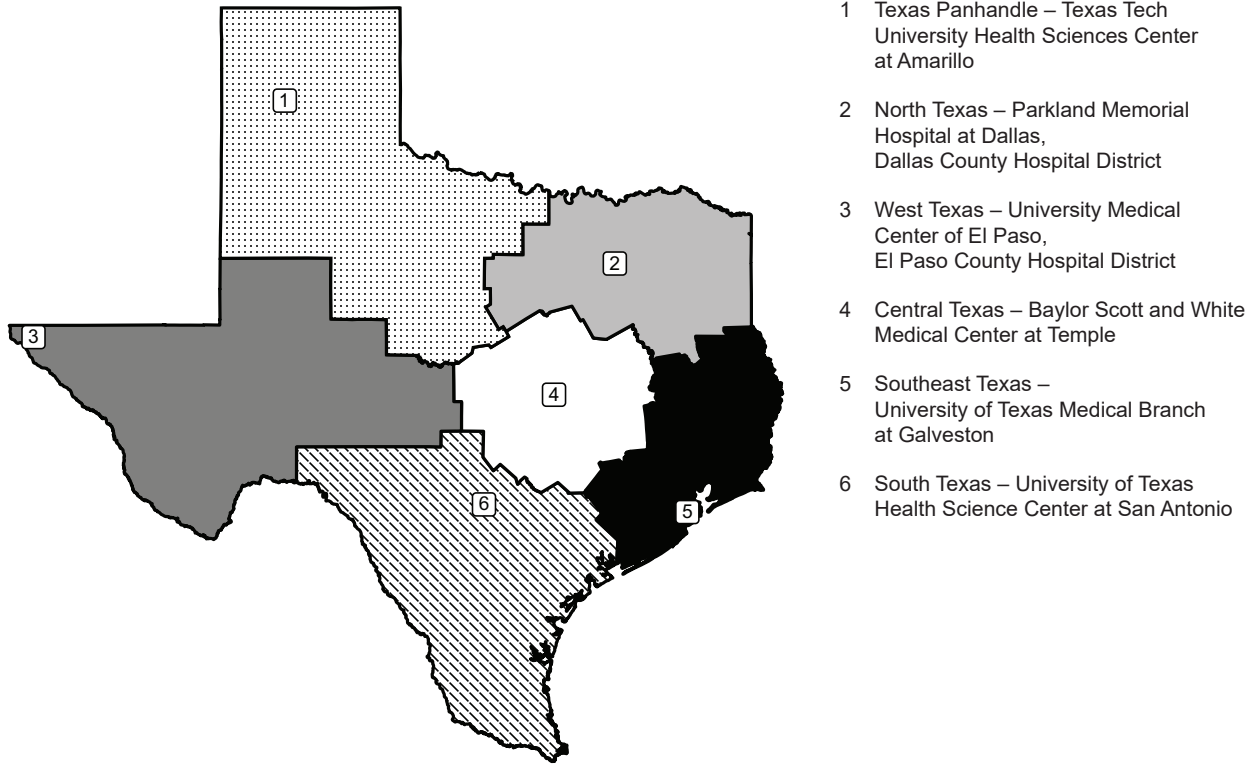
The agency’s second major program area provides a statewide poison control center network that aids in the treatment and prevention of poisonings. The Texas Poison Center Network provides information to individuals that call the poison control toll-free telephone number and suspect they have been exposed to toxic substances. The network consists of six geographically diverse poison centers located within medical facilities and linked by a telecommunications network. Individuals that call the poison control network speak directly with a healthcare professional trained in various aspects of toxicology and poison control and prevention. The network is intended to provide sufficient information to treat a poisoning incident at home, precluding the dispatch of emergency medical services or a visit to a healthcare facility.

The agency operates a statutory program to award grants to the six regional poison control centers, shown in **Figure 74**. The regional centers are located at the University of Texas Medical Branch at Galveston, the Dallas County Hospital District/Parkland Hospital, the University of Texas Health Science Center at San Antonio, the Texas Tech University Health Sciences Center at Amarillo, the Scott and White Memorial Hospital at Temple, and the University Medical Center of El Paso, El Paso County Hospital District. The agency also oversees poison center operations and administers the telecommunications network operations. Appropriations for the poison control center program total \$25.8 million, which includes an increase of \$6.8 million for grants to the regional centers to address inflation in labor costs at poison centers and to meet national accreditation requirements and standards.

SIGNIFICANT LEGISLATION

House Bill 9 and House Joint Resolution 125 – Development and funding of broadband and telecommunications services. The legislation provides a onetime transfer of \$155.2 million to the Next Generation 911 Service Fund from the new Broadband Infrastructure Fund established by voter approval of House Joint Resolution 125 at the November 2023 election. Of this amount, \$22.6 million will be used for the CSEC 911 program.

FIGURE 74
TEXAS POISON CENTER NETWORK, 2024–25 BIENNIUM



SOURCE: Commission on State Emergency Communications.

House Bill 3290 – Next Generation 911 Service Fund.

The legislation expands allowable sources for the fund to include state and federal funding and provides a distribution mechanism for these funds. The legislation also extends the fund to December 31, 2026.

TEXAS EMERGENCY SERVICES RETIREMENT SYSTEM

PURPOSE: The Texas Emergency Services Retirement System is a statewide retirement system with a pooled investment fund established to finance pension, death, and disability benefits for volunteer firefighters and volunteer emergency medical personnel.

ESTABLISHED: 1977

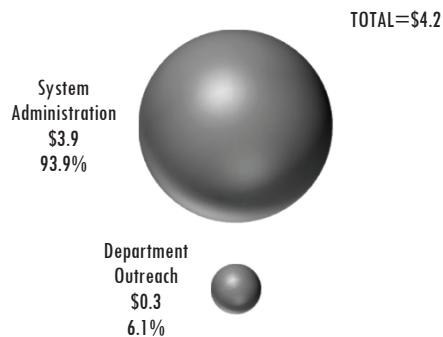
AUTHORIZING STATUTE: The Texas Government Code, §865.001

GOVERNANCE: Board of Trustees—nine members appointed by the Governor, subject to Senate confirmation

FIGURE 75
TEXAS EMERGENCY SERVICES RETIREMENT SYSTEM BY METHOD OF FINANCE

METHOD OF FINANCE	(IN MILLIONS)				APPROPRIATED FULL-TIME-EQUIVALENT POSITIONS	
	ESTIMATED/BUDGETED 2022–23	APPROPRIATED 2024–25	BIENNIAL CHANGE	PERCENTAGE CHANGE		
General Revenue Funds	\$1.4	\$1.6	\$0.2	17.7%	2024	10.0
General Revenue—Dedicated Funds	\$2.5	\$2.6	\$0.1	2.4%		
Federal Funds	\$0.0	\$0.0	\$0.0	N/A	2025	10.0
Other Funds	\$0.0	\$0.0	\$0.0	N/A		
Total, All Methods of Finance	\$3.9	\$4.2	\$0.3	7.8%		

AGENCY PROGRAM AREAS BY APPROPRIATION (IN MILLIONS)



SIGNIFICANT DEVELOPMENTS

The state's contribution to the retirement system for the 2024–25 biennium consists of **\$2.6 million from the General Revenue—Dedicated Account No. 5064, Volunteer Fire Department Assistance.**

The December 2022 actuarial valuation found that the system has an **adequate contribution arrangement** to pay for the normal cost and amortize the unfunded actuarial accrued liability in **30 years.**

The agency provided **\$8.5 million in benefit payments to 3,929 retirees and beneficiaries** during fiscal year 2023.

SOURCE: Legislative Budget Board.

MAJOR FUNDING

The Texas Emergency Services Retirement System (TESRS) was appropriated \$4.2 million in All Funds for the 2024–25 biennium. This amount includes an increase of \$0.2 million in General Revenue Funds for the statewide salary adjustment and for additional salary adjustments for nonexempt staff, and \$60,000 in General Revenue–Dedicated Funds from No. 5064, Volunteer Fire Department Assistance, to increase the state contribution to the pension fund.

PROGRAMS

The agency carries out its responsibilities through two major program areas: (1) administering the retirement system, and (2) department outreach.

SYSTEM ADMINISTRATION

The agency’s primary function is to administer the statewide retirement system for volunteer firefighters and volunteer emergency medical personnel. This function includes collecting contributions, investing the proceeds, and calculating and paying benefits to retirees and their beneficiaries. Contributions to TESRS are made by participating departments on behalf of each eligible member. Texas statute directs a state contribution as necessary to make the system actuarially sound each year; the state contribution is capped at one-third of local governing bodies’ contributions

to the system. The state’s contribution to the system for the 2024–25 biennium is \$2.6 million from General Revenue–Dedicated Fund No. 5064, Volunteer Fire Department Assistance. The actuarial valuation in December 2022 found that the system has an adequate contribution arrangement to pay for the normal cost (the value of benefits accrued in the present year) and amortize the unfunded actuarial accrued liability in 30 years. Total funding provided for system administration is \$3.9 million for the 2024–25 biennium.

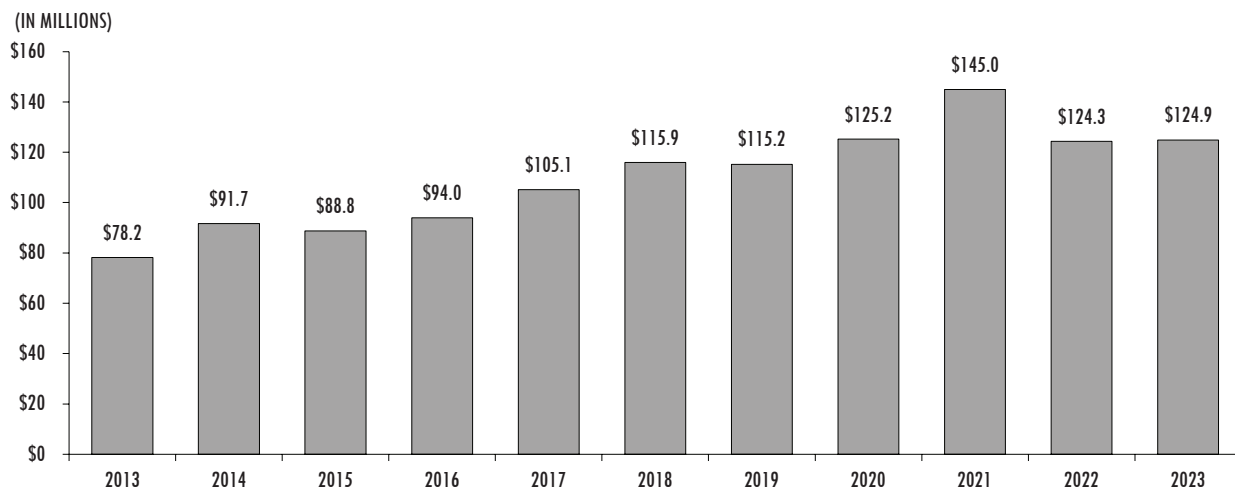
At the end of fiscal year 2023, 241 fire departments and emergency service districts participated in TESRS, representing 1,689 vested individuals eligible for an annuity once they reach the minimum retirement age, including 3,343 active members. At the close of fiscal year 2023, the system provided monthly annuity payments to 3,929 retirees and beneficiaries, totaling approximately \$8.5 million in benefit payments for the year.

Figure 76 shows the net market value of TESRS assets from fiscal years 2013 to 2023.

DEPARTMENT OUTREACH

Recruiting and technical assistance began at the agency during fiscal year 2016. Appropriations provide funding to enroll more departments into the system and monitor departments. Appropriations for these activities include \$0.3 million for the 2024–25 biennium.

FIGURE 76
TEXAS EMERGENCY SERVICES RETIREMENT SYSTEM FUND NET MARKET VALUE OF ASSETS
FISCAL YEARS 2013 TO 2023



SOURCE: Texas Emergency Services Retirement System.

EMPLOYEES RETIREMENT SYSTEM OF TEXAS

PURPOSE: To provide retirement, insurance, and death and survivor benefits to state employees, retirees, and eligible family members; and manage assets held in a trust.

ESTABLISHED: 1947

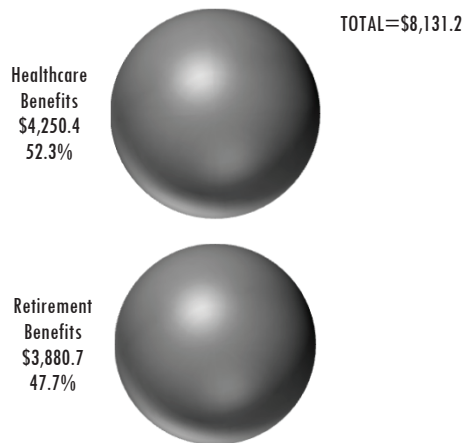
AUTHORIZING STATUTE: The Texas Constitution, Article XVI, §67(a)

GOVERNANCE: Board of Trustees—one member appointed by Governor, one appointed by the Chief Justice of the Supreme Court, and one appointed by the Speaker of the House of Representatives, all with advice and consent of the Senate, and three elected members

FIGURE 77
EMPLOYEES RETIREMENT SYSTEM OF TEXAS BY METHOD OF FINANCE

METHOD OF FINANCE	(IN MILLIONS)				APPROPRIATED FULL-TIME-EQUIVALENT POSITIONS
	ESTIMATED/BUDGETED 2022–23	APPROPRIATED 2024–25	BIENNIAL CHANGE	PERCENTAGE CHANGE	
General Revenue Funds	\$5,328.3	\$5,139.5	(\$188.9)	(3.5%)	2024 436.0 2025 436.0
General Revenue–Dedicated Funds	\$342.8	\$308.6	(\$34.2)	(10.0%)	
Federal Funds	\$1,039.2	\$1,909.3	\$870.1	83.7%	
Other Funds	\$737.1	\$773.8	\$36.7	5.0%	
Total, All Methods of Finance	\$7,447.4	\$8,131.2	\$683.8	9.2%	

AGENCY PROGRAM AREAS BY APPROPRIATION (IN MILLIONS)



SIGNIFICANT DEVELOPMENTS

Appropriations include \$825.7 million to address the unfunded liabilities and cover the normal costs of the Law Enforcement and Custodial Officer Supplemental Retirement Plan. It also includes \$105.5 million to address the unfunded liabilities and cover the normal costs of the Judicial Retirement System – Plan II (JRS II).

Senate Bill 1245, Eighty-eighth Legislature, Regular Session, 2023, establishes a cash balance tier for JRS II members who join the system on or after September 1, 2024. The tier includes a guaranteed 4.0 percent annual interest and gain sharing interest of up to 3.0 percent on member accounts, lump sum and survivor’s benefit retirement options, and a 6.0 percent member contribution rate.

Senate Bill 30, Eighty-eighth Legislature, Regular Session, 2023, provides \$1,065.6 million to amortize the unfunded actuarial liability of the Employees Retirement System of Texas.

State per-member contribution amounts for the Group Benefits Program have remained consistent since fiscal year 2018 due to cost savings in contracts.

SOURCE: Legislative Budget Board.

MAJOR FUNDING

Funding for programs administered by the Employees Retirement System of Texas (ERS) increased by \$683.8 million in All Funds, or 9.2 percent, from the 2022–23 biennium. The increase in retirement contributions is primarily due to the statewide salary adjustment. The substantial increases for the Law Enforcement and Custodial Officers Supplemental Retirement Fund and Judicial Retirement System – Plan II are due to lump sum payments of \$772.0 million and \$99.0 million, respectively, to pay off the unfunded liability of these plans, as well as increases in the state contribution to cover the normal costs of both. The increase for Public Safety Death Benefits is due primarily to deaths related to the COVID-19 pandemic and the enactment of House Bill 90, Eighty-eighth Legislature, Regular Session, 2023, which adds survivors of members of the Texas military forces on state active duty who died in the line of duty to the list of those eligible to receive Public Safety Death Benefits. The decrease in Legacy Payments is due to onetime funding of \$1,065.6 million in Senate Bill 30, Eighty-eighth Legislature, Regular Session, 2023, to amortize the unfunded actuarial liability of ERS.

Figure 78 shows 2024–25 biennial appropriations for all benefits administered by ERS, compared with 2022–23 biennial budgeted and expended amounts.

PROGRAMS

The agency carries out responsibilities through two major program areas: (1) healthcare benefits; and (2) retirement benefits. The appropriations are made within each article in the General Appropriations Act.

HEALTHCARE

ERS provides healthcare benefits to state employees, retirees, and their dependents through the Group Benefits Program (GBP). This program provides group health insurance, life insurance, dental insurance, accident insurance, and short-term and long-term income protection insurance for disability to GBP participants. Newly hired employees become eligible to receive health benefits on the first day of the month following their sixtieth day of employment. The state pays 100.0 percent of the insurance premium for full-time employees and 50.0 percent of dependent coverage; members pay the other 50.0 percent of dependent coverage. Active employees who work part-time receive a state contribution equal to 50.0 percent of the rate of full-time employees for health insurance. Employees are fully responsible for the costs of voluntary coverage, such as accidental death insurance, dental insurance, and disability plans.

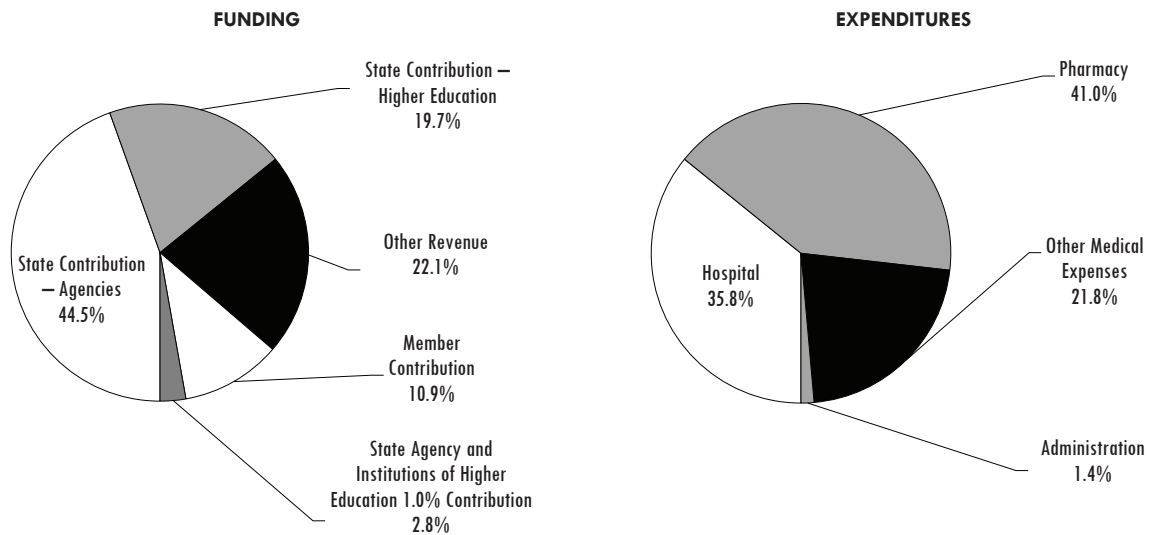
Since fiscal year 2018, ERS also has received appropriations for health insurance for employees of local community

**FIGURE 78
EMPLOYEES RETIREMENT SYSTEM OF TEXAS EMPLOYEE BENEFITS APPROPRIATIONS IN ALL FUNDS
2022–23 AND 2024–25 BIENNIA**

(IN MILLIONS)	ESTIMATED/BUDGETED 2022–23	APPROPRIATED 2024–25	BIENNIAL CHANGE	PERCENTAGE CHANGE
BENEFITS				
Employees Retirement System of Texas Retirement Contributions	\$1,414.5	\$1,709.1	\$294.6	20.8%
Law Enforcement and Custodial Officers Supplemental Retirement Fund	\$18.5	\$846.7	\$828.3	4,489.1%
Judicial Retirement System – Plan II	\$28.6	\$135.5	\$106.9	374.1%
Judicial Retirement System – Plan I	\$33.4	\$33.3	(\$0.1)	(0.2%)
Public Safety Benefits	\$87.6	\$108.6	\$21.0	24.0%
Retiree Death Benefits	\$24.4	\$27.5	\$3.1	12.5%
Group Insurance Program	\$3,796.0	\$4,105.9	\$310.0	8.2%
Community Supervision and Correctional Department Group Insurance	\$142.2	\$144.5	\$2.3	1.6%
Legacy Payments	\$1,902.2	\$1,020.0	(\$882.2)	(46.4%)
Total	\$7,447.4	\$8,131.2	\$683.8	9.2%

NOTE: Biennial change and percentage change are calculated on actual amounts before rounding. Therefore, figure totals may not sum due to rounding.
SOURCE: Legislative Budget Board.

FIGURE 79
PROJECTED DISTRIBUTION OF EMPLOYEES RETIREMENT SYSTEM HEALTHCARE FUNDING AND EXPENDITURES, 2024–25 BIENNIUM



SOURCE: Employees Retirement System of Texas.

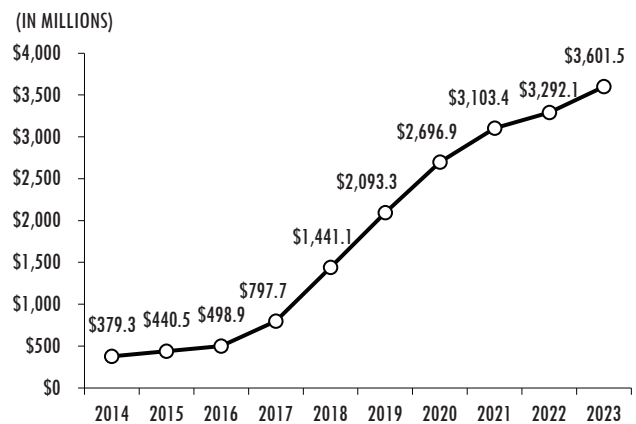
supervision and correctional departments (CSCD). Prior to 2018, appropriations for health insurance for employees of CSCDs were made to the Texas Department of Criminal Justice. Appropriations for the 2024–25 biennium total \$144.5 million.

The combination of state contributions, the 1.0 percent agency contribution, employee premium payments, refunds, rebates, and subsidies earned from the federal Medicare Part D prescription drug plan provide revenue for the insurance trust fund, which provides funding for expenses paid by the healthcare program. **Figure 79** shows the distribution of funding sources for the benefits and the major categories of expenditures projected for the 2024–25 biennium. **Figure 80** shows the GBP reserve fund balance from fiscal years 2014 to 2023.

Through a separate appropriation to the Higher Education Group Insurance program, the state also contributes toward group insurance for higher education employees that are paid with state funds. The University of Texas and Texas A&M University systems administer separate group health insurance programs for their employees and retirees. Employees and retirees of the other institutions of higher education, including community colleges, are part of the GBP within ERS.

ERS offers a prescription drug plan and a managed healthcare plan called HealthSelect through state-contracted vendors. Although ERS self-insures the programs, outside

FIGURE 80
GROUP BENEFITS PROGRAM RESERVE FUND BALANCE
FISCAL YEARS 2014 TO 2023



SOURCE: Employees Retirement System of Texas.

administrators are contracted with the state to administer the managed-care, point-of-service health plan and the prescription drug plan. The system also contracts with various health maintenance organizations that serve primarily urban areas across Texas to provide state employees with healthcare alternatives to HealthSelect. **Figure 81** shows the cost trend as measures by annual percentage change for health plan benefits from fiscal years 2014 to 2023.

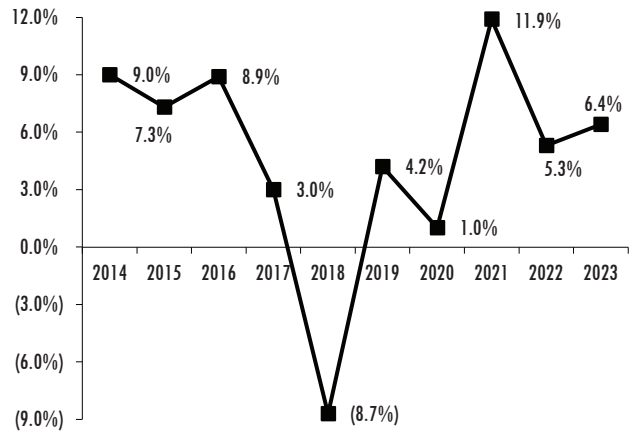
The state contribution for group insurance covers various levels of health coverage, depending on the

category of coverage selected by the employee (e.g., employee only, employee and spouse). **Figure 82** shows the state and employee contributions as portions of the total cost in each of the various coverage categories for the HealthSelect plan for fiscal years 2020, 2022, and 2024. Member and state contribution levels have remained consistent since fiscal year 2018 due to achieving significant cost savings through third-party administrators.

RETIREMENT

The second program area that ERS administers includes various retirement and death benefits available to state employees. ERS Retirement is the primary retirement plan that the system offers to general state employees and elected members. This plan is a defined-benefit retirement that results in a guaranteed annuity. The annuity formula calculation depends upon whether the member’s service began before September 1, 2022 (Groups 1–3) or on or after September 1, 2022 (Group 4). The formula used to calculate a member’s annuity multiplies years of service by final average salary by the benefit multiplier of 2.3 percent. The formula used to calculate a group member member’s annuity is based on the member’s account balance and state match. The state’s retirement contribution rate established by the Eighty-eighth Legislature, 2023, is 9.5 percent for each fiscal year of the 2024–25 biennium; when combined with the 0.5 percent agency contribution, the total state contribution is 10.0 percent.

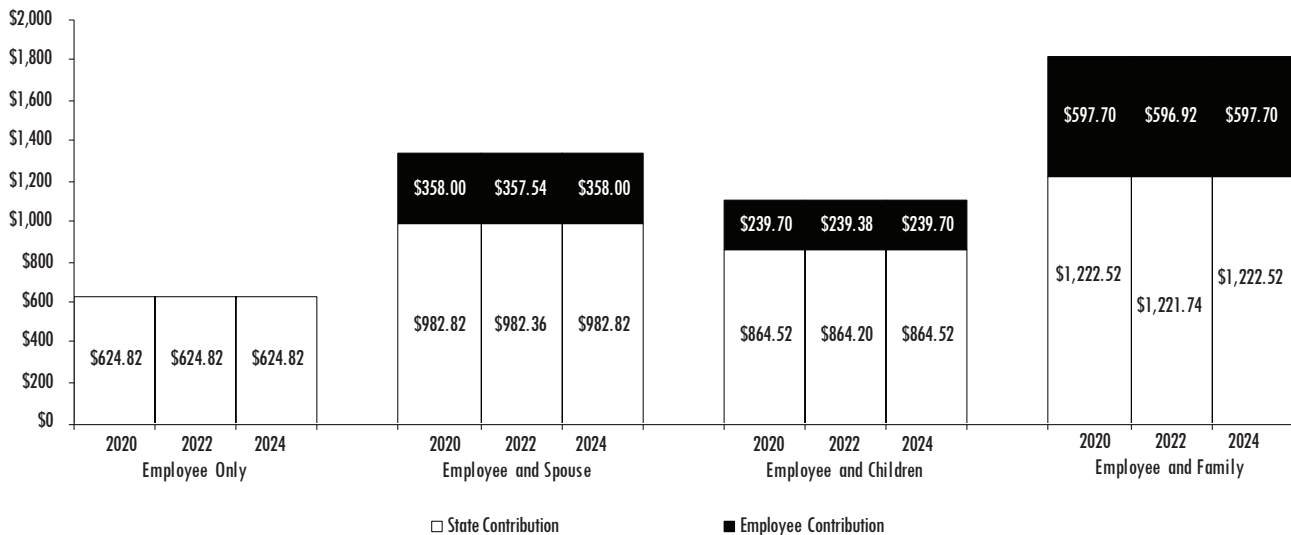
**FIGURE 81
COST TREND FOR HEALTH PLAN BENEFITS
FISCAL YEARS 2014 TO 2023**



NOTE: Fiscal year 2023 amount is projected.
SOURCE: Employees Retirement System of Texas.

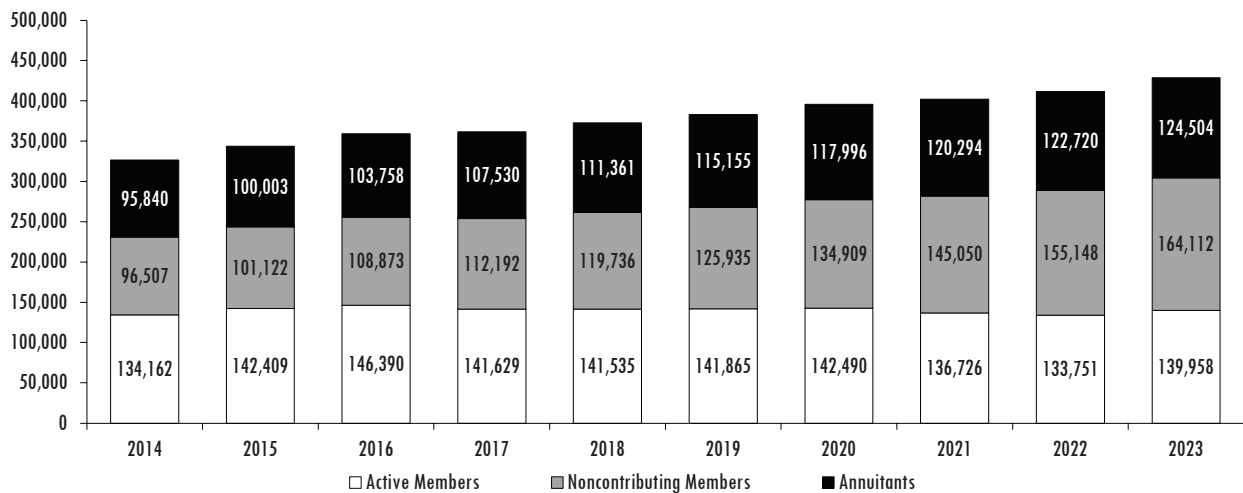
An actuarial valuation report is completed annually for the ERS retirement trust fund, and an additional valuation update is completed during each regular legislative session. An actuarial valuation is a report regarding the financial status of the pension plan. The valuation includes a measurement of the plan’s accrued liability and compares it to the plan’s assets, then analyzes the reasons for changes from the previous plan year. The valuation also determines the actuarial soundness of the total contribution rate to the pension plan. For the plan to be actuarially sound,

**FIGURE 82
HEALTHSELECT MONTHLY CONTRIBUTION LEVELS, FISCAL YEARS 2020, 2022, AND 2024**



SOURCE: Employees Retirement System of Texas.

FIGURE 83
EMPLOYEES RETIREMENT SYSTEM OF TEXAS MEMBERSHIP, FISCAL YEARS 2014 TO 2023



SOURCE: Employees Retirement System of Texas.

contributions must be sufficient to fund the normal cost, which is the cost of benefits being earned during the plan year by active members, and to amortize the unfunded accrued liability during no more than 31 years. According to the August 31, 2023, actuarial valuation report, the funding period at the end of fiscal year 2023 is 31 years.

The August 31, 2023, actuarial valuation of the ERS retirement trust fund assessed the unfunded actuarial accrued liability—the amount of liabilities in excess of assets—at \$14.0 billion. The plan's funded ratio—assets divided by liabilities—was 70.8 percent.

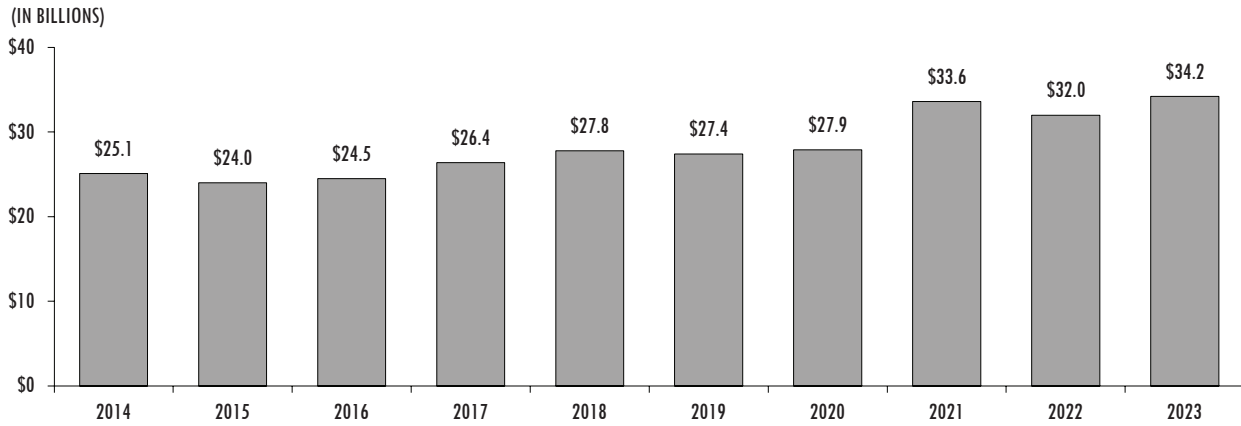
As of August 31, 2023, ERS had 139,958 active contributing members and 164,112 noncontributing members, who are former state employees who have not withdrawn their retirement funds. At that time, 124,504 retirees and beneficiaries were receiving annuities. **Figure 83** shows ERS membership for current and retired employees since fiscal year 2014.

Trained professional personnel, in accordance with trustee policies and constitutional and statutory regulations, invest state contributions, member contributions, and investment income. To assist agency staff with investment recommendations and decisions, the ERS board employs investment managers and utilizes an Investment Advisory Committee composed of financial and business community professionals appointed by the ERS board. ERS also retains an independent consultant to evaluate and analyze investment

results. As of August 31, 2023, the market value of the ERS assets was \$34.2 billion, which was \$2.2 billion more than at the end of fiscal year 2022. **Figure 84** shows the fluctuating market value trend in the assets of the ERS retirement fund since fiscal year 2014, with the decrease during fiscal years 2015 and 2022 attributable to national economic downturn. **Figure 85** shows the annual gross rate of return on investment for the retirement trust fund's assets since fiscal year 2014, and the assumed rate of return, which was 8.0 percent until 2017 when the board changed it to 7.5 percent. The rate was changed to 7.0 percent in May 2020.

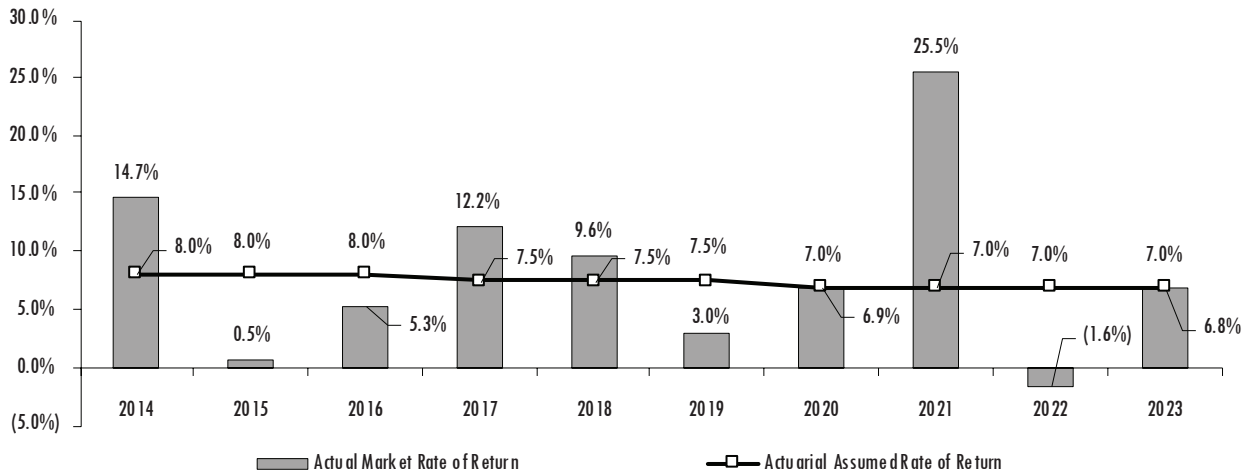
Certain members of ERS are also members of the Law Enforcement and Custodial Officer Supplemental (LECOS) Retirement Fund, which provides an increased retirement benefit for certain employees who are certified peace officers and custodial officers. LECOS funds a 0.5 percent supplement to the principal retirement formula. Members of LECOS in Groups 1 through 3 receive about 82.0 percent of their retirement annuity from the ERS Trust Fund and 18.0 percent from the LECOS Retirement Trust Fund. Members of LECOS in Group 4 are projected to receive approximately 65.0 percent of their retirement annuity from the ERS Trust Fund and 35.0 percent from the LECOS Retirement Trust Fund. The state's LECOS contribution rate established by the Eighty-eighth Legislature, 2023, is 1.75 percent for the 2024–25 biennium, an increase from the contribution rate of 0.5 percent from the 2022–23 biennium. This increase was

FIGURE 84
MARKET VALUE OF EMPLOYEES RETIREMENT SYSTEM OF TEXAS CONSOLIDATED PENSION INVESTMENT FUND ASSETS
FISCAL YEARS 2014 TO 2023



SOURCE: Employees Retirement System of Texas.

FIGURE 85
EMPLOYEES RETIREMENT SYSTEM TRUST FUND ASSETS ANNUAL RATES OF RETURN ON INVESTMENT,
ACTUAL COMPARED TO ASSUMED, FISCAL YEARS 2014 TO 2023



NOTE: The five-year average annual return is 7.75 percent, and the 10-year average annual return is 8.04 percent.
 SOURCE: Employees Retirement System of Texas.

made to cover the normal cost (the value of benefits accrued in the present year) of the plan.

As of August 31, 2023, the market value of the LECOS Retirement Fund was \$1.05 billion, an increase of \$4.4 million from the August 31, 2022, valuation report. Eligible employees include law enforcement officers with the Texas Department of Public Safety, the Texas Alcoholic Beverage Commission, and the Texas Parks and Wildlife Department; custodial officers at the Texas Department of Criminal Justice; and parole officers and caseworkers at the Board of

Pardons and Paroles. As of August 31, 2023, 31,744 active members were contributing to the fund, 35,082 members were noncontributing, and 16,368 retirees and beneficiaries were receiving supplemental benefits.

ERS administers two retirement plans for judges: the Judicial Retirement System I (JRS I) and Judicial Retirement System II (JRS II). JRS I was closed on August 31, 1985, and is financed on a pay-as-you-go basis. Funds required for monthly annuity payments and refunds of member contributions are appropriated each fiscal year from General

FIGURE 86
EMPLOYEES RETIREMENT SYSTEM OF TEXAS RETIREMENT PLANS CONTRIBUTION STRUCTURE
FISCAL YEARS 2024 AND 2025

PLAN	STATE	MEMBER	OTHER	TOTAL
Employees Retirement System of Texas				
Hired before September 1, 2022	9.5%	9.5%	0.5% (1)	19.5%
Hired on or after September 1, 2022	9.5%	6.0%	0.5% (1)	16.0%
Law Enforcement and Custodial Officer Supplement				
Hired before September 1, 2022	1.75%	0.5%	\$13.0 million	2.25% + \$13.0 million
Hired on or after September 1, 2022	1.75%	2.0%	\$13.0 million	3.75% + \$13.0 million
Judicial Retirement System Plan II				
Hired before September 1, 2024	19.25%	9.36% (2)	N/A	28.61%
Hired on or after September 1, 2024	19.25%	6.0%	N/A	25.25%

NOTES:

- (1) Agencies contribute 0.5% of payroll in addition to the state's 9.5% contribution.
(2) The Texas Government Code, Section 840.102, specifies a Judicial Retirement System Plan II member contribution rate of 9.5 percent. The effective member contribution rate shown is 9.36 percent, as some active members elect to cease contributions. The effective member contribution rate is the rate used in actuarial valuations of the system.

SOURCE: Employees Retirement System of Texas.

Revenue Funds. As of August 31, 2023, less than 10 active contributing members remained in the system.

JRS II was established for judges who took the bench on or after September 1, 1985. The JRS II plan is prefunded on an actuarial basis, similarly to the ERS Retirement Fund and the LECOS Retirement Fund. The state contribution rate established by the Eighty-eighth Legislature, 2023, is 19.25 percent for each fiscal year of the 2024–25 biennium, which is an increase from the 15.663 percent contribution rate from the 2022–23 biennium. This increase was made to cover the normal cost of the plan. For fiscal years 2024 and 2025, the member contribution rate is 9.5 percent of payroll, which continues the contribution rate from the 2022–23 biennium. For members who take office on or after September 1, 2024, the member contribution rate is 6.0 percent. Member contributions are optional after members accrue 20.0 years of service credit or have served 12.0 years on an appellate court and attained the Rule of 70, in which the sum of the judge's age and the judge's amount of service credit in the retirement system equals or exceeds the number 70. As of August 31, 2023, 623 active members were contributing, with 185 noncontributing members. As of the same date, 579 retirees and beneficiaries were receiving annuities.

Figure 86 shows the combined contributions to the ERS retirement trust fund, the LECOS retirement fund, and the JRS II fund.

ERS also administers two death benefit programs, public safety death benefits and retiree death benefits. Survivors of a law enforcement officer, firefighter, or other public safety employee killed in the line of duty on or after September 1, 2023, receive a lump-sum payment of \$591,040 and other benefits, such as funeral expenses and additional benefits for surviving children. The lump-sum amount is adjusted each year by the percentage change in the Consumer Price Index for All Urban Consumers.

Retiree death benefits include a \$5,000 lump-sum death benefit provided to the survivor or estate of an individual retired while a member of any of the retirement programs administered by ERS. Retiree death benefits are the appropriation made directly to the agency.

SIGNIFICANT LEGISLATION

House Bill 90 – Public safety death benefits for members of the Texas Military. The legislation adds the survivor of a member of the Texas military forces on state active duty who died in the line of duty to the current list of those eligible to receive certain survivor benefits under the Texas Government Code, Chapter 615.

House Bill 4990 – Texas Pharmaceutical Initiative. The legislation establishes the Texas Pharmaceutical Initiative to provide cost-effective access to prescription drugs and other medical supplies for employees, dependents, and retirees of public higher education systems and institutions, ERS

members, Teacher Retirement System members, persons confined by the Texas Department of Criminal Justice or the Texas Juvenile Justice Department, and individuals served by a program operated or administered by the health and human services system. House Bill 4990 establishes a governing board for the initiative that is administratively attached to the Health and Human Services Commission.

Senate Bill 1245 – JRS II cash balance tier. The legislation establishes a cash balance tier for JRS II members who join the system on or after September 1, 2024. The tier includes a guaranteed 4.0 percent annual interest and gain sharing interest of up to 3.0 percent on member accounts, lump-sum and survivor's benefit retirement options, and a 6.0 percent member contribution rate.

The state will match 150.0 percent of the member's account balance. Senate Bill 1245 also specifies state contributions for military service. Each year, member accounts and retirement annuities would receive a gain-sharing adjustment if the trust earns more than 4.0 percent. Members are eligible to retire after reaching: (1) age 60 with at least eight years of service credit; or (2) age 50 with at least 12.0 years of service credit.

Senate Bill 1245 establishes a separate, nonqualified, unfunded excess benefit arrangement outside the JRS trust fund. The arrangement will pay annuitants of JRS II benefits that they would have received, but that exceed internal revenue code limitations. The legislation also establishes a partial lump-sum cash balance option, which is available along with either the standard or optional cash balance annuity and specifies how the lump-sum option is administered. Senate Bill 1245 temporarily authorizes certain retirees who resume full-time judicial service after at least a six-month discontinuation to elect to rejoin the system and specifies the method for recomputing benefits for these members. An individual may make this election only once.

TEXAS ETHICS COMMISSION

PURPOSE: To promote individual participation and confidence in electoral and governmental processes by enforcing and administering ethics laws and by providing information that enables the public to oversee the conduct of public officials and those attempting to influence public officials.

ESTABLISHED: 1991

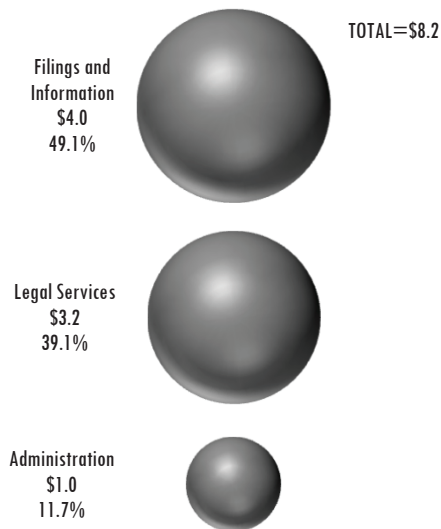
AUTHORIZING STATUTE: The Texas Constitution, Article III, §24a

GOVERNANCE: Commission—four members appointed by the Governor, two members appointed by the Lieutenant Governor, two members appointed by the Speaker of the House of Representatives, with no more than four commissioners from the same political party

FIGURE 87
TEXAS ETHICS COMMISSION BY METHOD OF FINANCE

METHOD OF FINANCE	(IN MILLIONS)				APPROPRIATED FULL-TIME-EQUIVALENT POSITIONS	
	ESTIMATED/BUDGETED 2022–23	APPROPRIATED 2024–25	BIENNIAL CHANGE	PERCENTAGE CHANGE		
General Revenue Funds	\$6.6	\$8.2	\$1.6	24.5%	2024 28.4 2025 28.4	
General Revenue–Dedicated Funds	\$0.0	\$0.0	\$0.0	N/A		
Federal Funds	\$0.0	\$0.0	\$0.0	N/A		
Other Funds	\$0.0	\$0.0	\$0.0	N/A		
Total, All Methods of Finance	\$6.6	\$8.2	\$1.6	24.5%		

AGENCY PROGRAM AREAS BY APPROPRIATION (IN MILLIONS)



SIGNIFICANT DEVELOPMENTS

The legal services division returned **9,341 calls** during fiscal year 2023, and the agency issued **14 advisory opinions**.

The agency collected approximately **\$1.9 million in fees** for the 2022–23 biennium related to **lobbyist registrations**, which were deposited into the General Revenue Fund.

Appropriations totaling **\$0.5 million** for the 2024–25 biennium are provided to transition the agency's **Electronic Filing System** to a cloud infrastructure and enhance its operation. The system is used to process statutory filings.

The agency receives approximately **\$0.7 million** in funding for **salary** increases and promotions in addition to funding provided for the statewide salary adjustment.

SOURCE: Legislative Budget Board.

MAJOR FUNDING

Appropriations for the Texas Ethics Commission (TEC) include an increase of approximately \$1.6 million in General Revenue Funds. This increase is due to the addition of onetime technology funding related to transitioning to a cloud environment for campaign disclosure filings, and funding for staff salary increases that are in addition to the statewide salary adjustment. General Revenue Funds constitute 100.0 percent of the agency’s 2024–25 biennial appropriations.

PROGRAMS

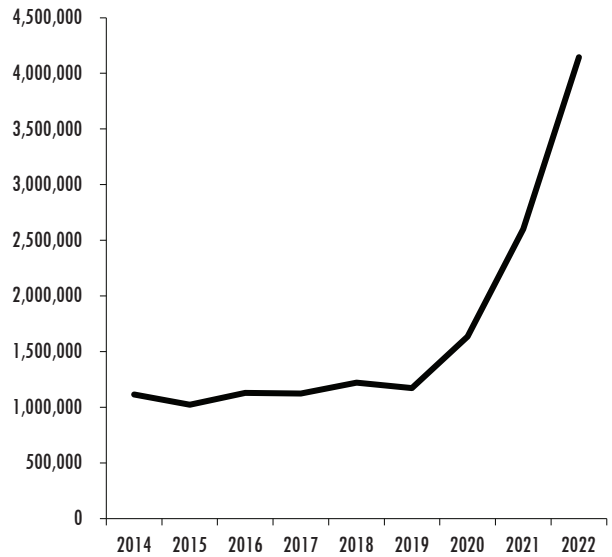
The agency carries out its responsibilities through three major program areas: (1) filings and information; (2) legal services; and (3) administration.

FILINGS AND INFORMATION

TEC’s primary program area relates to filings and information, which includes appropriations for administering, supporting, and enforcing deadlines related to financial and campaign reports submitted to the agency by elected officials, candidates for elected office, lobbyists, and certain state officials. TEC makes certain reports available on the agency’s website, and other reports are available upon request. State law requires that certain disclosure reports are filed electronically with the agency. All disclosure reports are processed through an agency-maintained electronic filing system, which was purchased and developed during the 2014–15 biennium. The agency migrated this system to a cloud environment during the 2022–23 biennium in response to increasing campaign finance filings. An additional \$247,000 in General Revenue Funds is provided in fiscal year 2024 to complete this transition. **Figure 88** shows the increase in filings from fiscal years 2014 to 2022.

The electronic filing system consists of web-based filing applications for campaign finance, lobby, and personal financial statements for the state’s filers, an internal filing application manager, and other databases. The Information Resources division manages the filing application and provides the planning, management, and operation of information technology systems and equipment for the agency. The recent growth in itemized contributions, as shown in **Figure 88**, is due to new reporting requirements pursuant to House Bill 2586, Eighty-sixth Legislature, 2019, as well as increases in the number of small-value contributions enabled by new, Internet-based donation portals. Appropriations for filings and information resources total

FIGURE 88
ITEMIZED CONTRIBUTIONS SUBMITTED TO THE TEXAS ETHICS COMMISSION, FISCAL YEARS 2014 TO 2022



SOURCE: Texas Ethics Commission.

approximately \$4.0 million for the 2024–25 biennium and provide for 11.0 full-time-equivalent (FTE) positions.

LEGAL SERVICES

Another TEC program area provides legal services to the public and filers by responding to requests for guidance, primarily by telephone, and providing instruction regarding laws that the agency administers. TEC uses an online training program and agency-developed educational guides and brochures to educate state employees and the public regarding ethics laws. The agency also issues advisory opinions to assist and educate the public and entities that the agency regulates regarding the laws it enforces. For fiscal year 2023, the agency issued 14 advisory opinions and returned 9,341 calls made to the legal division.

Legal services also include enforcing provisions of campaign finance law, lobby law, and government ethics laws on individuals that file with TEC or with local authorities such as county or city clerks. The agency may initiate investigations and subpoena witnesses pertaining to violations of state law related to ethics. These services include receiving sworn complaints from individuals alleging violation of certain laws that TEC is responsible for enforcing. **Figure 89** shows the number of complaints received by the agency from fiscal years 2014 to 2023. The number of complaints received is related to several factors, including election timing. TEC is

authorized to impose civil penalties through fines for reporting violations. The fines that the agency levies and collects are deposited directly into General Revenue Funds and are not appropriated to the agency. Appropriations for legal services total approximately \$3.2 million for the 2024–25 biennium and provide for 12.4 FTE positions.

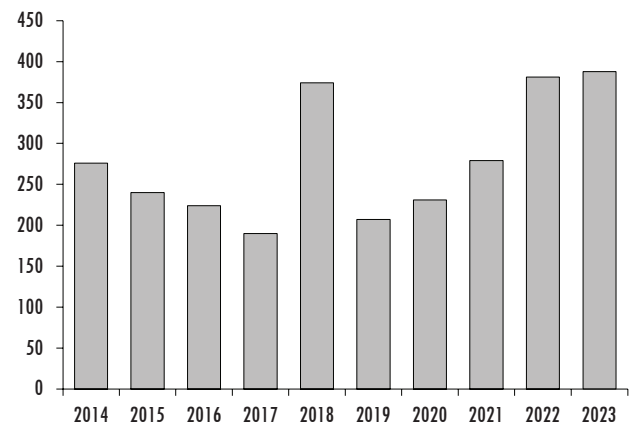
ADMINISTRATION

The agency's final program area is administration, which includes the indirect administrative functions that provide agencywide support functions, including executive leadership, finance, purchasing, human resources management, and staff services. Appropriations for administration total approximately \$1.0 million for the 2024–25 biennium and provide for 5.0 FTE positions.

SIGNIFICANT LEGISLATION

House Bill 3474 – Judicial branch operations. The agency received a contingency appropriation of \$82,500 to collect information in its electronic filing system regarding payments received by justices of the peace related to performing marriages.

FIGURE 89
TEXAS ETHICS COMMISSION SWORN COMPLAINTS
RECEIVED, FISCAL YEARS 2014 TO 2023



SOURCE: Texas Ethics Commission.

TEXAS FACILITIES COMMISSION

PURPOSE: To support state government through strategic planning, asset management, design, construction, maintenance, and leasing of state facilities and the reallocation or disposal of state and federal surplus.

ESTABLISHED: 2007

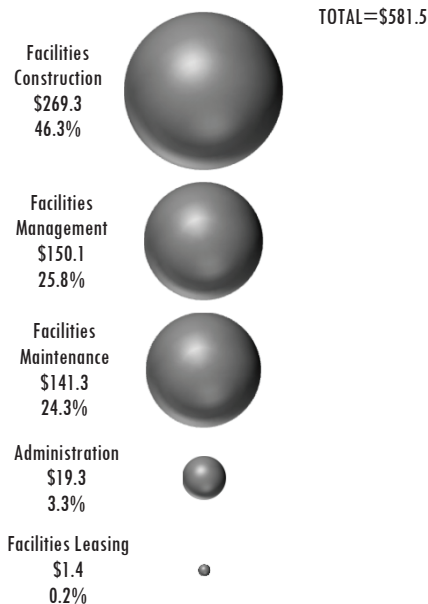
AUTHORIZING STATUTE: The Texas Government Code, Chapter 2152

GOVERNANCE: Commission—five members appointed by the Governor, and two members appointed by the Lieutenant Governor

FIGURE 90
TEXAS FACILITIES COMMISSION BY METHOD OF FINANCE

METHOD OF FINANCE	(IN MILLIONS)				APPROPRIATED FULL-TIME-EQUIVALENT POSITIONS				
	ESTIMATED/BUDGETED 2022–23	APPROPRIATED 2024–25	BIENNIAL CHANGE	PERCENTAGE CHANGE					
General Revenue Funds	\$504.6	\$409.6	(\$95.0)	(18.8%)	<table border="1"> <tr> <td>2024</td> <td>587.8</td> </tr> <tr> <td>2025</td> <td>587.8</td> </tr> </table>	2024	587.8	2025	587.8
2024	587.8								
2025	587.8								
General Revenue–Dedicated Funds	\$26.4	\$118.4	\$91.9	347.8%					
Federal Funds	\$40.0	\$0.0	(\$40.0)	(100.0%)					
Other Funds	\$952.5	\$53.6	(\$898.9)	(94.4%)					
Total, All Methods of Finance	\$1,523.5	\$581.5	(\$942.0)	(61.8%)					

AGENCY PROGRAM AREAS BY APPROPRIATION (IN MILLIONS)



SIGNIFICANT DEVELOPMENTS

All Funds appropriations decreased by \$942.0 million primarily due to the removal of onetime Revenue Bond appropriations for new buildings in the Capitol Complex and the removal of a onetime grant from the Office of the Governor for the construction of the Texas–Mexico border wall.

Supplemental appropriations of \$210.3 million in General Revenue Funds is provided for construction of a new records storage and archive for the Texas Library and Archives Commission, and an additional **\$86.7 million** is provided for the completion of a mental health facility in the Permian Basin.

Appropriations of \$273.4 million is provided for the construction of new buildings at the Capitol Complex, and \$40.3 million in Revenue Bonds is reallocated for this purpose.

A onetime grant of **\$273.4 million** from the Office of the Governor for the construction of the Texas–Mexico border wall was not continued in the 2024–25 biennium. Funding of **\$1.0 million** is included **for maintenance of the wall** for the biennium, and a rider directs the use of those funds.

SOURCE: Legislative Budget Board.

MAJOR FUNDING

Funding for the Texas Facilities Commission (TFC) includes a decrease of \$942.0 million in All Funds, primarily due to the following changes: a decrease of \$480.6 million from Revenue Bond Proceeds for the North Austin Complex and Capitol Complex projects, the removal of a onetime grant of \$273.4 million from the Office of the Governor for the construction of the Texas–Mexico border wall, the removal of \$75.9 million from the Economic Stabilization Fund for the completion of the first phase of the Capitol Complex project, and a decrease of \$90.0 million in All Funds for construction of a mental health facility in the Permian Basin. Offsetting these decreases, funding of \$111.4 million is provided for deferred maintenance and \$243.8 million for completion of the second phase of the Capitol Complex project.

In addition, \$297.0 million in General Revenue Funds was provided in Senate Bill 30, Eighty-eighth Legislature, Regular Session, 2023, in supplemental appropriations for the construction of a new archives and records storage facility for the Texas Library and Archives Commission and of a mental health facility in the Permian Basin.

PROGRAMS

The agency carries out its responsibilities through five major program areas: (1) oversight and management of facilities design and construction; (2) oversight and management of facility repairs and deferred maintenance projects; (3) management of state-owned facilities; (4) agency administration; and (5) management of facility leasing for state agencies.

FACILITIES DESIGN AND CONSTRUCTION

The facilities design and construction program area is responsible for providing professional architectural, engineering, and construction project management services to all state agencies. Five construction contracts, totaling approximately \$197.5 million, were completed during fiscal year 2023. As of August 2023, TFC is managing 40 projects on behalf of eight state agencies with a total value of approximately \$2.1 billion. This portfolio includes Phase 2 of the Capitol Complex project for two new office buildings. To address inflation-related increases in this project, Phase 2 of the North Austin Complex project was halted and an estimated \$40.3 million in unexpended Revenue Bond Proceeds were reallocated to Phase 2 of the Capitol Complex project. In addition, \$243.8 million in General Revenue is provided to Phase 2 of the Capitol Complex project.

Appropriations for the Facilities Design and Construction program area include \$269.3 million for the biennium and provide for 61.2 full-time-equivalent (FTE) positions.

Senate Bill 30 provides a supplemental appropriation of \$210.3 million in General Revenue Funds for the construction of a new archives and records storage facility for the Texas Library and Archives Commission, and \$86.7 million in General Revenue Funds as additional funding for the construction of the Permian Basin Behavioral Health Center.

FACILITIES MAINTENANCE

The facilities maintenance program area involves administering the deferred maintenance and minor construction programs. Deferred maintenance projects include repairing or replacing broken or outdated building systems, upgrading building systems to increase building capacities, and improving energy conservation by installing high-efficiency equipment to decrease utility costs. Funding of \$111.4 million in General Revenue–Dedicated Funds is provided for deferred maintenance.

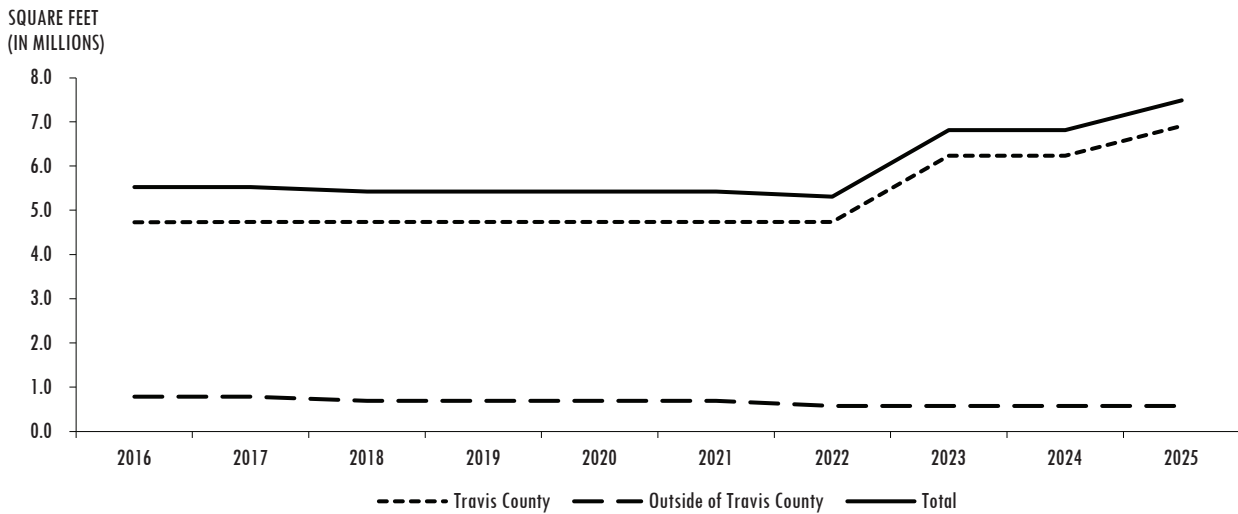
The minor construction program performs minor renovations and rehabilitation for tenants of TFC buildings on a cost-recovery basis. TFC charges agencies \$75 per hour for minor construction services or contract administration if a private vendor performs the renovation with TFC oversight. The total fee for contract administration varies depending on the size and complexity of the contract.

Appropriations for the Facilities Maintenance program area include \$141.3 million for the biennium and provide for 17.4 FTE positions.

FACILITIES MANAGEMENT

The agency's facilities management program area is responsible for custodial services for state-owned buildings, facilities operation and management services, facilities planning, grounds management, parking and special events services, recycling and waste management, surplus property management, and utilities. During fiscal year 2022, the agency's portfolio of leased, owned, and managed facilities totaled more than 23.5 million square feet, supporting the needs of 118 state agencies and 64,299 employees throughout 254 Texas cities and towns. TFC has planning and oversight responsibilities to determine facility requirements and to allocate and assign space to the agencies located in TFC's leased, owned, and managed inventory. This program evaluates and approves all requests for space allocation,

FIGURE 91
STATE-OWNED OFFICE SPACE, FISCAL YEARS 2016 TO 2025



NOTE: Amounts shown for fiscal years 2024 and 2025 are projected.
SOURCE: Texas Facilities Commission.

relinquishment, or modifications. **Figure 91** shows the increase in state-owned space from fiscal years 2016 to 2025 due to the completion of the North Austin and Capitol complexes in Travis County.

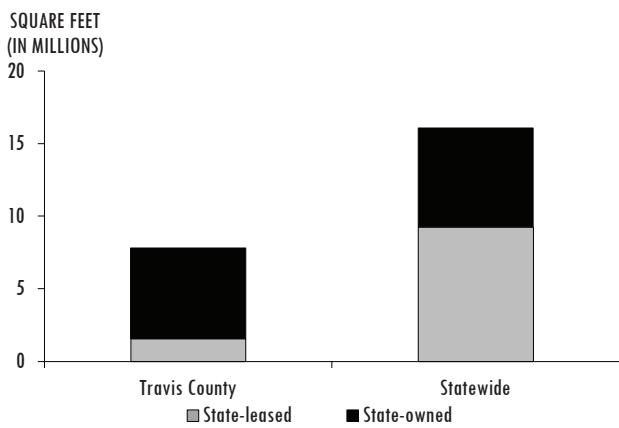
Figure 92 shows that approximately 80.0 percent of all office space occupied by the state in Travis County consists of state-owned or state-built facilities that TFC manages. State-owned and state-managed space constitutes approximately 42.4 percent of the total inventory of office space that state agencies occupy.

The custodial operations program provides cleaning services for state-owned and state-managed facilities within TFC’s inventory. Inspections performed randomly on all phases of custodial services are intended to ensure the provision of quality service. TFC also manages the state’s recycling and waste program. The recycling program provides proper disposal of these items at no cost to tenants in TFC-managed buildings.

The facilities operations program is responsible for utility plants and building systems. This section is staffed on a continuous 24-hour work schedule to monitor five central utility plants that provide chilled water and steam to 29 buildings. This program also is responsible for 67 standalone systems in buildings that do not receive chilled water or steam from the central utility plants.

Facilities planning is a continuous process at TFC, in which the agency monitors and evaluates facility space utilization

FIGURE 92
STATE OFFICE SPACE, FISCAL YEAR 2023



SOURCE: Texas Facilities Commission.

and needs along with state agencies’ anticipated requirements. TFC works closely with other agencies to develop planning assessments to meet particular agency needs in the areas of space utilization, facility acquisition, disposition, leasing, modification, or new construction.

The grounds maintenance program maintains and repairs the grounds, parking garages, and surface lots on state property in Travis County. Agency staff, in conjunction with contract labor, perform routine landscape maintenance services such as mowing, edging, blowing, and weeding for

approximately 353.9 acres of state-owned property in Travis County. Staff also perform nightly cleaning for 18 state-owned parking garages.

The commercial parking and special events program is responsible for administering temporary leasing of state facilities in the Austin area for after-hours parking, movie productions, special events, and tailgating. Additionally, the program administers the conference room reservation system, a web-based scheduling system for conference rooms, common areas, or exterior areas in TFC-managed, state-owned buildings for use by state agencies. During fiscal year 2022, the program generated approximately \$2.0 million in revenue returned to the state Treasury from fees charged for parking after hours, on weekends, during excess daytime special events, and lease agreements in the Capitol Complex and Hobby Complex in Austin.

TFC is statutorily charged with the administration of the Texas State and Federal Surplus Property programs. The State Surplus Property Program facilitates the placement and disposal of state surplus and salvage property for state agencies. For fiscal year 2023, the state program deposited proceeds totaling approximately \$6.4 million to the state Treasury, of which a portion may be expended by participating state agencies and counties. The Federal Surplus Property Program is responsible for administering the donation of federal surplus personal property in Texas. During fiscal year 2023, the program generated \$3.7 million in revenue.

The Office of Energy Management explores ways to decrease utility costs and to conserve energy in state-owned facilities. The program oversees procurement, use, and distribution of TFC's utilities appropriations. This function includes performing cost-benefit analysis on equipment, evaluating and improving business practices, refining methods of building operation, developing and implementing program policies and procedures, and researching and planning for the use of advanced technologies.

Appropriations for the Facilities Management program area include \$150.1 million for the biennium and provide for 434.9 FTE positions.

FACILITIES LEASING

TFC's leasing services program procures and manages leased facilities to meet state agencies' operational needs throughout the state. During fiscal year 2022, the program managed more than 738 active leases for office, warehouse, and training purposes for 36 state agencies in 242 Texas cities and

towns. The program evaluates the facility requirements of tenant agencies; monitors real estate market rent and operating-cost characteristics; and procures, negotiates, and manages lease contracts that represent the best value to the state. TFC's leasing portfolio totaled 9.7 million square feet with a value of \$15.7 million during fiscal year 2022.

Appropriations for the Facilities Leasing program area include \$1.4 million for the biennium and provide for 7.0 FTE positions.

ADMINISTRATION

The agency administration and information technology programs support the overall efficiency and effectiveness of TFC operations. Appropriations for the Administration program area include \$19.3 million for the biennium and provide for 67.3 FTE positions.

SIGNIFICANT LEGISLATION

Senate Bill 640 – Facilities management services for certain state buildings allocated for legislative use. The legislation transfers responsibility for the Sam Houston Building, Robert E. Johnson Building, and John H. Reagan Building to the State Preservation Board (SPB). Because the SPB received an appropriation for these buildings in the General Appropriations Act, no corresponding funds or FTE positions will be transferred to SPB from TFC as required in the legislation.

TEXAS PUBLIC FINANCE AUTHORITY

PURPOSE: To issue General Obligation and revenue bonds for designated state agencies, maintain the Master Lease Purchase Program, and act as the exclusive issuer in other statutes when designated by the Legislature.

ESTABLISHED: 1983

AUTHORIZING STATUTE: The Texas Government Code, Chapter 1232

GOVERNANCE: Board of Directors—seven members appointed by the Governor with advice and consent of the Senate

FIGURE 93
TEXAS PUBLIC FINANCE AUTHORITY BY METHOD OF FINANCE

METHOD OF FINANCE	(IN MILLIONS)				APPROPRIATED FULL-TIME-EQUIVALENT POSITIONS				
	ESTIMATED/BUDGETED 2022–23	APPROPRIATED 2024–25	BIENNIAL CHANGE	PERCENTAGE CHANGE					
General Revenue Funds	\$1.9	\$2.5	\$0.6	31.2%	<table border="1"> <tr> <td>2024</td> <td>17.0</td> </tr> <tr> <td>2025</td> <td>17.0</td> </tr> </table>	2024	17.0	2025	17.0
2024	17.0								
2025	17.0								
General Revenue–Dedicated Funds	\$0.0	\$0.0	\$0.0	N/A					
Federal Funds	\$0.0	\$0.0	\$0.0	N/A					
Other Funds	\$1.7	\$1.9	\$0.2	14.5%					
Total, All Methods of Finance	\$3.6	\$4.4	\$0.8	23.4%					

AGENCY PROGRAM AREAS BY APPROPRIATION (IN MILLIONS)



SIGNIFICANT DEVELOPMENTS

Texas Public Finance Authority **General Obligation (GO) bond debt totaled \$2.8 billion, with debt service payments totaling \$719.2 million** for the 2024–25 biennium.

The agency approved **six requests for financings, refundings, and cash defeasances** during fiscal year 2023.

Of **\$2.8 billion in outstanding GO bonds, \$2.1 billion, or 76.1 percent**, is for bonds for the Cancer Prevention and Research Institute of Texas.

SOURCE: Legislative Budget Board.

MAJOR FUNDING

Appropriations to fund the Texas Public Finance Authority (TPFA) for the 2024–25 biennium are divided into two components: agency operations, and debt service payments on new and existing General Obligation (GO) bonds. Funding for TPFA’s agency operations increased by \$0.8 million, or 23.4 percent, from the 2022–23 biennium. The increase is related to funding for the following: (1) an information technology project for enterprise content management solution enhancements, (2) two additional full-time-equivalent (FTE) positions to perform advanced market analysis and financial transactions, (3) training, and (4) staff salary increases.

PROGRAMS

TPFA issues GO and revenue bonds for designated state agencies to provide financing for the construction or acquisition of facilities and maintains the Master Lease Purchase Program to provide financing for equipment acquisition. The agency carries out its responsibilities through two major program areas: (1) issuing and managing bonds on behalf of state agencies; and (2) issuing debt that is not a legal liability of the state on behalf of third-party entities.

ISSUE AND MANAGE BONDS

Within the first major program area, TPFA issues GO and revenue bonds for designated state entities, shown in **Figure 94**, and administers the Master Lease Purchase Program, which is used primarily to finance capital equipment such as computers, telecommunications systems, software, vehicles, and energy performance contracts.

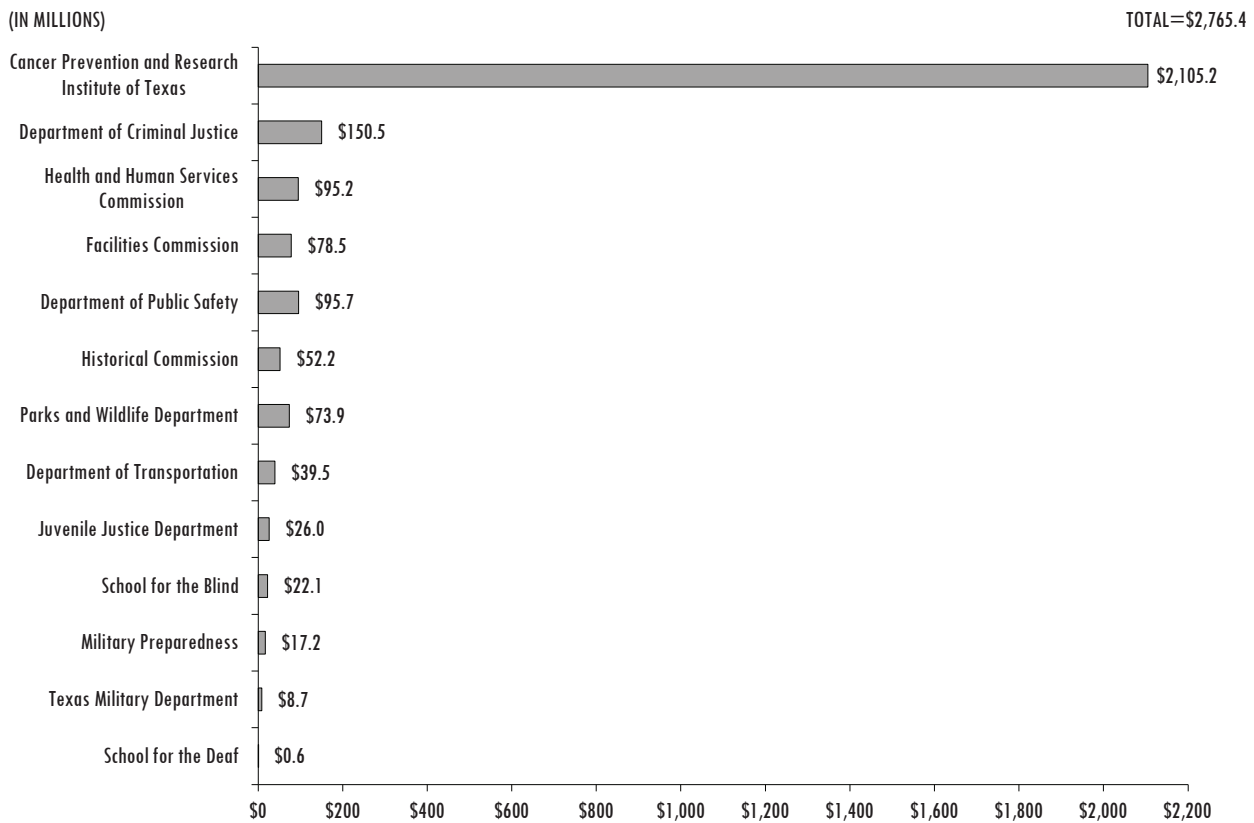
TPFA issues GO bonds on behalf of certain state agencies. GO debt must be authorized by the adoption of a constitutional amendment passed by the Legislature and approved by voters at a statewide election. GO debt is backed by the full faith and credit of the state, requiring that the first monies coming into the state Treasury that are not otherwise constitutionally dedicated are used to pay the debt service on these obligations. The state operates several GO bond programs, including bonds for general state government construction projects on behalf of several state agencies, the Texas Military Revolving Loan Fund for loans to defense communities, and initiatives of the Cancer Prevention and Research Institute of Texas. TPFA monitors all debt obligations to ensure compliance with federal tax law and bond covenants. The agency’s staff manages ongoing bond proceeds and ensures timely payments of principal and interest to the bond holders.

**FIGURE 94
PUBLIC FINANCE AUTHORITY CLIENT AGENCIES BY TYPE OF FINANCING, 2024–25 BIENNIUM**

GENERAL OBLIGATION BONDS	REVENUE BONDS	MASTER LEASE PURCHASE PROGRAM
Cancer Prevention and Research Institute of Texas	Texas Facilities Commission	All state agencies and institutions of higher education
Texas Facilities Commission	Texas Historical Commission	
Texas Historical Commission	Texas Department of Motor Vehicles	
Texas Military Preparedness Commission (Texas Military Value Revolving Loan Fund)	Health and Human Services Commission	
Health and Human Services Commission	Department of State Health Services	
Department of State Health Services	Texas Military Department	
Texas School for the Blind and Visually Impaired	Texas Workforce Commission	
Texas School for the Deaf	Midwestern State University	
Texas Military Department	Texas Southern University	
Texas Department of Public Safety	Texas Windstorm Insurance Association	
Texas Department of Criminal Justice	Texas Department of Transportation	
Texas Juvenile Justice Department		
Texas Department of Agriculture		
Texas Agricultural Finance Authority		
Texas Parks and Wildlife Department		
Texas Department of Transportation		

SOURCE: Texas Public Finance Authority.

FIGURE 95
OUTSTANDING GENERAL OBLIGATION BOND DEBT AS OF AUGUST 31, 2023



NOTES:

- (1) Totals may not sum due to rounding.
- (2) General Obligation bonds debt service for the State Preservation Board and Texas Department of Agriculture are less than \$10,000 per biennium and are not shown.

SOURCE: Texas Public Finance Authority.

As of August 31, 2023, outstanding non-self-supporting GO bonds totaled \$2.8 billion and outstanding self-supporting GO bonds totaled \$17.2 million. **Figure 95** shows the amount of debt outstanding by agency. Appropriations for debt service payment for GO bonds total \$719.1 million for the 2024–25 biennium, an increase of \$82.6 million, or 13.0 percent, from the 2022–23 biennial estimated and budgeted amounts. **Figure 96** shows the appropriations for debt service on GO bonds for the 2024–25 biennium by agency.

Due to favorable market conditions and conservative debt service estimations, TPFPA identified \$34.3 million in savings from GO bond debt service payments during the 2022–23 biennium. This amount was decreased in Senate Bill 30, Eighty-eighth Legislature, Regular Session, 2023.

Unlike GO bonds, revenue bonds do not require voter approval. TPFPA issues revenue bonds to fund a project on

behalf of another state agency and leases the project to the agency. Funds for debt service payments on revenue bonds are appropriated to the applicable agency as lease payments to TPFPA. These appropriations typically are made from General Revenue Funds; however, debt service for revenue bonds issued by TPFPA for the Texas Department of Transportation’s Austin Campus Consolidation project will be paid out of the State Highway Fund. Appropriations for debt service payments on revenue bonds total \$275.8 million for the 2024–25 biennium, an increase of \$59.6 million, or 27.6 percent, from 2022–23 biennial spending levels, as shown in **Figure 97**.

As shown in **Figure 98**, outstanding revenue bond debt totaled \$1,232.5 million as of August 31, 2023. Of this amount, \$245.8 million, or 19.9 percent, is outstanding debt primarily for Capital Construction Assistance Projects bonds and other university bonds issued by TPFPA on behalf

FIGURE 96
GENERAL OBLIGATION BOND DEBT SERVICE APPROPRIATIONS IN ALL FUNDS BY AGENCY, 2024–25 BIENNIUM

(IN MILLIONS)	ESTIMATED/BUDGETED	APPROPRIATED	BIENNIAL	PERCENTAGE
AGENCY	2022–23	2024–25	CHANGE	CHANGE
Facilities Commission	\$29.2	\$25.2	(\$3.9)	(13.4%)
Historical Commission	\$24.8	\$19.3	(\$5.2)	(21.2%)
Cancer Prevention and Research Institute of Texas	\$344.3	\$460.2	\$115.9	33.7%
Texas Military Preparedness Commission	\$15.8	\$13.3	(\$2.5)	(15.8%)
Health and Human Services Commission	\$43.2	\$36.0	(\$6.7)	(15.7%)
Texas School for the Blind and Visually Impaired	\$12.4	\$9.0	(\$3.4)	(27.4%)
Texas School for the Deaf	\$0.6	\$0.4	(\$0.2)	(33.3%)
Texas Military Department	\$4.3	\$3.2	(\$1.1)	(25.6%)
Department of Public Safety	\$31.2	\$30.8	(\$0.4)	(1.3%)
Juvenile Justice Department	\$12.1	\$9.7	(\$2.3)	(19.2%)
Department of Criminal Justice	\$78.3	\$58.5	(\$19.2)	(24.7%)
Texas Department of Agriculture	\$0.0	\$17.2	\$17.2	100.0%
Parks and Wildlife Department	\$20.1	\$20.1	(\$0.0)	(0.0%)
Department of Transportation	\$20.2	\$16.2	(\$3.8)	(19.0%)
Total	\$636.5	\$719.1	\$82.6	13.0%

NOTES:

(1) Totals may not sum due to rounding.

(2) General Obligation bonds debt service for State Preservation Board is less than \$10,000 per biennium and is not shown.

SOURCE: Texas Public Finance Authority.

FIGURE 97
REVENUE BOND-RELATED DEBT SERVICE APPROPRIATIONS IN ALL FUNDS, 2024–25 BIENNIUM

(IN MILLIONS)	ESTIMATED/BUDGETED	APPROPRIATED	BIENNIAL	PERCENTAGE
AGENCY	2022–23	2024–25	CHANGE	CHANGE
Facilities Commission	\$141.1	\$181.4	\$40.4	28.7%
Historical Commission	\$1.0	\$0.9	(\$0.0)	(2.7%)
Higher Education Institutions	\$30.4	\$38.0	(\$9.4)	(30.9%)
Texas Military Department	\$1.8	\$0.9	(\$0.9)	(49.6%)
Texas Department of Transportation	\$41.9	\$42.1	\$0.2	0.4%
Texas Department of Motor Vehicles	\$0.0	\$12.5	\$12.5	N/A
Total	\$216.2	\$275.8	\$59.6	(27.6%)

NOTES:

(1) Higher education institutions include Midwestern State University and Texas Southern University. Higher education estimated/budgeted amounts are not verified by Texas Public Finance Authority because the institutions make their own debt service payments.

(2) Totals may not sum due to rounding.

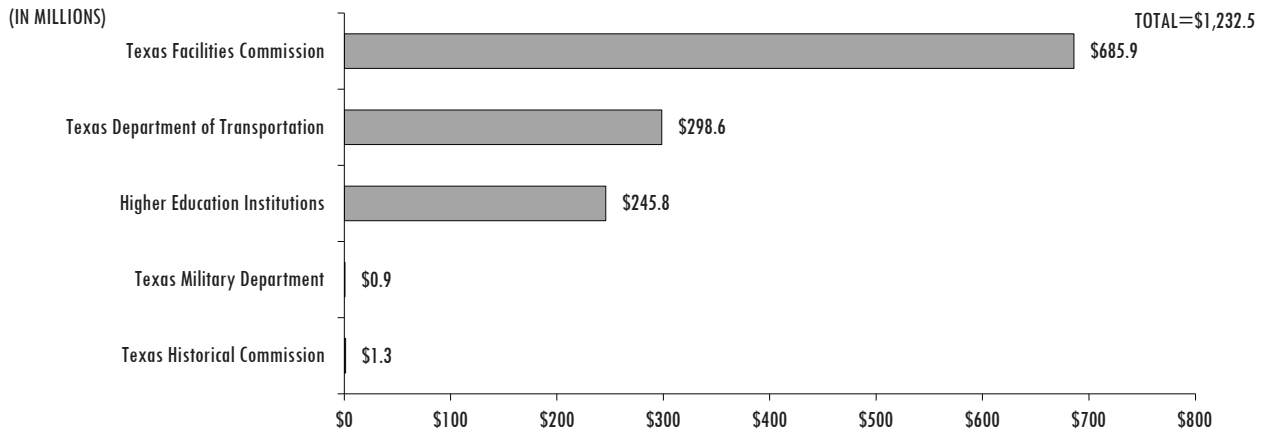
SOURCE: Texas Public Finance Authority.

of certain higher education institutions, which include Midwestern State University and Texas Southern University.

The Master Lease Purchase Program (MLPP) is a lease revenue-financing program initially authorized by the Seventy-first Legislature, Regular Session, 1989, primarily to finance

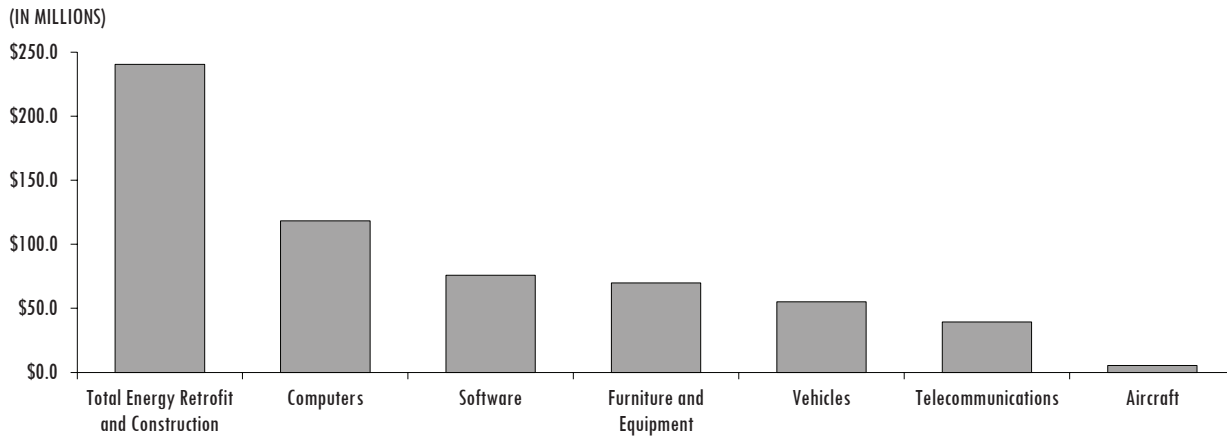
equipment acquisitions for state agencies. The program provides financing for computers, telecommunications, and other capital equipment on purchases greater than \$10,000, and for equipment with a useful life of at least three years. MLPP acquisitions are funded with tax-exempt commercial paper, a short-term, variable-rate financing instrument. The

**FIGURE 98
OUTSTANDING REVENUE BOND (NON-GENERAL OBLIGATION) DEBT, AS OF AUGUST 31, 2023**



NOTES:
 (1) Data includes university bonds for Midwestern State University and Texas Southern University.
 (2) Master Lease Purchase Program and conduit debt not included.
 SOURCE: Texas Public Finance Authority.

**FIGURE 99
ASSETS FINANCED VIA MASTER LEASE PURCHASE PROGRAM, FISCAL YEARS 1992 TO 2023**



SOURCE: Texas Public Finance Authority.

agency charges its client agencies an administrative fee based on the outstanding principal balance of each lease. As of August 31, 2023, approximately \$36.2 million in debt was outstanding for the MLPP.

Figure 99 shows the total amount of assets and types of projects financed since the program’s inception in fiscal year 1992.

CONDUIT DEBT

The second major program area is issuing debt that is not a legal liability of the state on behalf of third-party entities. The state is authorized by statute to issue conduit debt for

certain purposes, including charter schools, transportation, single-family mortgages, multifamily dwellings, and economic development. TPFPA issues conduit debt for the Texas Windstorm Insurance Association and for Texas charter schools via the TPFPA Charter School Finance Corporation. Debt service for conduit debt typically is provided by project revenue and is secured by a third party. Although conduit revenue debt obligations bear the name of the agency as the issuer, the agency is not liable financially for the debt beyond the revenues provided by a lease or loan with the third party on whose behalf they are issued.

OFFICE OF THE GOVERNOR

PURPOSE: As the chief executive officer of Texas, the Governor is responsible for carrying out various constitutional and statutory responsibilities, including serving as the commander in chief of the state’s military forces, serving as the chief budget officer, and appointing members of state boards and commissions.

ESTABLISHED: 1845

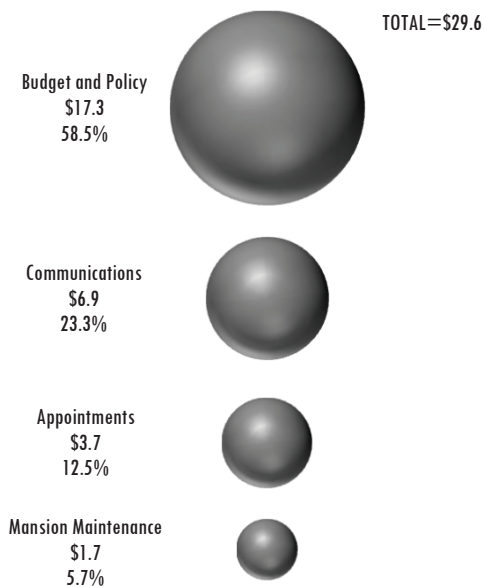
AUTHORIZING STATUTE: The Texas Constitution, Article IV

GOVERNANCE: Statewide elected official

FIGURE 100
OFFICE OF THE GOVERNOR BY METHOD OF FINANCE

METHOD OF FINANCE	(IN MILLIONS)				APPROPRIATED FULL-TIME-EQUIVALENT POSITIONS				
	ESTIMATED/BUDGETED 2022–23	APPROPRIATED 2024–25	BIENNIAL CHANGE	PERCENTAGE CHANGE					
General Revenue Funds	\$27.6	\$29.6	\$2.0	7.2%	<table border="1"> <tr> <td>2024</td> <td>120.1</td> </tr> <tr> <td>2025</td> <td>120.1</td> </tr> </table>	2024	120.1	2025	120.1
2024	120.1								
2025	120.1								
General Revenue–Dedicated Funds	\$0.0	\$0.0	\$0.0	N/A					
Federal Funds	\$0.0	\$0.0	\$0.0	N/A					
Other Funds	\$0.0	\$0.0	(\$0.0)	(20.0%)					
Total, All Methods of Finance	\$27.6	\$29.6	\$2.0	7.2%					

AGENCY PROGRAM AREAS BY APPROPRIATION (IN MILLIONS)



SIGNIFICANT DEVELOPMENTS

Funding for the Office of the Governor includes **\$2.0 million** in General Revenue Funds related to the **statewide salary adjustment**.

Funding for the Office of the First Lady is \$0.6 million, or 9.1 percent of the communications program area.

SOURCE: Legislative Budget Board.

MAJOR FUNDING

Appropriations to fund the Office of the Governor for the 2024–25 biennium increased by \$2.0 million, or 7.2 percent from the 2022–23 biennium. The increase is related to the statewide salary adjustment.

PROGRAMS

The agency carries out responsibilities through four major program areas: (1) budget and policy; (2) communications; (3) appointments; and (4) mansion maintenance.

BUDGET AND POLICY

The first major program area encompasses the Office of the Governor’s Budget and Policy Division, which assists the Governor in formulating and implementing state policy by coordinating with state agencies, the Legislature, and various constituents and stakeholder groups. The Budget and Policy Division provides fiscal information and analysis in support of the Governor’s statutory role as the state’s chief budget officer. It advises the Governor on the state’s fiscal condition, recommends fiscal policies to the Governor, and prepares the Governor’s state biennial budget for distribution to the Legislature. Other budget activities include approving agency requests to enter into contracts with consultants and reviewing agency budget submissions and other submissions required by law. In conjunction with the Legislative Budget Board, the Budget and Policy Division coordinates the state agency strategic planning process, issues budget instructions to state agencies, and conducts hearings regarding agency budget requests. Funding for the budget and policy program area is \$17.3 million, or 58.5 percent of appropriations, and provides for 57.4 full-time-equivalent (FTE) positions for the 2024–25 biennium.

COMMUNICATIONS

Communications is the second major program area of the Office of the Governor. The Communications Office manages media relations for the Governor and the First Lady by providing information to media. The program prepares news releases and speeches for the Governor and handles media calls and requests for interviews. It also receives calls from individuals with concerns or issues about state government through its information and referral hotline, refers callers to appropriate agencies for assistance, and reports constituents’ concerns to the Governor. In addition, the program makes travel arrangements and prepares detailed schedules for the Governor. Funding for the communications program area is \$6.9 million, or 23.3 percent of

appropriations, and provides for 42.3 FTE positions for the 2024–25 biennium.

APPOINTMENTS

The third major program area in the Office of the Governor helps the Governor recruit, screen, select, and prepare individuals who are appointed to the state’s boards, commissions, and advisory committees. When required, the Appointments Office prepares appointees for confirmation by the Texas Senate. This program also supports the processes of filling vacancies in statewide elected and judicial district offices. During a four-year term, the Governor makes approximately 300 appointments on average. Funding for the appointments program area is \$3.7 million, or 12.5 percent of appropriations, and provides for 11.0 FTE positions for the 2024–25 biennium.

MANSION MAINTENANCE

Mansion maintenance is the fourth major program area of the Office of the Governor. The Governor’s mansion has served as the official residence of Texas governors and their families since 1856. The mansion staff provides for the standard operations of the mansion. The mansion staff also plans, coordinates, and executes special events. Funding for the mansion maintenance program area is \$1.7 million, or 5.7 percent of appropriations, and provides for 9.4 FTE positions for the 2024–25 biennium.

TRUSTEED PROGRAMS WITHIN THE OFFICE OF THE GOVERNOR

PURPOSE: The Trusted Programs within the Office of the Governor are statewide programs that the chief executive’s office directly oversees. Programs include the Disaster Assistance Grants for state agencies and local governments, Border Security efforts, the Film and Music Marketing Program, the Criminal Justice Division, the Economic Development and Tourism Division, the Texas Military Preparedness Commission, the Homeland Security Division, the Committee on People with Disabilities, the Commission for Women, and the Office of State–Federal Relations.

ESTABLISHED: 1845

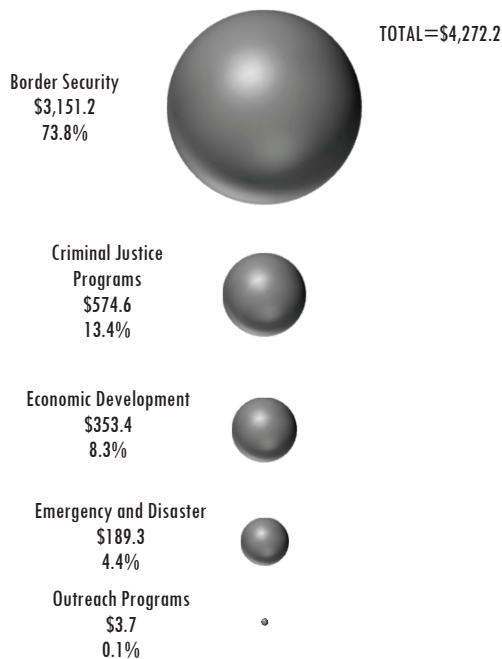
AUTHORIZING STATUTE: The Texas Constitution, Article IV

GOVERNANCE: Governor, statewide elected official

FIGURE 101
TRUSTEED PROGRAMS WITHIN THE OFFICE OF THE GOVERNOR BY METHOD OF FINANCE

METHOD OF FINANCE	(IN MILLIONS)				APPROPRIATED FULL-TIME-EQUIVALENT POSITIONS				
	ESTIMATED/BUDGETED 2022–23	APPROPRIATED 2024–25	BIENNIAL CHANGE	PERCENTAGE CHANGE					
General Revenue Funds	\$3,912.5	\$3,446.1	(\$466.4)	(11.9%)	<table border="1"> <tr> <td>2024</td> <td>197.3</td> </tr> <tr> <td>2025</td> <td>197.3</td> </tr> </table>	2024	197.3	2025	197.3
2024	197.3								
2025	197.3								
General Revenue–Dedicated Funds	\$1,253.5	\$158.4	(\$1,095.1)	(87.4%)					
Federal Funds	\$1,126.7	\$620.2	(\$506.4)	(45.0%)					
Other Funds	\$217.9	\$47.4	(\$170.5)	(78.2%)					
Total, All Methods of Finance	\$6,510.6	\$4,272.2	(\$2,238.4)	(34.4%)					

AGENCY PROGRAM AREAS BY APPROPRIATION (IN MILLIONS)



SIGNIFICANT DEVELOPMENTS

Funding for **disaster assistance grants totals \$177.1 million in General Revenue Funds** for the 2024–25 biennium.

Economic development funding includes \$150.0 million in General Revenue Funds to be deposited into the Texas Enterprise Fund.

Funding for **border security** programs totals **\$3,151.2 million**, which primarily includes \$2,481.7 million for construction of a border barrier.

Funding provided by the Eighty-eighth Legislature, Regular Session, 2023, includes **\$698.3 million in General Revenue–Dedicated Funds** for the **Texas Semiconductor Innovation Consortium**.

SOURCE: Legislative Budget Board.

MAJOR FUNDING

Funding for the Trusteed Programs within the Office of the Governor for the 2024–25 biennium decreased by \$2,238.4 million, or 34.4 percent, from the 2022–23 biennium. This decrease is primarily due to funding reductions of \$252.8 million for border security and anti-gang programs and \$242.4 million from expenditure of balances in the 2024–25 biennium. The biennial decreases also include supplemental funding provided in fiscal year 2023 of \$1,425.1 million, with the largest funding items for the following: (1) \$698.3 million for the Texas Semiconductor Innovation Consortium; (2) \$115.0 million for grants for victims of crime; (3) \$155.0 million for the Moving Image Industry Incentive Program; (4) \$300.0 million for border operations; and (5) \$150.0 million for the Texas Enterprise Fund. This is offset by increases from funding included in the 2024–25 General Appropriations Act, which includes the following: (1) \$20.0 million for a grant to the University of North Texas at Dallas campus for a law enforcement training facility; (2) \$20.2 million for the Texas Music Incubator Rebate Program; (3) \$2.5 million for the Micro-business Disaster Recovery Program; and (4) \$1.8 million for the Small and Rural Community Success Fund Program.

PROGRAMS

The agency carries out its responsibilities through five major program areas: (1) economic development; (2) criminal justice activities; (3) border security; (4) emergency, deficiency, and disaster grants; and (5) other outreach programs.

ECONOMIC DEVELOPMENT

Funding for various economic development and jobs generation programs totals \$353.4 million in All Funds for the 2024–25 biennium.

The Texas Tourism program markets Texas as a travel and tourist destination in out-of-state domestic and international markets. The program promotes the state as a premier travel, meetings, and convention destination, utilizing advertising in digital media, national cable television, consumer and trade publications, radio, and the TravelTex.com website. In addition, the program analyzes trends in domestic and international travel and the effectiveness of travel literature, the influence of Texas advertising, and consumers' images of Texas. Appropriations for the Texas Tourism program for the 2024–25 biennium total \$128.1 million in All Funds.

Established in fiscal year 2003, the Texas Military Preparedness Commission (TMPC) consists of 13 members

appointed by the Governor. The core mission of TMPC is to preserve, protect, expand, and attract new military missions, assets, and installations in the state. Additionally, TMPC encourages defense-related businesses to expand or relocate to Texas. TMPC administers the Defense Economic Adjustment Assistance Grant Program (DEAAG) and the Military Value Revolving Loan Program (Revolving Loan Fund). The DEAAG program is appropriated \$30.0 million for the 2024–25 biennium for grants to assist defense communities affected or potentially affected by U.S. Department of Defense plans or decisions.

The Texas Enterprise Fund (TEF) was established by the Seventy-eighth Legislature, Regular Session, 2003. The fund, which is administered statutorily by the Governor, promotes economic, infrastructure, and community development; job training programs; and business incentives. Since the beginning of fiscal year 2004, approximately \$834.1 million in TEF grants has been awarded to 201 entities. Supplemental appropriations for TEF for fiscal year 2023 include \$150.0 million.

The Eighty-fourth Legislature, 2015, established the Governor's University Research Initiative (GURI) to help Texas universities recruit top-tier faculty, including Nobel Laureates and members of National Academies or other honorific societies. Priority of awards is given to applications from academic institutions that involve the recruitment of distinguished researchers in the fields of science, technology, engineering, mathematics, and medicine. GURI is a matching grant program, and Texas institutions of higher education receive grants on an ongoing basis. The Eighty-seventh Legislature, 2021, established the Governor's University Research Initiative Advisory Board to assist in the review of applications for grant funding from the program. Appropriations for GURI for the 2024–25 biennium include \$40.0 million in previously unexpended General Revenue–Dedicated Funds.

The Texas Film Commission provides information regarding filming locations; the state's industry infrastructure such as crews, talent, and vendors; and state laws and sales tax exemptions for filmmakers seeking to produce movies or television shows in the state. The agency also manages the Moving Image Industry Incentive Program, which offers grants to production companies that help generate jobs by producing films, television programs, video games, instructional and educational videos, or commercials in Texas. The agency works statewide with local communities to realize and promote regional assets for filmmaking activity through the Film Friendly Texas certification program. Beginning in fiscal year 2016, the Texas Film Commission

has helped local communities realize continued economic benefit after films are produced in their regions through the Texas Film Tourism program.

The Texas Music Office (TMO) helps promote the state’s music industry by providing referrals to Texas music businesses, performers, and events to attract new business to the state and to foster the economic development of in-state music businesses and musicians. The office publishes the annual Texas Music Industry Directory online, which contains more than 15,000 Texas music businesses cross-referenced by multiple music categories. TMO also maintains the Texas Music International Tip Sheet, a referral network consisting of international music businesses interested in Texas music and music businesses. TMO administers a specialty license plate grant program and uses the grant program’s proceeds to provide musical instruments and music lessons to students in low-income schools. Appropriations for the Texas Film and Music Marketing program for the 2024–25 biennium total \$45.0 million in All Funds. Appropriations also include \$20.2 million in General Revenue–Dedicated Funds for the Texas Music Incubator Fund Program.

The Eighty-eighth Legislature, Regular Session, 2023, established the Texas Semiconductor Innovation Consortium (TSIC) as an advisory panel to the Governor and the Legislature tasked with identifying potential opportunities for innovation and funding relating to semiconductor research and manufacturing. Supplemental appropriations in

Senate Bill 30, Eighty-eighth Legislature, Regular Session, 2023, for TSIC for fiscal year 2023 include \$698.3 million in General Revenue–Dedicated Funds.

CRIMINAL JUSTICE

The Trusteed Programs’ second major program area is criminal justice, which encompasses most of the programs administered by the Public Safety Office (PSO). The mission of the PSO is to establish and support programs to increase public safety, decrease crime, provide services to victims, and promote accountability, efficiency, and effectiveness within the state’s criminal justice system. Eligible applicants for PSO grant funds include state agencies, regional councils of governments, cities, counties, independent school districts, institutions of higher education, and nonprofit organizations that are related to criminal justice. PSO serves as the State Administering Agency for various formula grants from the federal government. PSO grants are used to fund efforts to enhance public safety by prosecuting criminal offenders, decrease domestic violence, prevent sexual assault and human trafficking, decrease gang activity, increase services for victims of crime, decrease drug and juvenile crime, support border security efforts, support safe schools, assist victims, and increase the safety and effectiveness of law enforcement personnel. Criminal justice grants are monitored and evaluated by PSO and the Office of the Governor’s compliance staff. **Figure 102** shows the top five state and federal grant and program funding amounts estimated to be available for the 2024–25 biennium, and a summary of eligible uses for each funding source. Appropriations for

**FIGURE 102
OFFICE OF THE GOVERNOR, CRIMINAL JUSTICE DIVISION, TOP FIVE FUNDING PROGRAMS AND GRANTS
2024–25 BIENNIUM**

PROGRAM OR FUND	ESTIMATED FUNDING (IN MILLIONS)
Victims of Crime Act Formula Grant Program Federal Funds. Eligible uses: Provide services and assistance directly to victims of crime.	\$332.0
State Criminal Justice Planning Fund General Revenue Funds and General Revenue–Dedicated Funds. Eligible uses: Support programs intended to decrease crime and improve the criminal or juvenile justice systems.	\$59.6
Edward Byrne Justice Assistance Grants Federal Funds. Eligible uses: Programs that prevent and control crime and make improvements to the criminal justice system.	\$30.0
Drug Courts General Revenue–Dedicated Funds. Eligible uses: Specialty court programs established under the Texas Government Code, Title 2, Subtitle K (family drug courts, mental health courts, veteran treatment courts, etc.)	\$24.0
Violence Against Women Act Fund Federal Funds. Eligible uses: Develop and strengthen effective criminal justice strategies and victim services programs to combat violent crimes against women.	\$20.1

SOURCE: Legislative Budget Board.

criminal justice activities, including grants and division operations, for the 2024–25 biennium total \$574.6 million in All Funds, including \$103.8 million in General Revenue Funds and General Revenue–Dedicated Funds and \$87.9 million in Federal Funds.

BORDER SECURITY

The Eighty-seventh Legislature, 2021, appropriated funds to the Trusteed Programs within the Office of the Governor for border security activities, the third major program area. This includes several different grant programs facilitated through the PSO that are targeted toward various government entities to assist in border security activities. The Border Security and Border Prosecutions programs provide grant funding to support border security initiatives, including grants to local law enforcement agencies to help in the prosecution of crimes along the border and installation and maintenance of border cameras. Border security programs also include Anti-gang Programs, which support regional, multidisciplinary approaches to combat gang violence through the coordination of gang prevention, intervention, and suppression activities across the state. Border security programs also include funding for the construction of a solid, continuous vertical structure along the Texas border with Mexico. This barrier consists of both permanent and nonpermanent structures.

Total funding for the border security program area for the 2024–25 biennium is \$3,151.2 million in All Funds. This amount includes \$1,540.0 million appropriated in Senate Bill 3, Eighty-eighth Legislature, Fourth Called Session, 2023. Additionally, \$300.0 million in General Revenue Funds for border operations were appropriated in fiscal year 2023 through Senate Bill 30, Eighty-eighth Legislature, Regular Session, 2023.

EMERGENCY AND DISASTER FUNDS

The fourth major program area is emergency, deficiency, and disaster funding. The Texas Government Code, Section 403.075, authorizes the Governor to fund and address certain fiscal problems of the state without calling a special legislative session or using budget execution authority. The emergency deficiency grants program provides assistance to state agencies with insufficient funds to operate or to meet the needs of unforeseen circumstances. The Governor also may provide disaster assistance grants to local and state governments to respond to unforeseen disasters. According to the Texas Government Code, Section 418.073, disaster contingency funds are available to state and local agencies only after they have spent funds regularly appropriated to

them for the purpose of disaster response. The Governor has the authority to consider approval of disaster assistance grants for agencies that have insufficient funds to operate or meet unanticipated situations. Examples of disaster funding provided to state and local entities include grants to fight and assist with recovery related to severe floods and wildfires; hurricane recovery efforts along the Gulf Coast; evacuation assistance for individuals that are forced out of dangerous or unsafe areas; and rebuilding of infrastructure, such as roads and public buildings after a disaster event. The Eighty-eighth Legislature, 2023, appropriated \$8.7 million in previously unexpended General Revenue Funds for Emergency and Deficiency Grants and \$38.4 million in previously unexpended General Revenue Funds and \$116.6 million in newly appropriated General Revenue Funds for Disaster Assistance Grants. Additionally, appropriations for disaster grants include \$27.1 million in excess Earned Federal Funds.

OUTREACH PROGRAMS

The Trusteed Programs' fifth major area, outreach, contains three programs: the Office of State–Federal Relations, the Governor's Committee on People with Disabilities, and the Governor's Commission for Women.

The Office of State–Federal Relations (OSFR) acts as primary liaison to the federal government for the Governor, the Legislature, and state agencies. The mission of OSFR is to advance state policy by promoting communications and building relationships between the state and federal governments. Appropriations for OSFR for the 2024–25 biennium total \$1.8 million in All Funds.

The Governor's Committee on People with Disabilities (GCPD) was established by the Seventy-second Legislature, Regular Session, 1991, and is guided by statutory mandates in the Texas Human Resources Code, Chapter 115. GCPD makes recommendations to the Governor and the Legislature regarding disability issues; promotes compliance with disability-related laws; promotes a network of local committees doing similar work; recognizes employers for hiring and retaining employees with disabilities; and recognizes media professionals and students for positively depicting Texans with disabilities. GCPD also serves as the state's liaison agency with the federal President's Committee on Employment of Persons with Disabilities and other entities involved in activities or concerns affecting people with disabilities. Appropriations for GCPD for the 2024–25 biennium total \$1.5 million in General Revenue Funds.

The Governor's Commission for Women (GCW) promotes and advances the status of women through its research and advocacy activities, education initiatives, referral services, recognition of outstanding Texas women, and professional training for state employees. Among GCW's primary missions during the 2024–25 biennium is to help make Texas the national leader in women-owned businesses; to help women veterans of the armed services transition into the Texas workforce; and to encourage young women to study science, technology, engineering, and mathematics. GCW has 11 commissioners, who are appointed by the Governor to serve two-year terms. Appropriations for GCW for the 2024–25 biennium total \$0.4 million in General Revenue Funds.

SIGNIFICANT LEGISLATION

House Bill 1515 – Sunset Review for the Office of Economic Development and Tourism. The legislation continues the office until September 1, 2035. The legislation makes several substantive changes to the agency, which include abolishing the Original Capital Access Program and closing the Small Business Incubator Fund and the Texas Product Development Fund.

House Bill 1550 – Sunset Review for the Office of State–Federal Relations. The legislation continues the office until September 1, 2035.

House Bill 5174 – Texas Semiconductor Innovation Consortium. The legislation establishes the Texas Semiconductor Consortium as an advisory panel to the Governor and the Legislature. House Bill 5174 establishes the Texas Semiconductor Innovation Fund to provide matching grants to state entities and higher education institutions for semiconductor projects and grants to businesses to encourage economic development related to semiconductor manufacturing and design.

TEXAS HISTORICAL COMMISSION

PURPOSE: To protect and preserve the state’s historic and prehistoric resources for the use, education, economic benefit, and enjoyment of present and future generations.

ESTABLISHED: 1953

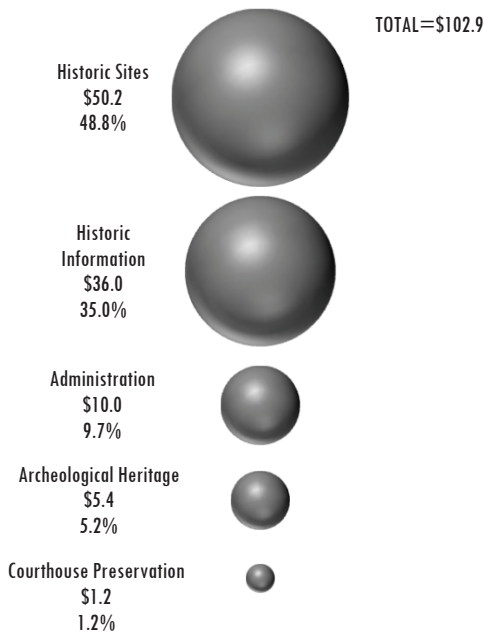
AUTHORIZING STATUTE: The Texas Government Code, Chapter 442

GOVERNANCE: Commission—nine members appointed by the Governor, with the advice and consent of the Senate

FIGURE 103
TEXAS HISTORICAL COMMISSION BY METHOD OF FINANCE

METHOD OF FINANCE	(IN MILLIONS)				APPROPRIATED FULL-TIME-EQUIVALENT POSITIONS				
	ESTIMATED/BUDGETED 2022–23	APPROPRIATED 2024–25	BIENNIAL CHANGE	PERCENTAGE CHANGE					
General Revenue Funds	\$294.2	\$96.4	(\$197.8)	(67.2%)	<table border="1"> <tr> <td>2024</td> <td>346.5</td> </tr> <tr> <td>2025</td> <td>341.5</td> </tr> </table>	2024	346.5	2025	341.5
2024	346.5								
2025	341.5								
General Revenue–Dedicated Funds	\$3.3	\$1.8	(\$1.5)	(45.6%)					
Federal Funds	\$24.4	\$2.9	(\$21.5)	(88.1%)					
Other Funds	\$31.6	\$1.8	(\$29.8)	(94.3%)					
Total, All Methods of Finance	\$353.5	\$102.9	(\$250.6)	(70.9%)					

AGENCY PROGRAM AREAS BY APPROPRIATION (IN MILLIONS)



SIGNIFICANT DEVELOPMENTS

Supplemental appropriations for fiscal year 2023 total **\$219.1 million** in General Revenue Funds, primarily for **capital projects** at historic sites, deferred maintenance, and the **courthouse grant program**.

Supplemental appropriations to the Comptroller of Public Accounts for fiscal year 2023 provide **\$300.0 million** in General Revenue Funds for an endowment for the **Historic Infrastructure Sustainability Trust Fund** for the Texas Historical Commission.

Additional appropriations for the 2024–25 biennium include increases in General Revenue Funds of **\$15.0 million** for the **Iwo Jima Monument and Museum**; **\$7.4 million** for **Washington-on-the-Brazos**; **\$2.0 million** for Preservation Trust Fund grants to the **Lennox and DeMorse Homes**; **\$1.0 million** for the **Texas Maritime Museum**; **\$1.0 million** for the **Juneteenth Museum**; and **\$0.8 million** for the **Mission Dolores**.

Total funding from the **Sporting Goods Sales Tax** includes **\$33.2 million** for the Historic Sites program area. This amount represents the statutory allocation of 7.0 percent of the revenues to the agency.

SOURCE: Legislative Budget Board.

MAJOR FUNDING

Funding for the Texas Historical Commission (THC) includes a decrease of \$250.6 million, or 70.9 percent, from funding in the 2022–23 biennium. This decrease is a result of decreases in onetime funding of \$12.8 million in General Revenue Funds from capital projects and \$20.0 million in federal pandemic-related funding provided by the Eighty-seventh Legislature, 2021. The decrease also reflects supplemental funding for fiscal year 2023, primarily for capital projects at historic sites and the Texas Historic Courthouse Preservation Program.

In addition, the agency received funding increases for various programs and grants for the 2024–25 biennium, including: \$15.0 million provided in General Revenue Funds for the Iwo Jima Monument and Museum; \$5.0 million for specific Preservation Trust Fund grants; and \$2.0 million for the historic preservation of the Maritime History Center and the Juneteenth Museum in Fort Worth. Funding increases were also provided for the operation of historic sites, including an increase of \$7.4 million in General Revenue Funds for Washington-on-the-Brazos and \$0.8 million for the Mission Dolores.

PROGRAMS

The agency carries out its responsibilities through five major program areas: (1) overseeing the agency's 38 historic attractions throughout the state; (2) providing grants and technical assistance through the Texas Historic Courthouse Preservation program; (3) promoting and providing outreach and assistance for the historic and cultural resources of Texas; (4) identifying, protecting, and preserving Texas' archaeological heritage; and (5) performing administrative duties in support of all agency functions.

HISTORIC SITES

THC maintains and operates 38 historic sites throughout the state, as shown in **Figure 104**. Most sites, including forts, battlegrounds, homes, plantations, and other historically significant sites, were transferred from the Texas Parks and Wildlife Department pursuant to various legislation from fiscal years 2005 to 2019. THC also received responsibility for the Mission Dolores Historic Site from the City of San Augustine during fiscal year 2016 and received management of the French Legation site in Austin from the Texas Facilities Commission during fiscal year 2017. Additionally, management of the Star of the Republic Museum was transferred from Blinn College District in fiscal year 2019. In

fiscal year 2024, the agency entered into an agreement to operate and manage the Iwo Jima Monument and Museum in Harlingen. Appropriations for the historic sites program area total \$50.2 million in All Funds.

COURTHOUSE PRESERVATION

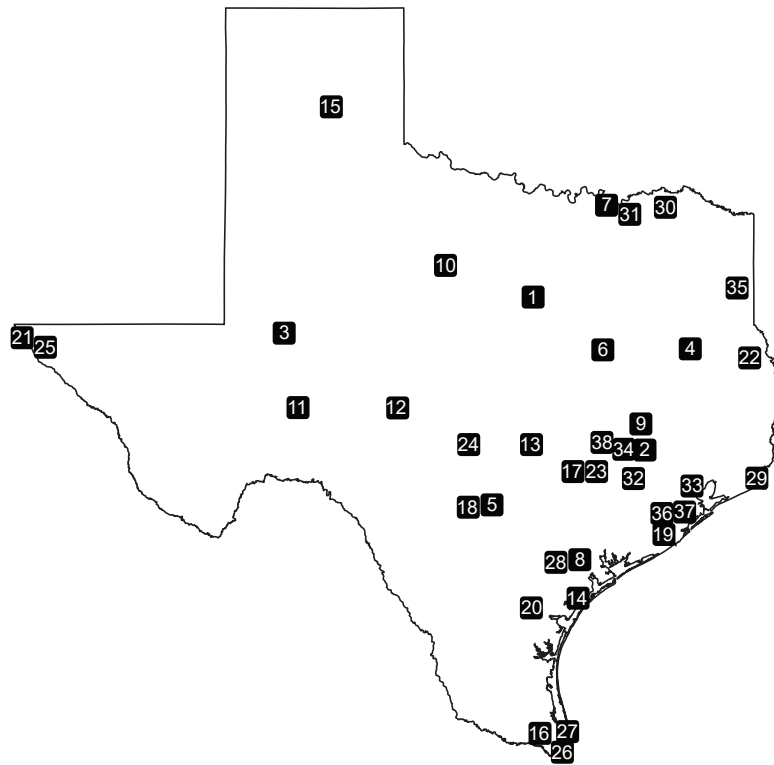
After the National Trust for Historic Preservation added Texas courthouses to its list of America's 11 Most Endangered Historic Places during calendar year 1998, the Historic Courthouse Preservation Program was established during fiscal year 1999. Through this program, THC provides matching grants to eligible entities, including counties and cities, for the preservation of their courthouses. House Bill 2719, Eighty-eighth Legislature, Regular Session, 2023, increased the maximum Courthouse Preservation grant from \$6.0 million to \$10.0 million. Since the program was initiated, \$339.7 million has been awarded to assist with the restoration and preservation of 103 courthouses, including 78 full restorations, of which 70 are complete. Courthouse Preservation grant awards from fiscal years 2000 to 2023 are shown in **Figure 105**. THC anticipates awarding 13 Courthouse Preservation grants during the 2024–25 biennium, shown in **Figure 106**, with funding received through fiscal year 2023 supplemental funding from Senate Bill 30, Eighty-eighth Legislature, Regular Session, 2023. Funding for the program for the 2024–25 biennium totals \$1.2 million.

HISTORIC INFORMATION

Acting in partnership with communities and regions throughout Texas, the agency works to stimulate tourism and economic development. Through the Main Street Program, THC helps Texas cities revitalize their historic downtowns and commercial districts. Each year, THC may accept up to five cities to receive services that include onsite evaluations by architects and other experts in historic preservation, marketing programs for heritage tourism, and training for Main Street managers and board members. Across Texas, 90 cities are participating in the Main Street program.

Through its Heritage Tourism program, the agency works with communities to identify historic resources and develop heritage corridors and regions that stimulate tourism within an area of the state. Although originally developed to stimulate tourism around 10 scenic driving trails developed by the Office of the Governor and the Texas Department of Transportation, the agency expanded the Heritage Trails program to include other communities. The agency provides networking, statewide heritage travel promotion, and

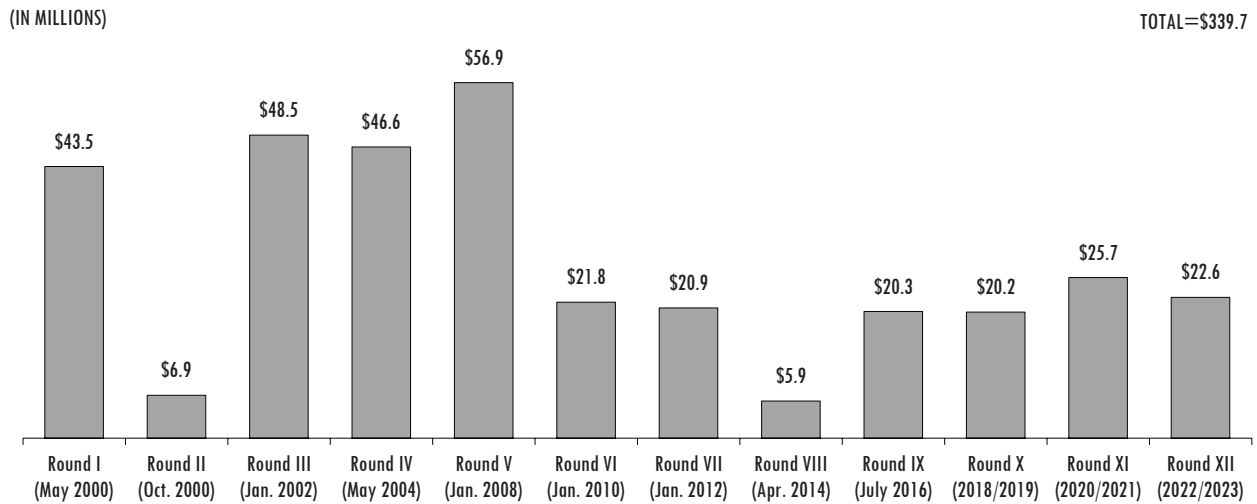
FIGURE 104
TEXAS HISTORICAL COMMISSION HISTORIC SITES, 2024–25 BIENNIUM



- | | |
|---|---|
| 1 Acton State Historic Site, Acton, Hood County | 20 Lipantitlan, Sandia, Nueces County |
| 2 Barrington Plantation, Washington, Washington County | 21 Magoffin Home, El Paso, El Paso County |
| 3 Bush Family Home, Midland, Midland County | 22 Mission Dolores, San Augustine, San Augustine County |
| 4 Caddo Mounds, Alto, Cherokee County | 23 Monument Hill, La Grange, Fayette County |
| 5 Casa Navarro, San Antonio, Bexar County | 24 National Museum of the Pacific War, Fredericksburg, Gillespie County |
| 6 Confederate Reunion Grounds, Mexia, Limestone County | 25 Old Socorro Mission, El Paso, El Paso County |
| 7 Eisenhower Birthplace, Denison, Grayson County | 26 Palmito Ranch Battlefield, Brownsville, Cameron County |
| 8 Fannin Battleground, Goliad, Goliad County | 27 Port Isabel Lighthouse, Port Isabel, Cameron County |
| 9 Fanthorp Inn, Anderson, Grimes County | 28 Presidio La Bahía, Goliad, Goliad County |
| 10 Fort Griffin, Albany, Shackelford County | 29 Sabine Pass Battleground, Sabine Pass, Jefferson County |
| 11 Fort Lancaster, Sheffield, Pecos County | 30 Sam Bell Maxey House, Paris, Lamar County |
| 12 Fort McKavett, Fort McKavett, Menard County | 31 Sam Rayburn House Museum, Bonham, Fannin County |
| 13 French Legation, Austin, Travis County | 32 San Felipe de Austin, San Felipe, Austin County |
| 14 Fulton Mansion, Fulton, Aransas County | 33 San Jacinto Battleground, La Porte, Harris County |
| 15 Charles and Mary Ann Goodnight Ranch, Claude, Armstrong County | 34 Star of the Republic Museum, Washington, Washington County |
| 16 Iwo Jima Monument and Museum, Harlingen, Cameron County | 35 Starr Family Home, Marshall, Harrison County |
| 17 Kreische Brewery, La Grange, Fayette County | 36 Stephen F. Austin Memorial, West Columbia, Brazoria County |
| 18 Landmark Inn, Castroville, Medina County | 37 Varner-Hogg Plantation, West Columbia, Brazoria County |
| 19 Levi Jordan Plantation, Brazoria, Brazoria County | 38 Washington-on-the-Brazos, Washington, Washington County |

SOURCE: Texas Historical Commission.

**FIGURE 105
COURTHOUSE PRESERVATION GRANT AWARDS, FISCAL YEARS 2000 TO 2023**



SOURCE: Texas Historical Commission.

**FIGURE 106
HISTORIC PRESERVATION GRANTS, FISCAL YEARS 2020 TO 2025**

GRANT OR PROGRAM	2020	2021	2022	2023	2024	2025
Texas Preservation Trust Fund Grants						
Total Amount	\$374,161	\$0	\$248,625	\$248,625	\$330,000	\$330,000
Grants Awarded	15	0	11	11	11	11
Certified Local Government Grants						
Total Amount	\$156,670	\$146,906.75	\$186,727	\$165,727	\$197,000	\$197,000
Grants Awarded	8	9	14	10	10	10
Texas Historic Courthouse Preservation Program						
Total Amount (in millions)	\$22.2	\$4.2	\$29.7	\$1.9	\$43.0	\$2.0
Grants Awarded	12	2	14	4-5	8	5
Heritage Tourism Grants						
Total Amount	\$747,000	\$815,000	\$815,000	\$815,000	\$815,000	\$815,000
Grants Awarded	10	10	10	10	10	10

NOTE: Amounts for fiscal years 2024 and 2025 are budgeted.
SOURCE: Texas Historical Commission.

professional support training to the 10 heritage trail regions. THC also financially supports regional nonprofit heritage tourism boards.

THC assists local communities in historic preservation by providing leadership and training to county historical commissions, heritage organizations, and museums in Texas' 254 counties. Through the state's historical marker program, the agency reviews requests for three types of markers: (1) Recorded Texas Historic Landmarks; (2) educational subject markers; and (3) Historic Texas

Cemetery markers. In coordination with the National Park Service, THC also reviews nominations for the National Register of Historic Places.

In addition, the agency offers financial assistance for preservation activities through several grant programs. In accordance with the Certified Local Government Program, at least 10.0 percent of Federal Historic Preservation Funds that the agency receives must be used for matching grants to communities for the development of preservation programs and planning. Another matching-grant program, the

Preservation Trust Fund Grant Program, provides for the historic preservation of architecture and archeological properties from the General Revenue–Dedicated Account No. 664, Texas Preservation Trust Fund.

Figure 106 shows the number of grantees and amounts awarded for each of THC’s historic preservation grant programs. Appropriations for the historic information program area total \$36.0 million.

ARCHEOLOGICAL HERITAGE

The agency’s Archeology Division performs review and advisory activities to identify, protect, and preserve Texas’ archeological heritage. In accordance with the National Historic Preservation Act of 1966 and the Antiquities Code of Texas (the Texas Natural Resource Code, Title 9, Chapter 191), the division reviews public construction projects that may affect an archeological site. The Archeology Division also is responsible for designating State Antiquities Landmarks, formerly known as State Archeological Landmarks. THC archeologists provide assistance, primarily to private landowners, in identifying, recording, and preserving archeological sites throughout Texas. Agency archeologists also administer the Texas Archeological Stewardship Network, in which volunteer vocational archeologists assist in the preservation of archeological sites and artifacts. The Archeology Division also coordinates the annual observance of Texas Archeology Month.

THC is charged, pursuant to the Antiquities Code of Texas, with ensuring the proper care and management of archeological collections within the state’s public domain; these collections are referred to as state held-in-trust collections. Due to the vastness of such collections, the agency transfers stewardship of them to various curatorial facilities in Texas. The agency’s Curatorial Facility Certification Program ensures that these facilities meet standards related to the care and management of state artifact collections, facilitates the housing of these artifacts in museums and repositories across the state, and maintains an inventory of the held-in-trust collections.

THC maintains the Texas Historic Sites Atlas website, which contains historic and archeological site records documenting Texas history. Included in the website’s database is detailed information about Official Texas Historical Markers, the National Register of Historic Places, historic courthouses, museums, and cemeteries. The website was established to provide state and federal land-use planners with information regarding the location and condition of Texas’ cultural

resources. It also provides the public and qualified users with detailed textual descriptions, historic photographs, and interactive maps of historic sites in Texas. Appropriations for the archeological heritage protection program area total \$5.4 million.

ADMINISTRATION

The agency administration program area supports the overall efficiency and effectiveness of THC operations. Appropriations for the central administration program area total \$10.0 million.

SIGNIFICANT LEGISLATION

House Bill 2719 – THC authority over historic sites and associated retail operations. The legislation redefines historic site to provide THC jurisdiction over all sites the commission administers or acquires for use by the public. Additionally, the legislation increases the maximum amount of the courthouse grant award and establishes the THC Retail Operations fund outside the state Treasury for the deposit of revenue from retail operations of historic sites.

Senate Bill 1332 – Funding for state historic sites. The legislation establishes the Historic Infrastructure Sustainability Trust fund outside the state Treasury to allow the THC to plan for long-term restoration of historic sites and courthouses across Texas.

Senate Bill 2057 – THC operation and management of Iwo Jima monument and museum. The legislation authorizes THC to enter into an agreement with the nonprofit entity that owns the Iwo Jima monument and museum at the Marine Military Academy to transfer operation and management of the monument and museum to THC. The legislation also establishes the Iwo Jima Monument and Museum fund outside the state Treasury.

DEPARTMENT OF INFORMATION RESOURCES

PURPOSE: To provide information technology (IT) services to state and local government entities, including consolidated data centers, telecommunication services, IT security services, statewide IT procurement, the statewide Texas.gov web portal, and technology planning and policy.

ESTABLISHED: 1989

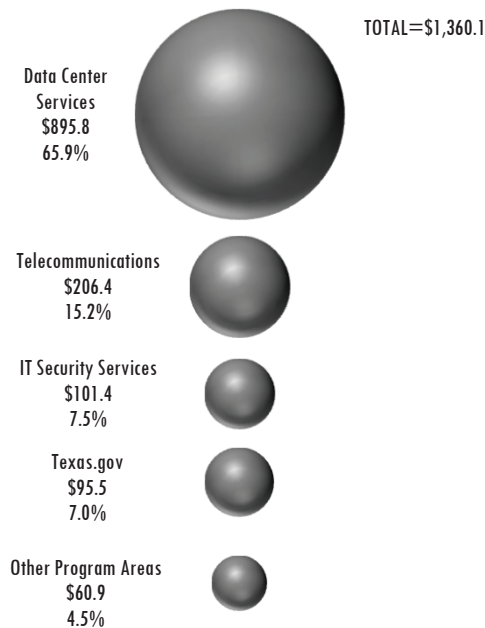
AUTHORIZING STATUTE: The Texas Government Code, §2054.004

GOVERNANCE: Board of Directors—seven voting members appointed by the Governor with the advice and consent of the Senate and three ex officio nonvoting members specified in the Texas Government Code, §2054.021(c)

FIGURE 107
DEPARTMENT OF INFORMATION RESOURCES BY METHOD OF FINANCE

METHOD OF FINANCE	(IN MILLIONS)				APPROPRIATED FULL-TIME-EQUIVALENT POSITIONS
	ESTIMATED/BUDGETED 2022–23	APPROPRIATED 2024–25	BIENNIAL CHANGE	PERCENTAGE CHANGE	
General Revenue Funds	\$33.2	\$74.2	\$41.0	123.6%	2024 267.0 2025 267.0
General Revenue–Dedicated Funds	\$0.0	\$0.0	\$0.0	N/A	
Federal Funds	\$1.1	\$0.6	(\$0.4)	(39.4%)	
Other Funds	\$1,164.2	\$1,285.2	\$121.0	10.4%	
Total, All Methods of Finance	\$1,198.5	\$1,360.1	\$161.6	13.5%	

AGENCY PROGRAM AREAS BY APPROPRIATION (IN MILLIONS)



SIGNIFICANT DEVELOPMENTS

Data Center Services appropriations increase by **\$110.8 million** for the estimated growth in usage of services by customer agencies and other entities.

IT Security Services funding increases by **\$20.2 million** in All Funds to provide additional **security services**, including two additional **regional security operations centers**, expansion of **cybersecurity logs**, and security improvements for **Texas.gov applications**.

Telecommunications program funding decreases by **\$0.9 million**, which remains consistent with funding levels in the 2022–23 biennium.

Senate Bill 30, Eighty-eighth Legislature, Regular Session, 2023, includes a decrease of **\$200.0 million** in federal stimulus funds related to the COVID-19 pandemic for cybersecurity projects.

SOURCE: Legislative Budget Board.

MAJOR FUNDING

Appropriations to the Department of Information Resources (DIR) primarily provide payments to service providers of telecommunications and data center services for costs of services for which the agency directly bills customers (i.e., state agencies, institutions of higher education, and local entities) and to service providers for operation of the Texas.gov state website. Appropriations include \$1,181.0 million in All Funds for cost of services for the following programs:

- Telecommunications, including Capitol Complex Telephone System and Texas Agency Network – Funding provides \$216.2 million in Other Funds, which is a decrease of \$1.7 million from the 2022–23 biennium.
- Data Center Services (DCS) – Funding provides \$877.6 million, which represents an increase of \$98.9 million based on anticipated increased usage of services by customer agencies. Costs represent amounts to maintain service levels and projects initiated during the 2022–23 biennium, including fully supported cloud servers, data systems upgrades, website upgrades, data management, and data governance.
- Texas.gov – Funding provides \$87.2 million, including an increase of \$4.7 million from fiscal year 2022–23 levels, in estimated payments to service providers for application development, application maintenance, and customer support for the website.

Funding also provides \$101.4 million, an increase of \$20.2 million in All Funds, to provide cybersecurity services for agencies and institutions of higher education. Additional funding for services includes \$11.0 million for regional security operations centers, \$2.0 million to expand cybersecurity logs used for advanced persistent threat investigations, and \$4.6 million for security improvements on Texas.gov applications.

Additionally, Senate Bill 30, Eighty-eighth Legislature, Regular Session, 2023, includes a \$200.0 million decrease from onetime federal pandemic-related funding.

DIR is funded primarily through fees generated through the telecommunications, Cooperative Contracts, DCS, and Texas.gov programs. The agency receives telecommunications and DCS revenues generated from administrative fees that DIR levies on services or goods that contracted vendors

provide. For certain telecommunications services that DIR provides directly, the fee is included in service pricing. Texas.gov revenues are generated primarily through convenience or transaction fees for services offered through the website. The fees recover DIR's operational costs to oversee the four related programs and costs for statewide policy functions, information technology (IT) security initiatives, and DIR's indirect administrative costs. **Figure 108** shows fees charged to customers of DIR's programs.

PROGRAMS

DIR carries out its responsibilities through five major program areas: (1) data center services; (2) telecommunications; (3) Texas.gov; (4) information technology security services; and (5) other program areas.

DATA CENTER SERVICES

DIR's consolidated Data Center Services (DCS) program provides IT services to multiple state agencies on a cost-sharing basis. With the goal of upgrading technology, increasing security, and leveraging economies of scale, the Seventy-ninth Legislature, Regular Session, 2005, authorized a program to merge the data centers of 25 state agencies into two consolidated data centers in Austin and San Angelo. Consolidated data center services primarily include mainframe services; public and private cloud; application services; and print, mail, and digitization. Additionally, Managed Security Services provides a standardization of security and disaster recovery plans and assessments.

Data center services are provided in accordance with six primary service provider contracts, which include contracts with the following providers:

- Capgemini as the oversight and services integration vendor that coordinates services and provides service-level calculation and management, desk support, program management, business continuity, disaster recovery testing and planning, financial management, and invoicing;
- Atos for private cloud and the delivery of infrastructure services for mainframe, servers, networks, and data center operations;
- Xerox for bulk printing and mail services;
- Rackspace for public cloud services, including Microsoft Office 365, through Amazon Web Services, Azure, Google, and Oracle;

**FIGURE 108
DEPARTMENT OF INFORMATION RESOURCES COST-RECOVERY PROGRAMS AND FUNDING SOURCES, 2024–25 BIENNIUM**

PROGRAM	FEE RATES	OTHER FUNDS ACCOUNT
Telecommunications, including Capitol Complex Telephone System (CCTS) and Texas Agency Network (TEX-AN)	<p>For services that the Department of Information Resources (DIR) provides directly, such as CCTS and shared Internet services, fees are included in the prices. Fee levels for other telecommunication services are:</p> <ul style="list-style-type: none"> • 12.0% for services billed by DIR; • 2.0% for wireless services and conferencing services that are billed directly by the vendor; • 4.0% for local services and other TEX-AN Next Generation services that are billed directly by the vendor; and • 0.5% for managed services that are billed directly by the vendor. <p>Fee rates are not capped and are not applied to surcharges billed from telecommunication providers.</p>	Telecommunications Revolving Account (Appropriated Receipts and Interagency Contracts)
Cooperative Contracts	<p>Actual fees, which are included in the purchase price of information technology commodities and services, vary by contract:</p> <ul style="list-style-type: none"> • average fee – 0.7%; and • maximum fee – 1.0%. <p>Fee rates are capped at 2.0% in the Eighty-eighth Legislature, General Appropriations Act (GAA), 2024–25 Biennium, Article I, DIR, Rider 3.</p>	Clearing Fund (Appropriated Receipts)
Data Center Services	<p>Fee is set at 2.75% of data center services costs billed by contracted service providers. The fee is uncapped. The agency must receive written approval from the Legislative Budget Board and Office of the Governor before increasing the fee, pursuant to the 2024–25 GAA, Article I, DIR, Rider 9.</p>	Statewide Technology Account (Appropriated Receipts and Interagency Contracts)
Texas.gov	<p>Actual fees vary by service and governmental entity. Fees per transaction typically include one of the following fees:</p> <ul style="list-style-type: none"> • payment processing fees, which typically include both fixed-fee and variable-fee components: <ul style="list-style-type: none"> ◦ fixed fees range from \$0.25 to \$2.00 per transaction; and ◦ variable fees range from 2.25% to 2.75% of the transaction cost; • subscription fees range from \$2 to \$5 per transaction or 3.0% for facility licenses; and • other convenience fees ranging from \$0.02 to \$10 per transaction. <p>Fees and charges are not capped, pursuant to the 2024–25 GAA, DIR, Rider 6.</p>	Statewide Network Applications Account (Appropriated Receipts and Interagency Contracts)

NOTE: These fees were approved by the DIR Board in August 2023.
SOURCE: Department of Information Resources.

- AT&T for managed security services including endpoint detection, malware detection and prevention, incident response, and security risk assessments; and
- Deloitte for application services including development and maintenance, legacy modernization, and staff augmentation.

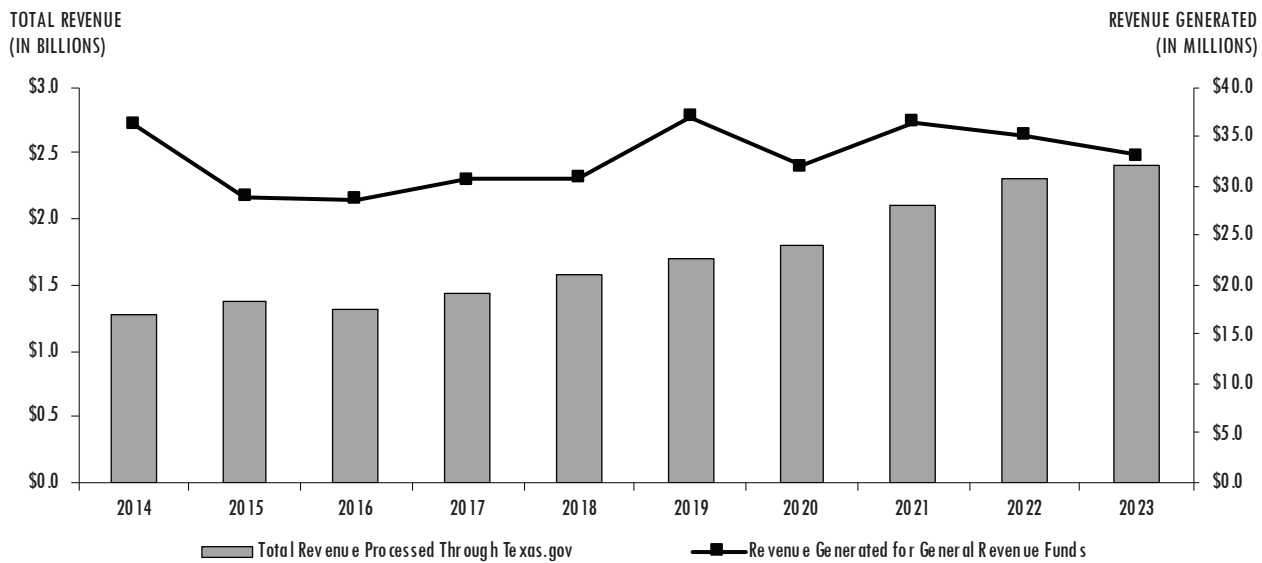
Agencies are billed for each specific service consumed, such as mainframe central processing unit hours or compute and storage. Twenty-five agencies are mandated to participate in the DCS program. Additionally, approximately 90

organizations, including state agencies, institutions of higher education and units of local government, voluntarily utilize services offered through the program. Appropriations for the DCS program include \$895.8 million and provide for 23.9 full-time-equivalent (FTE) positions.

TELECOMMUNICATIONS

DIR’s telecommunications programs provide voice, data, video, and Internet services for the state through the Capitol Complex Telephone System (CCTS) and Texas Agency Network (TEX-AN). CCTS operations provide local

FIGURE 109
STATE REVENUE FROM THE TEXAS.GOV WEBSITE, FISCAL YEARS 2014 TO 2023



SOURCE: Department of Information Resources.

telephone service for 44 state office buildings in the Capitol Complex and 85 satellite office buildings and remote locations. CCTS services include installation of new telephones or telephone services, moving and removal of existing telephones, and voicemail installation and training. TEX-AN is the voice and data communication system for state government and offers enhanced Internet and videoconferencing capabilities. Through TEX-AN, the agency also offers telecommunication services to other political subdivisions such as cities, counties, councils of governments, public school districts, and public institutions of higher education, with the goal of providing cost savings and communications service options. Funding for CCTS and TEX-AN totals \$206.4 million and provides 47.9 FTE positions.

TEXAS.GOV

The Texas.gov program provides contract oversight, performance monitoring, planning, policy development, and program management of the state’s Texas.gov website. Through the site, the public can access state agency and local government services and applications in multiple languages. Several agencies’ services are offered through the site, such as driver license renewal, vehicle registration, professional and occupational license renewals, vital records (i.e., birth, death, and marriage certificates), and utility bill payments. Revenue generated through Texas.gov consists primarily of transaction-based fees charged for services provided through

the website. The fees support DIR’s administration of the program and payments to contracted vendors for application development and maintenance and customer support. The site also generates revenue for the General Revenue Fund, in that Texas.gov revenues that exceed DIR’s expenditures and allowable fund balances are deposited to the General Revenue Fund. **Figure 109** shows the state’s revenue in contrast with total revenues processed through the site from fiscal years 2014 to 2023. The decrease in state revenue share for fiscal year 2015 is due to the removal of the SmartBuy system from the Texas.gov program and transfer to the CPA. Appropriations for Texas.gov include \$95.5 million and provide for 7.2 FTE positions.

IT SECURITY SERVICES

DIR provides several IT security services to state agencies and institutions of higher education and is responsible for the physical and logical security of the state’s data systems and networks. DIR operates the Network Security Operations Center (NSOC) to provide computer network security services to state agencies. NSOC monitors, reports, analyzes, and provides coordinated responses to cyber threats and attacks against the state network. NSOC also provides network testing services to identify and evaluate network and system vulnerabilities that are susceptible to cyberattack. DIR develops statewide IT security policies, procedures, standards, and guidelines for state agencies; monitors

agencies' compliance with state security policies; recommends remedial actions for agencies out of compliance; and provides access to security research and advisory materials and to security training. Security assessments provided by DIR through a third-party vendor assess agencies' overall security postures and identify areas for improvement. Additional security services provided by DIR include: multifactor authentication services; endpoint detection and response; and regional security operations centers (RSOC), which provide cybersecurity support and network security to regional offices or locations for state agencies and other entities that elect to participate in and receive services. The RSOC program was expanded during the 2024–25 biennium to include two new centers at the University of Texas (UT) Austin and UT Rio Grande Valley. Appropriations for the agency's IT security operations total \$101.4 million and provide for 37.0 FTE positions.

OTHER PROGRAM AREAS

DIR's administration and support programs include agencywide administrative and technology support, the statewide IT procurement Cooperative Contracts program, management of large enterprise contracts, technology innovation and modernization initiatives, and statewide technology planning and policy development.

The agency is responsible for the solicitation, negotiation, and management of the statewide IT procurement program known as Cooperative Contracts. The program's objective is to leverage the state's buying power to lower the cost and improve the quality of technology commodities and services to state agencies and political subdivisions. All governmental entities in Texas are eligible customers, including state agencies, universities, cities, counties, and public schools. The program streamlines the procurement process for customers by eliminating the need to issue individual solicitations. The program provides favorable prices for commodity items such as personal and laptop computers and related desktop software, hardware, and software maintenance; staffing services; disaster recovery planning; and other associated goods and services with high customer demand. According to DIR, the program provided approximately 3,200 eligible customers savings and cost avoidance of an estimated \$399.0 million during fiscal year 2023.

The Technology Planning and Policy program provides strategic policy, procedures, and direction to implement and manage technology in the state. The office manages one of the agency's core activities, development of the State Strategic Plan for Information Resources Management. Through the

State Strategic Plan, DIR establishes a common direction for all state agencies and universities to implement technology, to promote coordination, and to eliminate redundancy. In conjunction with the State Strategic Plan, the agency develops the Biennial Report for Information Resources Management, which evaluates the state's progress in IT. Additionally, DIR provides leadership, guidance, and best practices to state agencies to promote modernization of agencies' IT infrastructure, software, and applications and develops shared services for agency use. Funding for the agency's administration and other programs totals \$60.9 million and provides for 151.0 FTE positions.

SIGNIFICANT LEGISLATION

House Bill 2060 – Establishing an artificial intelligence (AI) advisory council. The legislation establishes an AI advisory council to study and monitor AI systems developed or used by state agencies. The council is charged with assessing the need for a code of ethics regarding the use of AI, reviewing automated decision systems inventory reports submitted by agencies, and recommending administrative actions for state agencies in a report submitted to the Legislature. House Bill 2060 requires DIR to provide administrative support to the council, including prescription of the form, contents, and manner of submission of the automated decision system inventory reports.

Senate Bill 1849 – Establishing an interagency reportable conduct search engine. The legislation requires DIR to collaborate with the Department of Family and Protective Services (DFPS), the Health and Human Services Commission (HHSC), the Texas Education Agency (TEA), and the Texas Juvenile Justice Department (TJJD), to develop and establish a machine-readable search engine that houses information on reportable conduct maintained by DFPS, HHSC, TEA, and TJJD, including instances of abuse, neglect, exploitation, or misconduct for which a final determination has been issued.

Senate Bill 1893 – Prohibiting certain social media applications on state-owned devices. The legislation requires governmental entities to adopt policies that prohibit the installation of TikTok or any successor applications provided by ByteDance Limited on any device owned or leased by a governmental entity. The legislation requires DIR annually to publish a list of applications whose provider may be required by a foreign government to provide private personal information collected by the application to the foreign government.

TEXAS STATE LIBRARY AND ARCHIVES COMMISSION

PURPOSE: To safeguard significant state resources; provide information services to support research, education, and workforce readiness; help meet the reading needs of Texans and support literacy; promote the management of public records to ensure government accountability; and enhance the capacity for achievement of current and future generations.

ESTABLISHED: 1909

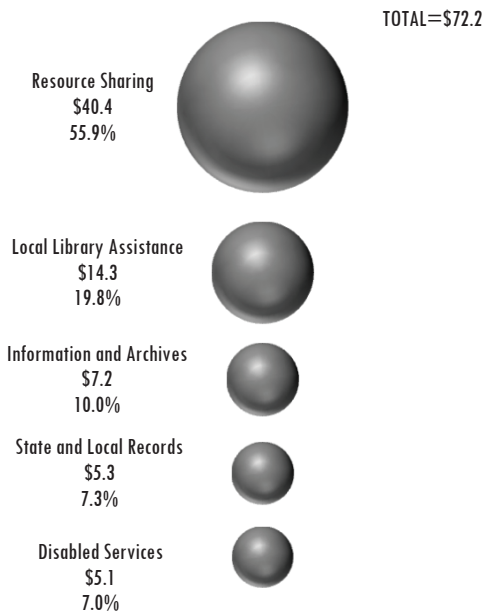
AUTHORIZING STATUTE: The Texas Government Code, Chapter 441

GOVERNANCE: Commission—seven members appointed by the Governor with the advice and consent of the Senate

FIGURE 110
TEXAS STATE LIBRARY AND ARCHIVES COMMISSION BY METHOD OF FINANCE

METHOD OF FINANCE	(IN MILLIONS)				APPROPRIATED FULL-TIME-EQUIVALENT POSITIONS				
	ESTIMATED/BUDGETED 2022–23	APPROPRIATED 2024–25	BIENNIAL CHANGE	PERCENTAGE CHANGE					
General Revenue Funds	\$33.9	\$37.1	\$3.2	9.4%	<table border="1"> <tr> <td>2024</td> <td>180.5</td> </tr> <tr> <td>2025</td> <td>180.5</td> </tr> </table>	2024	180.5	2025	180.5
2024	180.5								
2025	180.5								
General Revenue–Dedicated Funds	\$0.0	\$0.0	\$0.0	N/A					
Federal Funds	\$30.7	\$22.7	(\$8.1)	(26.2%)					
Other Funds	\$16.6	\$12.4	(\$4.2)	(25.3%)					
Total, All Methods of Finance	\$81.2	\$72.2	(\$9.1)	(11.2%)					

AGENCY PROGRAM AREAS BY APPROPRIATION (IN MILLIONS)



SIGNIFICANT DEVELOPMENTS

In addition to funding for the statewide salary adjustment, the agency is appropriated **\$2.2 million** for additional staff salary increases, funding for a total of 5.0 full-time-equivalent positions for administrative and information technology staff, and additional technology costs.

The agency offered records storage services to **78 client entities**, including 73 state agencies and five local governments.

A total of 660 **libraries** participate in the TexShare program administered by the agency, which most notably provides access to online database resources, including health or business information, academic journals, popular magazines, genealogy, and job and career development materials.

SOURCE: Legislative Budget Board.

MAJOR FUNDING

Funding for the Texas State Library and Archives Commission (TSLAC) includes \$72.2 million in All Funds, a decrease of \$9.1 million from the 2022–23 biennium. In addition to funding for the statewide salary adjustment, major funding increases include \$2.2 million in General Revenue Funds and 5.0 full-time-equivalent (FTE) positions for equity pay increases for staff retention, information technology and security enhancements, and continuity of critical business operations for the 2024–25 biennium. Funding is offset by a decrease of \$4.2 million in Other Funds due to the expenditure of balances carried forward to the next biennium related to TexShare and TexQuest membership fees, records storage and imaging fees, donations and gifts to the Talking Book Program, cell tower lease at the State Records Center, and license plate revenue. In addition, a decrease of \$8.1 million in Federal Funds is primarily due to expenditure of onetime federal pandemic-related funding for digital library services.

PROGRAMS

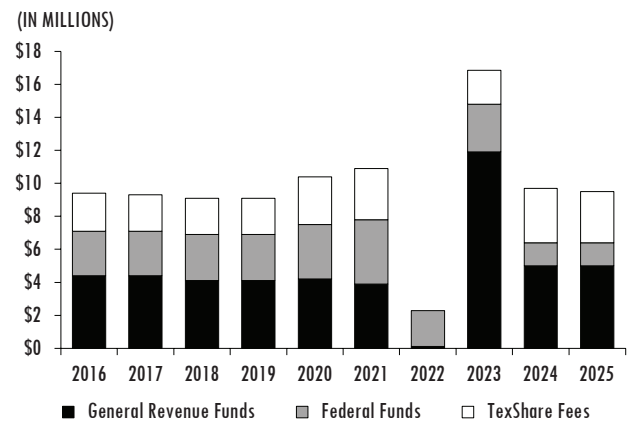
TSLAC carries out its responsibilities through three major program areas: (1) delivery of services, including resource sharing, local library assistance, and disabled services; (2) access to government information and archives; and (3) state and local records management.

DELIVERY OF SERVICES

TSLAC offers resource-sharing services in three main program areas: TexShare, TexQuest, and the interlibrary loan program. TexShare is a statewide consortium of 660 academic, public, and clinical medicine libraries that, through access purchased by TSLAC, share print and electronic materials and other online resources. During fiscal year 2023, 115 TexShare core databases with approximately 30.0 million core materials were available 24 hours a day to registered patrons of participating Texas libraries. **Figure 111** shows TexShare funding from fiscal years 2016 to 2025. TSLAC waived \$627,082 in membership fees during fiscal year 2022 and changed to quarterly billing rather than full payments in advance, resulting in lower payments shown for that year. Advance payments were resumed in fiscal year 2023.

The agency negotiates cost-sharing electronic resources for primary and secondary public school libraries with memberships in the TexQuest program. These databases provide content and sources for online information for learning and research at all grade levels. Total funding for TexShare and TexQuest is \$25.8 million for the 2024–25 biennium.

FIGURE 111
TEXSHARE DATABASE FUNDING LEVELS
FISCAL YEARS 2016 TO 2025



NOTE: Amounts for fiscal years 2024 and 2025 are estimated.
SOURCE: Texas State Library and Archives Commission.

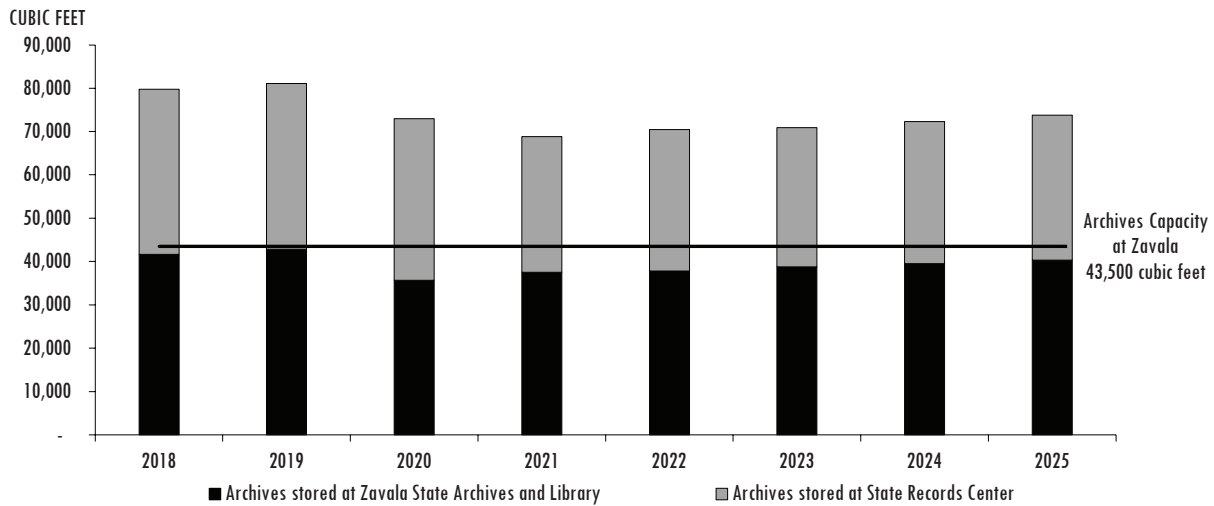
Through a series of grant programs, the statewide interlibrary loan program enables patrons of more than 560 member libraries to access materials that are not available locally. Funded in part by the federal Library Services and Technology Act and General Revenue Funds, this program is appropriated \$5.5 million for the 2024–25 biennium.

The Library Development and Networking Division at TSLAC provides shared resources to expand the capabilities of local public, academic, school, and special libraries. The agency provides statewide training and consultation related to library management, operations, and information technology in online and in-person formats. TSLAC also assists local libraries’ community-engagement efforts, such as summer reading programs and website assistance. The agency is appropriated \$11.9 million for support services to Texas libraries for the 2024–25 biennium.

In addition to consulting, training, and technical services, TSLAC awards grants that support literacy, education attainment, workforce development, technology, and other needs to local libraries. Funding of \$2.4 million is provided for competitive library grants.

The Talking Book Program (TBP) at TSLAC provides free library services to qualifying Texans that have visual, physical, or reading disabilities. In collaboration with other state programs, libraries, and the National Library Services for the Blind and Physically Handicapped, a program administered by the Library of Congress, TSLAC provides a service that delivers narrated, downloadable, digital audiobooks directly

FIGURE 112
TEXAS STATE LIBRARY AND ARCHIVES COMMISSION STORAGE CAPACITY, FISCAL YEARS 2018 TO 2025



NOTE: Amounts for fiscal years 2024 and 2025 are estimated.
 SOURCE: Texas State Library and Archives Commission.

to blind, low-vision, and other users. During fiscal year 2023, TBP served 25,946 patrons. The TBP is appropriated \$5.1 million for the 2024–25 biennium

ACCESS TO GOVERNMENT INFORMATION AND ARCHIVES

The Archives and Information Services Division (ARIS) of TSLAC identifies and collects official archival records of state government and subsequently makes them available to Texans in physical and digital form. ARIS maintains and provides access to more than 2.0 million documents including federal, state, and other sources. During fiscal year 2023, the agency provided approximately 5.6 million services to individuals accessing archival or government information. The Texas Digital Archive, which manages, preserves, and facilitates access to electronic records, including state agency records, now includes more than 153.3 terabytes of information across 16.2 million files.

Since fiscal year 2019, the agency has more than 81,000 cubic square feet of archives stored in state archives, housed in the Lorenzo de Zavala State Archives and Library and the State Records Center in Austin. Additional archival records of state or local historical significance are kept in Regional Historical Resource Depositories. These depositories, except for the Sam Houston Regional Library and Research Center, are not funded or staffed by TSLAC, although the agency may offer some staff assistance. **Figure 112** shows archives’ storage capacity since fiscal year 2018. The agency is appropriated \$7.2 million for archives and information services for the 2024–25 biennium.

MANAGING STATE AND LOCAL RECORDS

TSLAC assists state and local governments with training, resources, and consultation regarding records management. Through its State and Local Records Management Division, TSLAC sets the state minimum retention schedule, and reviews and approves retention schedules submitted by state and local governmental entities. The agency offers document imaging services and storage of noncurrent records at the State Records Center (SRC) on a cost-recovery basis. During fiscal year 2023, the agency offered records storage services to 78 client entities, including 73 state agencies and five local governments. The state and local records management program is appropriated \$5.3 million for the 2024–25 biennium.

The SRC has neared capacity of approximately 383,000 cubic feet of storage at its current facility in Austin. Additional space at Promontory Point provides another 60,000 cubic feet for expansion. To provide for future space needs, the Texas Facilities Commission was appropriated \$210.3 million to construct a new facility for TSLAC for records and archive storage.

SIGNIFICANT LEGISLATION

House Bill 900 – Regulation of library materials sold to or included in public school libraries. The legislation requires TSLAC to adopt standards for school library collection development with approval by the State Board of Education.

PENSION REVIEW BOARD

PURPOSE: To provide the necessary information and recommendations to ensure that Texas public retirement systems are financially sound, benefits are equitable, the systems are managed properly, and tax expenditures for employee benefits are kept to a minimum while providing for those employees; and to expand the knowledge and education of administrators, trustees, and members of Texas public pension funds.

ESTABLISHED: 1979

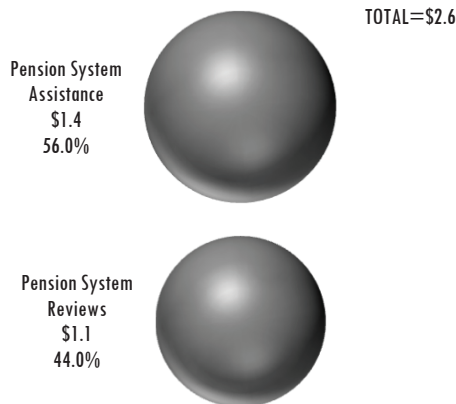
AUTHORIZING STATUTE: The Texas Government Code, §801.101

GOVERNANCE: Board—seven board members appointed by the Governor with the advice and consent of the Senate

FIGURE 113
PENSION REVIEW BOARD BY METHOD OF FINANCE

METHOD OF FINANCE	(IN MILLIONS)				APPROPRIATED FULL-TIME-EQUIVALENT POSITIONS				
	ESTIMATED/BUDGETED 2022–23	APPROPRIATED 2024–25	BIENNIAL CHANGE	PERCENTAGE CHANGE					
General Revenue Funds	\$2.9	\$2.6	(\$0.3)	(10.3%)	<table border="1"> <tr> <td>2024</td> <td>13.0</td> </tr> <tr> <td>2025</td> <td>13.0</td> </tr> </table>	2024	13.0	2025	13.0
2024	13.0								
2025	13.0								
General Revenue–Dedicated Funds	\$0.0	\$0.0	\$0.0	N/A					
Federal Funds	\$0.0	\$0.0	\$0.0	N/A					
Other Funds	\$0.0	\$0.0	\$0.0	N/A					
Total, All Methods of Finance	\$2.9	\$2.6	(\$0.3)	(10.3%)					

AGENCY PROGRAM AREAS BY APPROPRIATION (IN MILLIONS)



SIGNIFICANT DEVELOPMENTS

The agency has oversight responsibility for **347 public retirement systems in Texas**: 100 actuarially funded, defined benefit plans; 166 defined contribution plans; and 81 pay-as-you-go, volunteer firefighter plans.

The **100 defined benefit plans** in Texas reported approximately **\$342.0 billion** in total net assets as of September 2023.

The Pension Review Board is appropriated **\$260,000** in General Revenue Funds for the **statewide salary adjustment** and for **cost-of-living and merit increases**.

SOURCE: Legislative Budget Board.

MAJOR FUNDING

The Pension Review Board (PRB) is appropriated \$2.6 million in All Funds for the 2024–25 biennium. This amount includes \$0.1 million in cost-of-living and merit salary increases in addition to the statewide salary adjustment. The agency also is provided unexpended balance authority for supplemental appropriations from fiscal year 2021 for migration of the agency’s data from multiple servers to a cloud-based server, the development of a web-based interface for current internal databases, and the implementation of a self-service portal for participating retirement system administrators.

PROGRAMS

The agency carries out its responsibilities through two major program areas: (1) providing technical assistance and information to public pension systems; and (2) reviewing public retirement systems.

PENSION SYSTEM ASSISTANCE

PRB’s primary program area provides technical assistance and information to public pension systems. This area may include recommending policies, practices, and legislation to public retirement systems and appropriate governmental entities. The agency also is charged with preparing and providing an actuarial impact statement for a bill or resolution that proposes to change the amount or number of benefits or participation in benefits of a public retirement system, or that proposes to change a fund liability of a public retirement system. Additionally, PRB is directed to develop and administer an educational training program for trustees and system administrators of Texas public retirement systems.

During the Eighty-eighth Legislature, Regular Session, 2023, PRB tracked 334 bills, including 136 pension bills, and provided 66 actuarial impact statements for proposed legislation. Appropriations for providing technical assistance and other information are \$1.4 million for the 2024–25 biennium.

PENSION SYSTEM REVIEWS

The agency’s secondary program area is reviewing public retirement systems. This area includes ongoing reviews of public retirement systems through the following actions:

- compiling and comparing information about benefits, creditable service, financing, and administration of systems; and

- conducting intensive studies of potential or existing problems that threaten the actuarial soundness of or inhibit an equitable distribution of benefits in one or more public retirement systems.

All public retirement systems in Texas are required to register and file certain reports for review with PRB. The agency reviews public pension plans to detect plans in need of corrective action and monitors public plans with amortization periods of greater than 30.0 years. PRB has oversight responsibility for 347 public retirement systems in Texas, including 100 actuarially funded, defined benefit plans; 166 defined contribution plans; and 81 pay-as-you-go, volunteer firefighter plans. As of September 2023, the defined benefit plans had approximately \$342.0 billion in total net assets. Appropriations for this review function are approximately \$1.1 million for the 2024–25 biennium.

STATE PRESERVATION BOARD

PURPOSE: To preserve and maintain the Texas Capitol, the Capitol Extension, the Capitol Visitors Center (1857 General Land Office Building), other designated buildings, their contents, and their grounds; preserve and maintain the Texas Governor’s Mansion; operate the Bullock Texas State History Museum and the Texas State Cemetery; and provide educational programs centered on Texas history, government, and culture.

ESTABLISHED: 1983

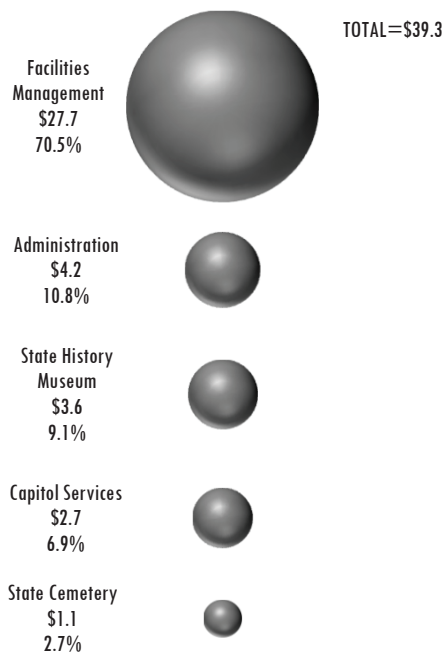
AUTHORIZING STATUTE: The Texas Government Code, §443.001

GOVERNANCE: Board—six members including the Governor, Lieutenant Governor, Speaker of the House of Representatives, one senator, one representative, and one public representative

FIGURE 114
STATE PRESERVATION BOARD BY METHOD OF FINANCE

METHOD OF FINANCE	(IN MILLIONS)				APPROPRIATED FULL-TIME-EQUIVALENT POSITIONS
	ESTIMATED/BUDGETED 2022–23	APPROPRIATED 2024–25	BIENNIAL CHANGE	PERCENTAGE CHANGE	
General Revenue Funds	\$160.7	\$39.2	(\$121.4)	(75.6%)	2024 180.5
General Revenue–Dedicated Funds	\$0.0	\$0.0	\$0.0	N/A	
Federal Funds	\$25.0	\$0.0	(\$25.0)	(100.0%)	2025 183.5
Other Funds	\$36.2	\$0.0	(\$36.1)	(99.9%)	
Total, All Methods of Finance	\$221.9	\$39.3	(\$182.6)	(82.3%)	

AGENCY PROGRAM AREAS BY APPROPRIATION (IN MILLIONS)



SIGNIFICANT DEVELOPMENTS

The State Preservation Board received **\$3.0 million** in supplemental appropriations in fiscal year 2023 to **replace the boiler systems and roof at the Texas State History Museum.**

Appropriations include an increase of **\$0.5 million** and an increase of 8.0 full-time-equivalent positions for grounds management, landscaping, and maintenance of the **Texas Capitol Mall.**

Supplemental appropriations to the Comptroller of Public Accounts for fiscal year 2023 provide **\$200.0 million** in General Revenue Funds for an endowment for the **Texas State Buildings Preservation Endowment Fund** for the State Preservation Board.

Supplemental appropriations for fiscal year 2023 provide **\$130.0 million** in General Revenue Funds for **improvements to the House of Representatives and Senate facilities.**

SOURCE: Legislative Budget Board.

MAJOR FUNDING

Appropriations for the State Preservation Board for the 2024–25 biennium total \$39.3 million in All Funds, which represents an overall decrease of \$182.6 million. The funding includes \$16.1 million for legislative office building maintenance, \$1.9 million for groundskeeping maintenance of the Texas Mall outdoor common areas, \$1.0 million for education programs and field trips at the Texas State History Museum, and \$0.5 million for information technology services. Excluding supplemental funding provided in fiscal year 2023, the decrease in All Funds is due primarily to decreases of \$69.2 million for onetime capital projects and \$0.2 million for the Texas History Education Program at the State History Museum.

The decrease for the 2024–25 biennium is also a result of \$133.0 million in supplemental appropriations provided by the Eighty-eighth Legislature, 2023. The supplemental appropriations include \$130.0 million in General Revenue Funds for improvements at Senate and House facilities and \$3.0 million in General Revenue Funds for maintenance projects at the Texas State History Museum to replace the roof and boiler systems.

PROGRAMS

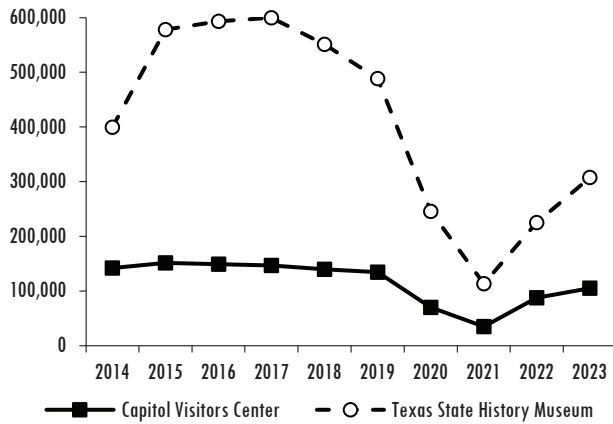
The State Preservation Board (SPB) carries out its responsibilities through five major program areas: (1) facilities management; (2) State History Museum; (3) State Cemetery; (4) Capitol services; and (5) administration.

FACILITIES MANAGEMENT

The facilities management program area includes several programs and functions involving facilities repairs, renovation, and maintenance services to the Capitol, Capitol Extension, Capitol Visitors Center (CVC), Governor’s Mansion, Texas Mall, State History Museum, and certain legislative office buildings. A primary goal for SPB is to preserve the historic integrity of artifacts and buildings within its purview. As a result, the agency’s Building Modifications and Design program is responsible for approving all repairs and changes involving construction, restoration, and repair to the Capitol and grounds, CVC, and Governor’s Mansion. SPB’s Curatorial Services program employs a curator to oversee repairs and renovation to these buildings and their contents.

In addition to providing maintenance and repair services, SPB is responsible for general housekeeping of buildings within its purview. Agency staff and contracted vendors

FIGURE 115
VISITORS TO THE CAPITOL VISITORS CENTER AND TEXAS STATE HISTORY MUSEUM, FISCAL YEARS 2014 TO 2023



SOURCES: State Preservation Board.

provide housekeeping services, such as floor cleaning, waste collection, and other general custodial services. In addition to general housekeeping functions, a vendor provides groundskeeping services for the Capitol grounds, which includes mowing, hedge cutting, and other general landscaping duties. Appropriations for facilities management programs total \$27.7 million and provide 98.0 full-time-equivalent (FTE) positions.

STATE HISTORY MUSEUM

State History Museum programs provide for the operation of the Bob Bullock Texas State History Museum, as well as educational and curatorial services. The museum, which opened in Austin during calendar year 2001, was established for the purpose of engaging visitors and displaying objects and information relating to the state’s history. To retain and build audiences, the museum offers changing exhibitions and programs and three floors of permanent galleries devoted to the history of Texas. The main permanent exhibit displays and interprets the seventeenth-century La Belle shipwreck recovered from Matagorda Bay and artifacts from the shipwreck. In addition, the museum presents professional development training for teachers and curriculum-based, onsite and distance-learning opportunities for students. Revenues from admission fees, parking, gift shop, concessions, IMAX Theater, and facility rentals are deposited into the Museum Fund, held outside the state Treasury, which is used to operate the museum. **Figure 115** shows visitation for the museum from fiscal years 2014 to 2023, which decreased substantially in fiscal years 2020 and 2021 due to the

COVID-19 pandemic. Appropriations for the State History Museum total \$3.6 million and provide 25.0 FTE positions.

STATE CEMETERY

Since September 2015, SPB has overseen operations of the State Cemetery. The cemetery, established in 1851 and located in Austin, is the burial site for governors, state and federal legislators, judges, and other eligible individuals that have made significant contributions to Texas history. The cemetery grounds are located approximately 1.0 mile east of the Capitol building and include several monuments dedicated to honor groups of Texans, including veterans. Appropriations for the Texas State Cemetery include \$1.1 million for operations and capital projects and provide for 6.5 FTE positions.

CAPITOL SERVICES

Capitol services programs provide educational and visitation services at the Capitol and CVC and manage enterprises, events, and activities at the Capitol and its grounds. SPB provides interpretation and guided tours of the Capitol and CVC. Other educational programs offered at the CVC include interactive computer learning stations, multimedia presentations, and traditional exhibits. **Figure 115** shows the number of visitors to the CVC from fiscal years 2014 to 2023. The number of visitors decreased substantially in fiscal years 2020 and 2021 due to the pandemic.

The agency also coordinates public events, activities, and exhibits and manages revenue-generating enterprises, such as gift shops, cafeterias, parking meters, visitor parking garages, and the leasing of other Capitol spaces. Revenue from these activities is deposited to the Capitol Fund, which is held outside the state Treasury and supports educational programming, historic preservation, facilities services, and other operating expenses of the Capitol and CVC. Appropriations for Capitol services total \$2.7 million and provide 31.0 FTE positions.

ADMINISTRATION

SPB is appropriated \$4.2 million and provided 23.0 FTE positions for its administration program area. This program area provides agencywide support functions, including executive leadership, finance, internal audit, legal services, purchasing, human resources management, and staff services.

SIGNIFICANT LEGISLATION

House Bill 4964 – Sale of alcohol at the Texas State History Museum. The legislation authorizes the sale of

alcohol at the Texas State History Museum. Revenues from these sales are deposited into the museum fund outside the state Treasury to support operations at the museum.

Senate Bill 640 – Transfer of certain state office buildings.

The legislation transfers the responsibility of facilities management services for the Sam Houston, Robert E. Johnson, and John H. Reagan state office buildings from the Texas Facilities Commission to the SPB.

Senate Bill 1333 – Establishing the Texas State Buildings Preservation Endowment Fund.

The legislation establishes the Texas State Buildings Preservation Endowment Fund outside the state Treasury. It also transfers the balances of the capital renewal, State Cemetery preservation, and Governor's Mansion renewal trust funds to the new endowment.

STATE OFFICE OF RISK MANAGEMENT

PURPOSE: To assist state agencies in developing risk management programs and administer the state’s self-insured government employees workers’ compensation program and the state risk management programs.

ESTABLISHED: 1997

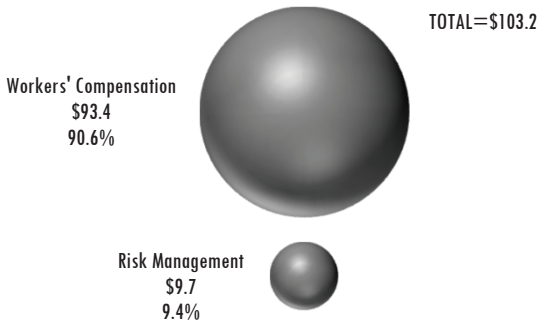
AUTHORIZING STATUTE: The Texas Labor Code, §412.011

GOVERNANCE: Risk Management Board—five members appointed by the Governor with staggered six-year terms

FIGURE 116
STATE OFFICE OF RISK MANAGEMENT BY METHOD OF FINANCE

METHOD OF FINANCE	(IN MILLIONS)				APPROPRIATED FULL-TIME-EQUIVALENT POSITIONS
	ESTIMATED/BUDGETED 2022–23	APPROPRIATED 2024–25	BIENNIAL CHANGE	PERCENTAGE CHANGE	
General Revenue Funds	\$0.0	\$0.0	\$0.0	N/A	2024 131.6
General Revenue–Dedicated Funds	\$0.0	\$0.0	\$0.0	N/A	
Federal Funds	\$0.0	\$0.0	\$0.0	N/A	
Other Funds	\$101.3	\$103.2	\$1.8	1.8%	2025 131.6
Total, All Methods of Finance	\$101.3	\$103.2	\$1.8	1.8%	

AGENCY PROGRAM AREAS BY APPROPRIATION (IN MILLIONS)



SIGNIFICANT DEVELOPMENTS

The agency paid approximately **\$74.6 million** in medical and income benefits during the 2022–23 biennium. For the 2024–25 biennium, the agency estimates that it will pay approximately **\$79.4 million**.

The agency expects to process approximately **90,000 medical bills** and more than **27,200 indemnity bills** during each fiscal year of the 2024–25 biennium.

The Eighty-eighth Legislature, Regular Session, 2023, authorized **\$0.7 million in funding for the 2024–25 biennium to upgrade cloud-based servers** to increase the agency’s cybersecurity preparedness and disaster-recovery protection.

SOURCE: Legislative Budget Board.

MAJOR FUNDING

Funding for the State Office of Risk Management (SORM) is provided through interagency contracts received through its allocation program and subrogation receipts. The agency’s appropriations increased by \$1.8 million from the 2022–23 biennium to \$103.2 million. The increase is due primarily to funding of \$0.7 million for the upgrade of cloud-based servers that are at end-of-life and on extended support.

PROGRAMS

SORM carries out its mission through two main program areas: (1) workers’ compensation; and (2) risk management.

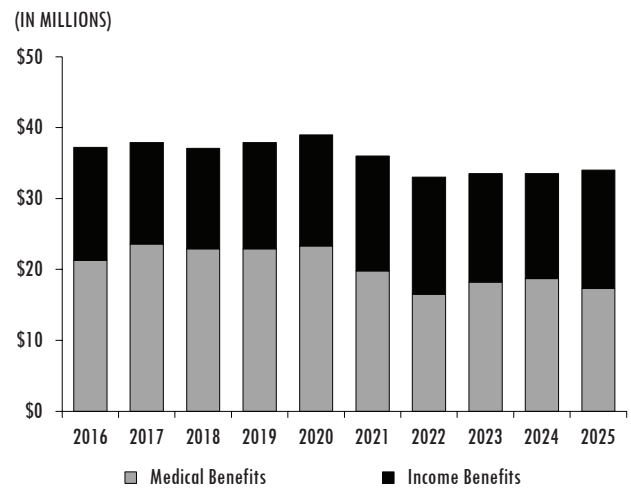
WORKERS’ COMPENSATION

SORM administers the state workers’ compensation program, which covers all state employees except those statutorily exempt at the University of Texas (UT) System, the Texas A&M University (TAMU) System, the Employees Retirement System of Texas (ERS), the Teacher Retirement System of Texas (TRS), and the Texas Department of Transportation (TxDOT). Also covered within the state workers’ compensation program are county employees at community supervision and corrections departments and employees of the Windham School District.

As part of claims processing, the Claims Operation Department investigates, evaluates, and provides customer support for injury claims and oversees contracted medical cost-containment services. Appropriations for the 2024–25 biennium include \$12.9 million in Other Funds through Interagency Contracts to administer claims processing. The agency processed more than 70,000 medical bills and more than 26,000 indemnity bills (income payments) during fiscal year 2023. SORM expects to process approximately 90,000 medical bills and 27,000 indemnity bills during each fiscal year of the 2024–25 biennium.

SORM is appropriated \$79.4 million to provide payments to approved workers’ compensation claimants for the 2024–25 biennium. Payments are funded by assessments to client agencies for workers’ compensation coverage. Annual assessments are based on a formula that considers payroll size, number of full-time-equivalent (FTE) positions, claims costs, number of claims, and injury frequency rate (per 100.0 FTE positions). The formula determines a proportionate share for each agency of the total workers’ compensation costs to the state and is structured so that agencies with decreased numbers of injuries and losses may pay smaller proportionate shares; conversely, the proportionate share

FIGURE 117
WORKERS’ COMPENSATION BENEFITS PAID
FISCAL YEARS 2016 TO 2025



NOTE: Amounts for fiscal years 2024 and 2025 are projected.
SOURCE: State Office of Risk Management.

increases for agencies whose loss performance worsens relative to all other client agencies.

Figure 117 shows the amount paid in recent years for medical and income benefits. During fiscal year 2022, SORM received 7,483 new claims, of which 5,188 were accepted and led to payments totaling approximately \$34.8 million, including claims with dates of injury from preceding fiscal years. This amount represents a 5.8 percent decrease in the number of claims received and a 0.3 percent decrease in the amount of total payments from fiscal year 2021. SORM’s appropriations for workers’ compensation-related activities including operational expenses, are \$93.4 million for the 2024–25 biennium.

RISK MANAGEMENT

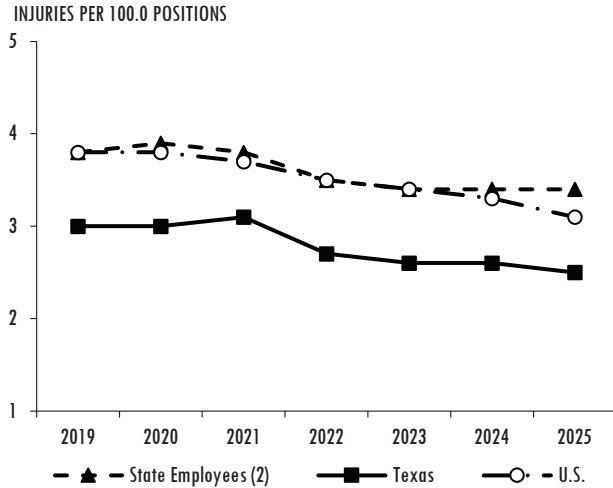
SORM provides risk management, insurance, and business continuity services to client state agencies. Its Enterprise Risk Management program is intended to help state entities establish and maintain comprehensive risk management programs to promote a safe environment for state employees and the public served by state agencies. All state entities participate in the program, excluding the following agencies, which are exempted by the Texas Labor Code, Section 412.011: UT System, TAMU System, ERS, TRS, TxDOT, the Texas State University System, and the Texas Tech University System. During fiscal year 2023, the agency conducted approximately 239 onsite consultations and reviewed 25 risk management programs.

Through SORM, the state sponsors six lines of insurance including auto, directors and officers' liability, property, volunteer, builder's risk, and fine arts. The agency also approves purchases of insurance from outside providers. During fiscal year 2023, the agency issued 97 state-sponsored insurance policies. Additionally, the agency approved 35 purchased lines of insurance from outside providers for 15 state agencies.

The Continuity of Operations Planning program assists agencies in developing processes and guidelines to help with continuity of service after a catastrophic or disruptive event. Working with the Texas Office of Homeland Security, the Texas Division of Emergency Management, and the Texas Department of Information Resources, the agency provides resources to assist agencies in developing continuity of operations plans.

Figure 118 shows a comparison of the number of injuries sustained per 100.0 FTE positions by state employees at agencies that have contracts with SORM for risk management services, by Texas private industry employees, and by employees nationwide since fiscal year 2019. Appropriations for SORM's risk management program area total \$9.7 million for the 2024–25 biennium.

FIGURE 118
INJURY FREQUENCY RATES PER 100.0 FULL-TIME-EQUIVALENT POSITIONS
FISCAL YEARS 2019 TO 2025



NOTES:

- (1) State Employees amounts for fiscal years 2024 and 2025 are projected.
- (2) State employees are only those employed by agencies or entities that have contracts with the State Office of Risk Management.

SOURCE: State Office of Risk Management.

SECRETARY OF STATE

PURPOSE: The Secretary of State serves as chief election officer for Texas, assisting county election officials and ensuring the uniform application and interpretation of election laws throughout Texas. The office also provides a repository for required official, business, and commercial records; publishes government rules and regulations; commissions notaries public; and serves as keeper of the state seal and attester to the Governor’s signature on official documents.

ESTABLISHED: 1845

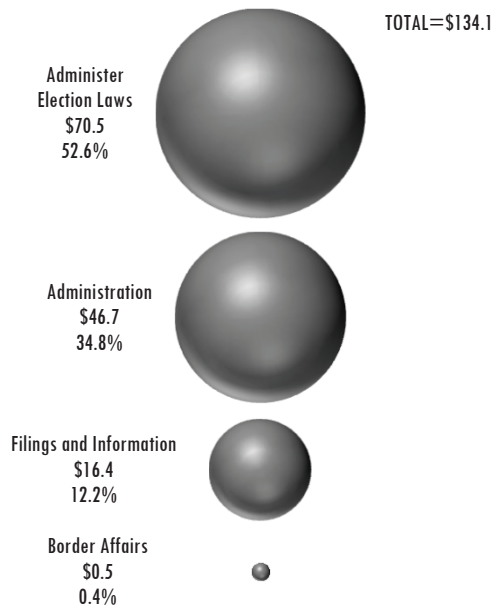
AUTHORIZING STATUTE: The Texas Constitution, Article IV, §21

GOVERNANCE: Constitutional office appointed by the Governor with the advice and consent of the Senate

FIGURE 119
SECRETARY OF STATE BY METHOD OF FINANCE

METHOD OF FINANCE	(IN MILLIONS)				APPROPRIATED FULL-TIME-EQUIVALENT POSITIONS				
	ESTIMATED/BUDGETED 2022–23	APPROPRIATED 2024–25	BIENNIAL CHANGE	PERCENTAGE CHANGE					
General Revenue Funds	\$117.2	\$119.6	\$2.4	2.0%	<table border="1"> <tr> <td>2024</td> <td>291.0</td> </tr> <tr> <td>2025</td> <td>291.0</td> </tr> </table>	2024	291.0	2025	291.0
2024	291.0								
2025	291.0								
General Revenue–Dedicated Funds	\$0.1	\$0.1	\$0.1	125.0%					
Federal Funds	\$17.7	\$0.0	(\$17.7)	(100.0%)					
Other Funds	\$15.2	\$14.4	(\$0.8)	(5.5%)					
Total, All Methods of Finance	\$150.2	\$134.1	(\$16.1)	(10.7%)					

AGENCY PROGRAM AREAS BY APPROPRIATION (IN MILLIONS)



SIGNIFICANT DEVELOPMENTS

Appropriations include the following amounts in General Revenue Funds for **expanded election security: \$6.3 million** for oversight of county voter rolls; **\$4.6 million** for expansion of election audits; and **\$2.6 million** for administrative oversight of county elections. The agency’s full-time-equivalent positions increase by 54.0 positions in addition to the funding increases.

Appropriations decrease by **\$17.7 million** in Federal Funds due to removal of a onetime **federal election security grant**.

Appropriations include **\$24.1 million** in General Revenue Funds to **complete replacement of a business transaction system**.

SOURCE: Legislative Budget Board.

MAJOR FUNDING

Funding for the Secretary of State (SOS) includes a net decrease of \$16.1 million in All Funds. This amount includes a decrease of \$17.7 million in Federal Funds due to the expenditure of a onetime Help America Vote Act (HAVA) election security grant in the prior biennium, a decrease of \$17.5 million in onetime funding provided for the initial phase of replacement of the agency’s Business Entity Secured Transaction (BEST) system, and a decrease of \$38.3 million in General Revenue Funds for reimbursement to counties for the purchase of new auditable voting machines.

Decreases in the agency’s funding are offset partly by an increase in General Revenue Funds of \$24.2 million for a second replacement phase of the BEST system, \$6.8 million for replacement of the agency’s election funds management system, \$6.3 million for the oversight of county voter rolls, \$4.6 million for the expansion of statutory audits, \$2.6 million for the oversight of county elections, \$1.5 million for voter identification information, and \$1.4 million for expansion of the document filing division.

PROGRAMS

The agency carries out its responsibilities through three major program areas: (1) administering election laws; (2) filings and information; and (3) border affairs.

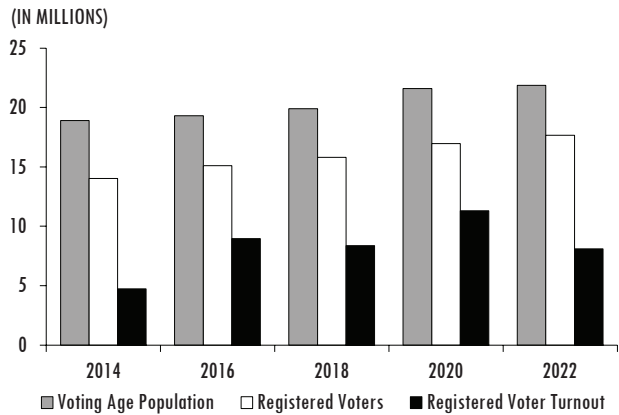
ADMINISTERING ELECTION LAWS

As chief elections officer, the SOS is responsible for the interpretation and application of the Texas Election Code. SOS administers election laws through five interrelated functions: administration of statewide elections, election and voter registration funds, constitutional amendments, administration of HAVA, and voter registration.

Historical data regarding voter turnout and registration is shown in **Figure 120**. Voting-age population refers to the total number of individuals in the state that are age 18 or older, regardless of citizenship, military status, felony conviction, or mental state. The agency received additional General Revenue Funds for expanded election security statutory responsibilities including: \$6.3 million and 23.0 full-time-equivalent (FTE) positions for oversight of county voter rolls; \$4.6 million and 19.0 FTE positions for expansion of election audits; and \$2.6 million and 12.0 FTE positions for administrative oversight of county elections.

The Eighty-eighth Legislature, 2023, passed 13 proposed constitutional amendments during its Regular Session and

FIGURE 120
TEXAS GENERAL ELECTION TURNOUT AND VOTER REGISTRATION, FISCAL YEARS 2014 TO 2022



SOURCE: Secretary of State.

one proposed amendment during its Second Called Session, all of which appeared on the ballot for the November 2023 election. SOS also will disburse approximately \$24.5 million to county political parties for payment of poll workers and operating costs associated with primary elections for fiscal year 2024. Overall appropriations for administering election laws include \$70.5 million and 110.0 FTE positions.

FILINGS AND INFORMATION

The agency’s responsibilities regarding information management are to provide accurate, reliable, and timely access to public information; to process documents efficiently; and to ensure compliance with laws and rules relating to filing documents and accessing documents filed with the agency. The agency’s electronic filing system website, the Secretary of State Online Access (SOSDirect), enables external users to file documents and obtain information regarding Uniform Commercial Code (UCC) and business-entity filings. In the business and public filings program, the agency accepts or rejects business-entity documents, UCC documents, notary public, assumed names, trademark documents, and other statutory filings. The business and public filings program is appropriated \$13.0 million and 111.5 FTE positions for the 2024–25 biennium.

The other primary program within information management is document publishing, which provides for the filing, editing, compiling, and publishing of the Texas Administrative Code and the *Texas Register* weekly journal. The program receives appropriations of \$1.0 million and 8.0 FTE positions for the biennium. The agency anticipates

processing 20.5 million filings and related information requests for the 2024–25 biennium. In addition, appropriations include \$24.1 million to complete the replacement of the BEST system used by the agency for business filings.

BORDER AFFAIRS

The primary function of the border affairs program area is to provide for protocol services and the representation of the Governor and the state at meetings with Mexican officials and at events and conferences involving the diplomatic corps, government officials, and business leaders. Appropriations for the protocol and border affairs program include \$0.5 million for the biennium and provide for 3.0 FTE positions.

SIGNIFICANT LEGISLATION

House Bill 1632 – Standardized training for election officers. The legislation requires the SOS to develop a standardized training program and materials for polling-place workers, early voting ballot board members, signature verification committee members, and central counting station personnel.

Senate Bill 1933 – Certain state oversight procedures for county elections. The legislation authorizes the SOS to order administrative oversight of a county office administering elections or voter registration in a county with a population of more than 4.0 million (Harris County). Within certain circumstances, Senate Bill 1933 also authorizes the SOS to select at random another county with a population of less than 300,000 for the randomized county audit pursuant to the Texas Election Code, Section 127.351. Appropriations include \$2.6 million and 12.0 FTE positions for these new statutory duties.

Senate Bill 2105 – Requirements for data brokers, including registration with the SOS. The legislation requires the SOS to establish and maintain on its website a central registry of third-party data brokers that register with the SOS.

TEXAS VETERANS COMMISSION

PURPOSE: To help guarantee that Texas veterans and their families secure all the rights and benefits provided for them by law through advocacy, counseling, and financial assistance.

ESTABLISHED: 1927 as the Veterans State Service Office and renamed the Texas Veterans Commission in 1985

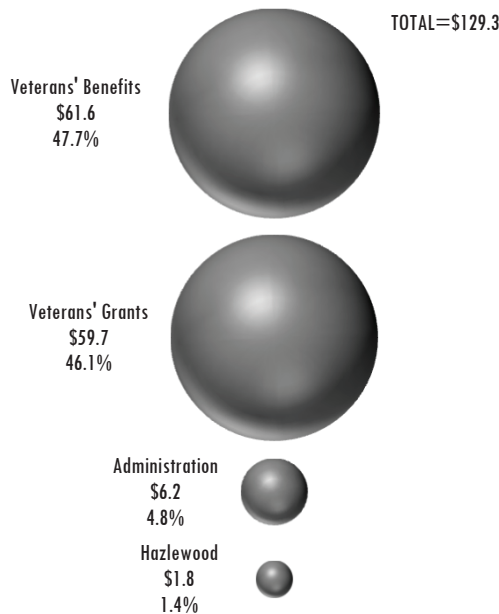
AUTHORIZING STATUTE: The Texas Government Code, Chapter 434

GOVERNANCE: Commission—five members appointed by the Governor with the advice and consent of the Senate

FIGURE 121
TEXAS VETERANS COMMISSION BY METHOD OF FINANCE

METHOD OF FINANCE	(IN MILLIONS)				APPROPRIATED FULL-TIME-EQUIVALENT POSITIONS
	ESTIMATED/BUDGETED 2022–23	APPROPRIATED 2024–25	BIENNIAL CHANGE	PERCENTAGE CHANGE	
General Revenue Funds	\$31.7	\$42.0	\$10.3	32.7%	2024 461.5
General Revenue–Dedicated Funds	\$0.0	\$0.0	\$0.0	N/A	
Federal Funds	\$29.5	\$25.2	(\$4.3)	(14.6%)	2025 461.5
Other Funds	\$73.1	\$62.1	(\$11.1)	(15.1%)	
Total, All Methods of Finance	\$134.3	\$129.3	(\$5.0)	(3.7%)	

AGENCY PROGRAM AREAS BY APPROPRIATION (IN MILLIONS)



SIGNIFICANT DEVELOPMENTS

During fiscal year 2023, the agency managed a total of 310,118 active Veterans Assistance benefit cases and filed 18,590 appeals for Texas veterans and their families. Funding for **Claims Assistance and Counseling to Veterans and their Families totals \$16.2 million** for the 2024–25 biennium.

Texas is home to approximately **180,000 women veterans**, the most among U.S. states. Appropriations include \$0.6 million and 5.0 full-time-equivalent (FTE) positions for the Women Veterans Program to fund efforts intended to connect with and assist women veterans.

The agency is appropriated **\$61.9 million** in Other Funds for **grant awards through the Fund for Veterans' Assistance**. In fiscal year 2023, the agency served **18,435 veterans** through the fund.

Appropriations include an increase of **\$2.1 million** in General Revenue Funds and 1.0 FTE position to implement the **service dogs for veterans pilot program** related to mental health.

SOURCE: Legislative Budget Board.

MAJOR FUNDING

Appropriations for the Texas Veterans Commission (TVC) decreased by \$5.0 million, or 3.7 percent, for the 2024–25 biennium. The decrease is related primarily to a decrease of \$4.8 million in Federal Funds due to a change in reporting and an estimated decrease of \$9.4 million in Other Funds from the Fund for Veterans' Assistance based on anticipated grant applications and lottery proceeds. The funding change also includes increases of \$1.1 million in General Revenue Funds for improvements to the Hazlewood Database; \$1.4 million in General Revenue Funds and 12.0 full-time-equivalent (FTE) positions for increased program support across the claims, women veterans, and veteran entrepreneur programs; \$2.1 million in General Revenue Funds and 1.0 FTE position for a new pilot program; and a method-of-finance swap increasing General Revenue Funds by \$2.1 million and decreasing Other Funds from Interagency Contracts from the Health and Human Services Commission for the Veteran Mental Health Department.

PROGRAMS

The agency carries out its responsibilities to veterans and their families through four major program areas: (1) veterans' benefits, (2) veterans' grants, (3) Hazlewood Act administration, and (4) administration.

VETERANS' BENEFITS

The veterans' benefits program area includes 14 programs and functions, the largest of which, claims representation and counseling, assists veterans, families of veterans, and survivors in pursuit of eligible benefits. Texas ranks second among U.S. states in total veteran population, with approximately 1.6 million veterans. TVC informs veterans and their families of available benefits, assists them through the claims process, and offers guidance regarding benefit appeals. The agency uses the Public Assistance Reporting Information System to forward new or additional benefits claims to the U.S. Department of Veterans Affairs (VA). TVC also provides training for Veterans County Service Officers, which provide local assistance to veterans. Appropriations for claims representation and counseling total \$11.6 million for the 2024–25 biennium.

As part of its Veterans Employment Services program, TVC provides comprehensive services to veterans and veterans' spouses in pursuit of long-term, meaningful employment. These services include assistance with completing job applications, reviewing resumes, job matching and searches,

referrals to training, targeted services to those facing significant obstacles to employment, and other services. Additionally, TVC works with employers, government entities, and institutions of higher education to help them understand the benefits of hiring veterans and to navigate and simplify veteran hiring practices. Appropriations for the 2024–25 biennium include \$22.6 million for Veterans Employment Services.

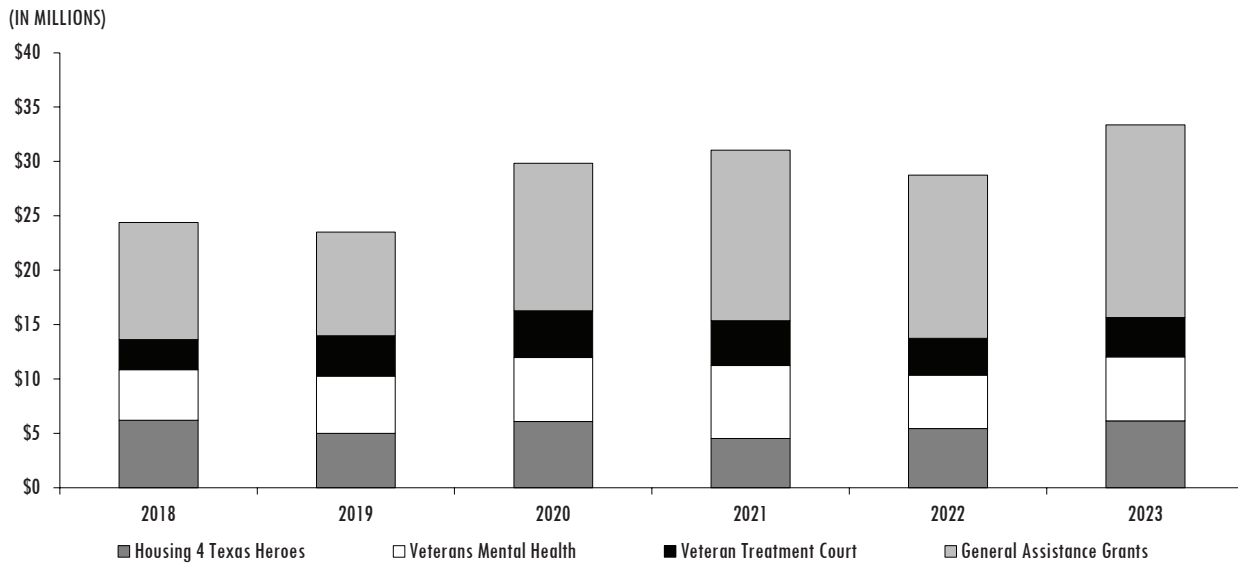
TVC's Veterans Education Program serves as the state's approving agency for federal GI Bill benefits and serves as administrator for Hazlewood Act benefits. The Eighty-fifth Legislature, Regular Session, 2017, transferred TVC funding for the Hazlewood Legacy Program to the Permanent Fund Supporting Military and Veterans Exemptions to combine funding for the Hazlewood Legacy Program (see **Chapter 6, Agencies of Education**). The agency reviews, evaluates, approves, and oversees education and training programs for veterans and other eligible individuals. TVC conducts VA-directed compliance survey visits to examine reporting accuracy at schools and training establishments, to monitor tuition and fee charges to veterans and the VA, and to ensure VA payment accuracy.

The agency approves Texas colleges, universities, trade and vocational schools, and training facilities to enable eligible veterans and their families to use benefits offered through the GI Bill. TVC's Veterans Education program responds to inquiries regarding education benefits, conducts onsite visits, and completes VA-directed compliance survey visits throughout the state. Additionally, the Veterans Education Department participates in veterans' job fairs, benefits fairs, and other outreach events in Texas to connect veterans and families to services. The agency is appropriated approximately \$3.4 million for veterans' education-related services for the 2024–25 biennium.

The Veteran Health Care Advocacy staff act as liaisons between veterans and the VA to resolve access issues involving VA healthcare-related services. There are 24 Health Care Advocacy Regions in Texas. This program is appropriated \$2.9 million for the 2024–25 biennium.

TVC's Veterans Outreach program informs veterans of benefits and services using a multimedia approach to disseminating information. This program is appropriated \$3.2 million for the 2024–25 biennium. In its outreach efforts, TVC staff completed more than 1,416,116 veteran engagements during fiscal year 2023, including connections made via social media and other online campaigns.

FIGURE 122
TEXAS VETERANS COMMISSION FUND FOR VETERANS' ASSISTANCE GRANTS, FISCAL YEARS 2018 TO 2023



NOTE: Amounts for fiscal year 2023 are estimated.
 SOURCE: Texas Veterans Commission.

The Women Veterans Program is similar to the Veterans Outreach Program and informs the women veterans of Texas of the benefits and services available. Texas has the largest number of women veterans among U.S. states, with approximately 180,000 women veterans. The Women Veterans Program is appropriated \$0.6 million for the 2024–25 biennium.

The Veteran Entrepreneur Program (VEP) assists veterans with starting and growing businesses through various services including, but not limited to, providing guidance to veteran entrepreneurs and business owners through conferences, seminars, and training workshops; providing one-on-one counseling; and providing outreach and advocacy for veteran entrepreneurship. In addition, the VEP reviews and provides qualifying veterans a letter of verification, which is used to waive certain business-filing fees. The program provided more than 15,624 services to veterans and their families during fiscal year 2023, including business planning, development, opening assistance, and other targeted guidance. The VEP is appropriated \$0.7 million for the 2024–25 biennium.

Appropriations for the 14 programs within the Veterans' Benefit area total \$61.6 million for the 2024–25 biennium.

VETERANS' GRANTS

The Texas Veterans Commission Fund for Veterans' Assistance (FVA) grant program awards grants to eligible charitable, governmental, and veterans organizations that provide direct services to Texas veterans and their families through four grant awards: General Assistance, Veterans Mental Health, Veteran Treatment Court, and Housing 4 Texas Heroes. **Figure 122** shows the awards that FVA has granted since fiscal year 2018.

General Assistance grants are awarded to certain organizations that provide limited emergency assistance; child and family services; transportation services; legal services; and employment, training, education, and job placement assistance to veterans. Veterans Mental Health grants are awarded to organizations that work to meet the mental health needs of veterans and their families. These organizations typically offer services including clinical counseling, peer-delivered services, and nonclinical support services. Housing 4 Texas Heroes grants provide financial support to organizations that assist Texas veterans and their families to obtain, maintain, or improve housing. Veteran Treatment Court grants support local efforts to serve veterans through treatment court programs. Included in the General Assistance grants program is a new pilot program to provide grants for

organizations utilizing trained service dogs for veterans with post-traumatic stress disorder, traumatic brain injury, or victims of military sexual trauma. Approximately \$59.7 million is appropriated to TVC for grant programs for the 2024–25 biennium.

HAZLEWOOD ACT ADMINISTRATION

The Hazlewood Act, codified in the Texas Education Code, Section 54.341, provides an educational benefit to eligible Texas veterans residing in the state and certain dependents or spouses of Texas veterans. The Hazlewood exemption program is a state benefit that provides qualified individuals with an education benefit of up to 150.0 semester credit hours of tuition exemption, including most fees, at public institutions of higher education in Texas.

The Hazlewood Legacy Program, which began in fall 2009, enables a veteran to pass on this educational benefit to a dependent. Spouses and dependents of veterans are eligible for this exemption if a veteran spouse or parent was killed in action, died while in service, died as a result of service-related injuries or illness, is classified as missing in action, became totally and permanently disabled, or meets the requirements for individual unemployability due to a service-related injury.

TVC's Veterans Education program administers the Hazlewood tuition exemption program. It also maintains the Hazlewood database, which records information from public institutions of higher education in Texas pertaining to the number and classification of veterans and other eligible Hazlewood students, as well as the funding exempted by each institution for the various Hazlewood eligibility categories. The Eighty-fifth Legislature, Regular Session, 2017, transferred TVC funding for the Hazlewood Legacy Program to the Permanent Fund Supporting Military and Veterans Exemptions (MVE) to combine the MVE and TVC funding for the Hazlewood Legacy Program into one appropriations bill pattern. The Eighty-eighth Legislature, Regular Session, 2023, increased funding for improvement to the Hazlewood Database. The agency is appropriated \$1.8 million for the 2024–25 biennium related to its administration and improvement of the Hazlewood Act and Database.

ADMINISTRATION

The agency facilitates the management and distribution of funds, grants, and complex support services to support its agency programs. For the 2024–25 biennium, agency appropriations total approximately \$6.2 million for administrative functions.

SIGNIFICANT LEGISLATION

House Bill 671 – Veterans suicide prevention campaign.

The legislation directs TVC to conduct a suicide prevention campaign and establish a dedicated website to provide veterans with information regarding suicide prevention.

House Bill 2951 – Service dogs for veterans pilot program.

The legislation directs TVC to establish a pilot program for veterans to assist in mitigating the symptoms of military service-related post-traumatic stress disorder, traumatic brain injury, or military sexual trauma through the provision of a service dog.

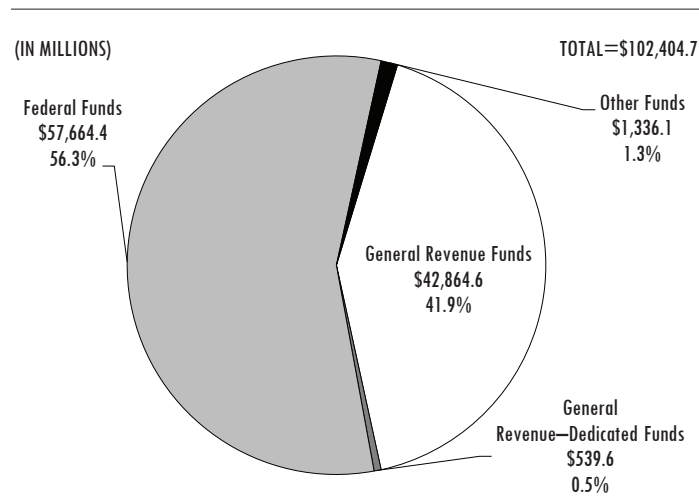
5. HEALTH AND HUMAN SERVICES

Health and Human Services is the second-largest function of Texas state government in terms of General Revenue Funds appropriations. Spending is driven primarily by caseloads for Medicaid, the Children’s Health Insurance Program (CHIP), and child protective services. Other significant programs include inpatient and outpatient mental health services, services for individuals with intellectual disabilities, and programs to protect and improve public health.

FIGURE 123
ARTICLE II – HEALTH AND HUMAN SERVICES, BY METHOD OF FINANCE

METHOD OF FINANCE	(IN MILLIONS)			
	ESTIMATED/BUDGETED 2022–23	APPROPRIATED 2024–25	BIENNIAL CHANGE	PERCENTAGE CHANGE
General Revenue Funds	\$39,650.1	\$42,864.6	\$3,214.5	8.1%
General Revenue–Dedicated Funds	\$520.7	\$539.6	\$18.9	3.6%
Federal Funds	\$71,056.3	\$57,664.4	(\$13,391.9)	(18.8%)
Other Funds	\$1,572.1	\$1,336.1	(\$236.0)	(15.0%)
Total, All Methods of Finance	\$112,799.2	\$102,404.7	(\$10,394.5)	(9.2%)

SHARE OF FUNDING BY METHOD OF FINANCE (IN MILLIONS)



SIGNIFICANT DEVELOPMENTS

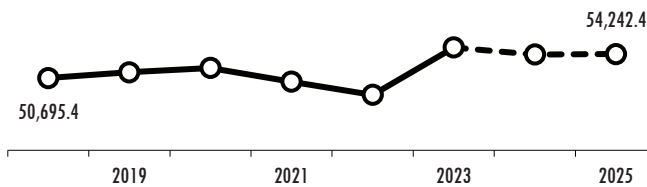
Appropriations for the **Medicaid program** total **\$80.9 billion** in All Funds, including \$31.0 billion in General Revenue Funds and General Revenue–Dedicated Funds, a decrease of \$5.5 billion in All Funds from the 2022–23 biennial expenditure level.

Funding for **non-Medicaid/CHIP behavioral health services** totals **\$4.6 billion** in All Funds, including \$3.5 billion in General Revenue Funds and General Revenue–Dedicated Funds.

Funding for **Child Protective Services** totals **\$4.1 billion** in All Funds, an increase of \$0.3 billion primarily for the expansion of Community-based Care, salary increases, and foster care rate modernization.

Funding for **salary adjustments** includes an increase of **\$1.2 billion** in All Funds, including \$0.8 billion in General Revenue Funds and General Revenue–Dedicated Funds.

FULL-TIME-EQUIVALENT POSITIONS



NOTES:

- (1) Excludes Interagency Contracts.
- (2) Full-time-equivalent positions show actual positions for fiscal years 2018 to 2022, budgeted positions for fiscal year 2023, and appropriated positions for fiscal years 2024 and 2025.

SOURCES: Legislative Budget Board; State Auditor’s Office.

FIGURE 124
ARTICLE II – HEALTH AND HUMAN SERVICES APPROPRIATIONS BY AGENCY, ALL FUNDS

(IN MILLIONS)	ESTIMATED/BUDGETED 2022–23	APPROPRIATED 2024–25	BIENNIAL CHANGE	PERCENTAGE CHANGE
Department of Family and Protective Services	\$4,531.1	\$4,987.3	\$456.2	10.1%
Department of State Health Services	\$7,636.2	\$2,246.0	(\$5,390.2)	(70.6%)
Health and Human Services Commission	\$99,105.5	\$93,412.9	(\$5,692.6)	(5.7%)
Subtotal, Health and Human Services	\$111,272.7	\$100,646.2	(\$10,626.5)	(9.5%)
Employee Benefits and Debt Service	\$2,163.7	\$2,453.2	\$289.6	13.4%
Less Interagency Contracts	\$637.2	\$694.8	\$57.5	9.0%
Total, All Functions	\$112,799.2	\$102,404.7	(\$10,394.5)	(9.2%)

NOTES:

(1) Biennial change and percentage change are calculated on actual amounts before rounding. Therefore, figure totals may not sum due to rounding.

(2) Includes supplemental appropriations made in Senate Bill 30, Eighty-eighth Legislature, Regular Session, 2023.

SOURCE: Legislative Budget Board.

MAJOR FUNDING

MEDICAID

The primary funding item for the health and human services (HHS) function is Medicaid, constituting more than three-quarters of HHS All Funds appropriations. Of this Medicaid funding, 99.9 percent is appropriated to the Health and Human Services Commission (HHSC) for Medicaid client services, programs supported by Medicaid funding, and administration of Medicaid and programs supported by Medicaid funding. The remaining 0.1 percent is appropriated to the Department of State Health Services and the Department of Family and Protective Services for programs supported by Medicaid funding and administration of Medicaid and programs supported by Medicaid funding.

A total of \$80.9 billion in All Funds (\$30.9 billion in General Revenue Funds, \$0.1 billion in General Revenue–Dedicated Funds, \$0.6 billion in Other Funds, and \$49.3 billion in Federal Funds) in Medicaid funding is appropriated across the HHS function for the 2024–25 biennium. These appropriations represent a \$5.5 billion decrease in All Funds from the 2022–23 biennial expenditure level, which includes a decrease of \$6.0 billion in All Funds in Medicaid client services, an increase of \$0.1 billion in All Funds in Medicaid funding for programs supported by Medicaid funding, and a \$0.3 billion increase in administrative funding. **Figure 125** shows 2022–23 biennial estimated/budgeted amounts for Medicaid compared to 2024–25 biennial appropriations.

BEHAVIORAL HEALTH

Funding for non-Medicaid/Children’s Health Insurance Program (CHIP) behavioral health services and related expenditures at HHS agencies includes \$4.6 billion in All Funds (\$3.5 billion in General Revenue Funds and General Revenue–Dedicated Funds). This amount is a decrease of \$2.0 billion in All Funds (\$1.2 billion in General Revenue Funds and General Revenue–Dedicated Funds) from the 2022–23 biennial expenditure level. The decrease is due primarily to a \$2.1 billion decrease in All Funds (\$2.1 billion in General Revenue Funds) in supplemental funding appropriated for new capacity for mental health services and inpatient facilities. The decrease represents the inclusion of funds provided in Senate Bill 30, Eighty-eighth Legislature, Regular Session, 2023, in fiscal year 2023, although the appropriation is for a two-year period and most of the funds are anticipated to be expended during the 2024–25 biennium. These decreases are offset partially by increases at HHSC totaling \$0.5 billion in All Funds (\$0.5 billion in General Revenue Funds) related to additional funding for community mental health services and crisis services for adults and children and community mental health hospitals.

Estimated Medicaid expenditures for behavioral health services total \$3.5 billion in All Funds for the 2024–25 biennium, and estimated CHIP expenditures total \$0.1 billion in All Funds. Total behavioral health funding at the HHS agencies, including estimated Medicaid and CHIP expenditures, is \$8.1 billion in All Funds for the 2024–25 biennium. **Figure 126** shows 2022–23 biennial estimated/

FIGURE 125
MEDICAID APPROPRIATIONS IN ALL FUNDS BY AGENCY
2022–23 TO 2024–25 BIENNIA

(IN MILLIONS)	ESTIMATED/BUDGETED	APPROPRIATED	BIENNIAL
CATEGORY	2022–23	2024–25	CHANGE
Department of Family and Protective Services			
Medicaid Funding for Administration	\$10.0	\$13.7	\$3.6
Programs Providing Client Services with Medicaid Funding	\$49.8	\$53.8	\$4.1
Subtotal, Department of Family and Protective Services	\$59.8	\$67.5	\$7.7
Department of State Health Services			
Medicaid Funding for Administration	\$21.6	\$21.2	(\$0.4)
Health and Human Services Commission			
Medicaid Program Client Services	\$81,434.8	\$75,439.5	(\$5,995.4)
Medicaid Funding for Administration	\$3,239.3	\$3,579.6	\$340.3
Programs Providing Client Services with Medicaid Funding	\$1,638.4	\$1,743.8	\$105.4
Subtotal, Health and Human Services Commission	\$86,312.5	\$80,762.8	(\$5,549.7)
Total, All Health and Human Services Agencies	\$86,393.9	\$80,851.6	(\$5,542.4)

NOTES:
(1) Amounts may not sum due to rounding.
(2) Includes supplemental appropriations provided in Senate Bill 30, Eighty-eighth Legislature, Regular Session, 2023.
SOURCE: Legislative Budget Board.

FIGURE 126
HEALTH AND HUMAN SERVICES BEHAVIORAL HEALTH APPROPRIATIONS IN ALL FUNDS BY AGENCY
2022–23 TO 2024–25 BIENNIA

(IN MILLIONS)	ESTIMATED/BUDGETED	APPROPRIATED	BIENNIAL
AGENCY	2022–23	2024–25	CHANGE
Department of Family and Protective Services	\$59.1	\$83.8	\$24.7
Department of State Health Services	\$6.1	\$6.2	\$0.1
Health and Human Services Commission	\$6,525.8	\$4,463.1	(\$2,062.7)
Subtotal, Non-Medicaid and Children's Health Insurance Program (CHIP)	\$6,591.0	\$4,553.1	(\$2,037.9)
Estimated Medicaid and CHIP	\$3,835.1	\$3,567.7	(\$267.4)
Total, All Health and Human Services Agencies	\$10,426.1	\$8,120.8	(\$2,305.3)

NOTES:
(1) Amounts may not sum due to rounding.
(2) Includes supplemental appropriations provided in Senate Bill 30, Eighty-eighth Legislature, Regular Session, 2023.
SOURCE: Legislative Budget Board.

budgeted amounts for behavioral health compared to 2024–25 biennial appropriations.

SALARY ADJUSTMENTS

Funding for salary adjustments at HHS agencies includes an increase of \$1.2 billion in All Funds, including \$0.8 billion in General Revenue and General Revenue–Dedicated Funds. This amount includes \$0.5 billion in All Funds (\$0.3 billion in General Revenue Funds and General Revenue–Dedicated

Funds) for statewide salary adjustments across the three HHS agencies, and \$0.7 billion in All Funds (\$0.5 billion in General Revenue Funds and General Revenue–Dedicated Funds) for additional staff recruitment and retention efforts, including state-owned facilities, eligibility operations, and frontline and support staff.

DEPARTMENT OF FAMILY AND PROTECTIVE SERVICES

PURPOSE: Protect children, the elderly, and people with disabilities from abuse, neglect, and exploitation by involving clients, families, and communities.

ESTABLISHED: 2004

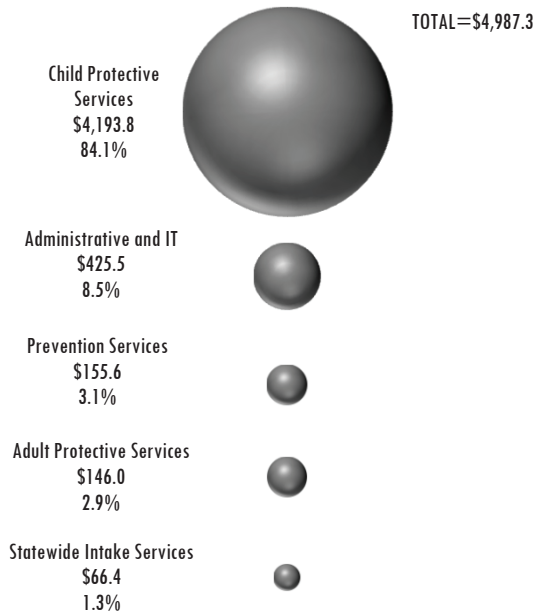
AUTHORIZING STATUTE: The Texas Human Resources Code, Title 2, Chapters 40, 42, and 48

GOVERNANCE: Commissioner, appointed by the Governor, with the advice and consent of the Senate; Family and Protective Services Council – nine members of the public appointed by the Governor to assist with development of rules and policies

FIGURE 127
DEPARTMENT OF FAMILY AND PROTECTIVE SERVICES BY METHOD OF FINANCE

METHOD OF FINANCE	(IN MILLIONS)				APPROPRIATED FULL-TIME-EQUIVALENT POSITIONS				
	ESTIMATED/BUDGETED 2022–23	APPROPRIATED 2024–25	BIENNIAL CHANGE	PERCENTAGE CHANGE					
General Revenue Funds	\$2,592.1	\$3,183.7	\$591.6	22.8%	<table border="1"> <tr> <td>2024</td> <td>12,105.5</td> </tr> <tr> <td>2025</td> <td>12,058.8</td> </tr> </table>	2024	12,105.5	2025	12,058.8
2024	12,105.5								
2025	12,058.8								
General Revenue–Dedicated Funds	\$8.6	\$4.3	(\$4.3)	(50.0%)					
Federal Funds	\$1,909.3	\$1,774.8	(\$134.6)	(7.0%)					
Other Funds	\$21.1	\$24.5	\$3.5	16.4%					
Total, All Methods of Finance	\$4,531.1	\$4,987.3	\$456.2	10.1%					

AGENCY PROGRAM AREAS BY APPROPRIATION (IN MILLIONS)



SIGNIFICANT DEVELOPMENTS

Appropriations for **Community-based Care (CBC)** total \$128.0 million in All Funds to maintain existing services and to expand CBC into Regions 8a, 6a, 6b, and 10, and roll out Stage II in Regions 3e, 9, 4, and 5.

Appropriations for **Child Protective Services (CPS) Direct Delivery Staff** total \$1.8 billion in All Funds, an increase of \$39.3 million primarily related to CBC support and staff salary adjustments.

Appropriations for **CPS client services**, including day care, foster care, adoption subsidies and permanency care assistance, and relative caregiver payments provide an increase of \$202.3 million in All Funds primarily for foster care rate modernization.

Appropriations include \$65.5 million in All Funds to support **IT projects and system enhancements**.

NOTE: IT=information technology.
SOURCE: Legislative Budget Board.

MAJOR FUNDING

Senate Bill 30, Eighty-eighth Legislature, Regular Session, 2023, increased appropriation authority of the Department of Family and Protective Services (DFPS) in fiscal year 2023 by \$40.9 million in General Revenue Funds, for the following purposes:

- \$30.8 million in General Revenue Funds for costs associated with Children Without Placement;
- \$6.9 million in General Revenue Funds for data center services;
- \$1.9 million in General Revenue Funds for court monitor fees to comply with the foster care litigation;
- \$1.0 million in General Revenue Funds for connecting technology services; and
- \$0.3 million in General Revenue Funds for Child Advocacy Centers information technology services.

Appropriations for DFPS for the 2024–25 biennium total \$5.0 billion in All Funds, including \$3.2 billion in General Revenue Funds and General Revenue–Dedicated Funds, representing increases of \$456.2 million in All Funds and \$587.3 million in General Revenue Funds from 2022–23 biennial spending levels. The increases primarily include \$191.3 million in All Funds (\$128.0 million in General Revenue Funds) provided for foster care and \$125.5 million in All Funds (\$74.5 million in General Revenue Funds) provided for staff salary adjustments.

Appropriations for DFPS for the 2024–25 biennium also include \$219.7 million in All Funds (\$156.4 million in General Revenue Funds) and 25.0 full-time-equivalent (FTE) positions in fiscal year 2024 and 88.0 FTE positions in fiscal year 2025 for foster care rate modernization. Foster care rate modernization eliminates the current rate level reimbursement system and instead will use a uniform assessment tool to match children with specific service packages. Each service package has a corresponding rate, which is based on a new methodology intended to represent the cost of each service provision and incentivize improved child outcomes. The implementation of foster care modernization will be phased in with initial costs in fiscal year 2024 related to provider transition costs. Children are expected to be served under the new system beginning January 2025. In addition, \$9.4 million in All Funds (\$6.7 million in General Revenue Funds) is included to increase

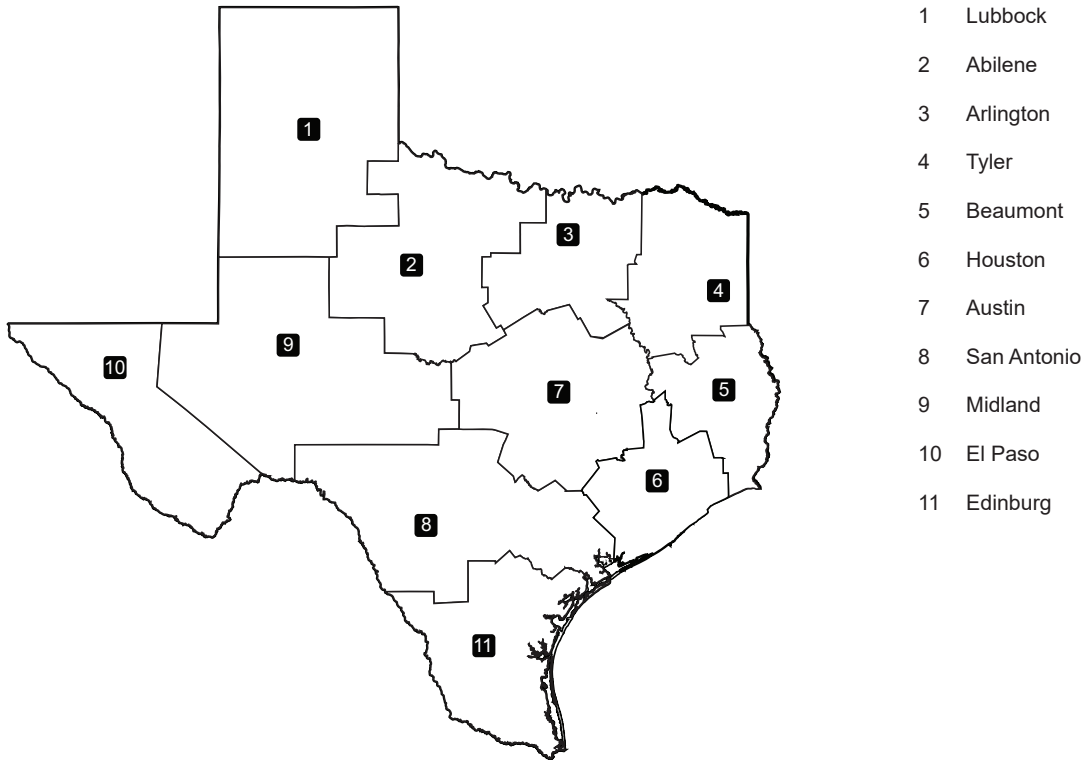
the relative caregiver daily rate to 50.0 percent of the basic foster care rate beginning January 2025.

Appropriations for DFPS for the 2024–25 biennium also include \$97.1 million in All Funds (\$91.1 million in General Revenue Funds) for the expansion of Community-based Care (CBC). CBC affects funding for Child Protective Services (CPS) direct delivery staff, program support, and foster care payments. CBC implementation occurs in two stages through which a single-source continuum contractor (SSCC) assumes responsibility for finding foster homes or other out-of-home placements for children in state care and for providing additional services. In Stage I, the SSCC provides foster care services, including placement. In Stage II the SSCC assumes responsibility for case management of children in state care. As CBC expands into additional regions and stages, DFPS funding is increased and FTE positions are decreased as SSCCs assume responsibilities previously performed by state staff. The increased funding includes start-up costs and resource transfers, which provide FTE position costs that otherwise would be appropriated to DFPS, and funding for benefits that would have been appropriated outside of DFPS's budget. Additional costs are also associated with network support payments provided for each child for which an SSCC is responsible.

CBC was implemented in Stage I in Region 3b (Tarrant County and nearby counties) in fiscal year 2015, in Regions 2 (Abilene, Wichita Falls, and surrounding counties) and 8a (Bexar County) in fiscal year 2019, Region 1 (Amarillo and Lubbock) in fiscal year 2020, and Region 8b (counties surrounding Bexar County) in fiscal year 2021. CBC was implemented in Stage II in Regions 3b and 2 in fiscal year 2020, and in Regions 8b and 1 in fiscal year 2022. Stage I in Regions 3e (Dallas area and surrounding counties), 4 (Northeast Texas, including Tyler), and 5 (East Texas, including Beaumont) are expected to be implemented in fiscal year 2024. Region 9 (West Texas, including Midland/Odessa/San Angelo) Stage I is delayed with no indication as to when the rollout will occur.

Appropriations for the 2024–25 biennium assume maintaining current regions and the expansion of Stage I into four additional regions—8a (Bexar County), 6a (Harris County), 6b (Bay Area/Montgomery), and 10 (El Paso)— and into Stage II in Regions 3e, 9, 4, and 5. The funding increase for CBC in the 2024–25 biennium totals \$128.0 million in All Funds (\$119.7 million in General Revenue Funds). **Figure 128** shows the 11 DFPS regions and their headquarters.

FIGURE 128
DEPARTMENT OF FAMILY AND PROTECTIVE SERVICES REGIONS AND REGIONAL HEADQUARTERS
FISCAL YEAR 2023



NOTE: Community-based Care regions are based on current Department of Family and Protective Services (DFPS) regions. Certain regions are divided further, designated by letters following the number. DFPS intends to establish additional divisions in Regions 3, 6, 7, 8, and 11.
 SOURCE: Department of Family and Protective Services.

Region 8a Stage I initially was implemented in fiscal year 2019; but on April 29, 2021, the SSCC gave formal notice to terminate its contract with DFPS. Along with the SSCC, DFPS implemented a 60-day contingency plan to enable the transition of services, subcontracts, and human resources back to DFPS. As of July 1, 2021, all subcontracts for foster care placement and services were successfully transitioned back to DFPS with no disruption in services to children and youth or in payments to providers.

PROGRAMS

The agency carries out its responsibilities through five major program areas: (1) CPS; (2) Administrative and Information Technology; (3) Prevention Services; (4) Adult Protective Services; and (5) Statewide Intake Services.

CHILD PROTECTIVE SERVICES

The CPS program investigates reports of suspected abuse or neglect of children and takes action to protect abused and

neglected children from further harm. Program staff also work with children and their families to help alleviate the effects of abuse. The CPS program provides direct protective services through six primary programs: CPS Direct Delivery Staff, CPS Program Support, CPS Purchased Services, Foster Care Payments, Adoption Subsidy/Permanency Care Assistance Payments, and Relative Caregiver Monetary Assistance Payments. In addition to the direct services, the Office of CBC Transition within DFPS provides support and management for the implementation and oversight of CBC in Texas. Biennial funding totals \$4.1 billion in All Funds (\$2.5 billion in General Revenue Funds), as shown by CPS program in **Figure 129**.

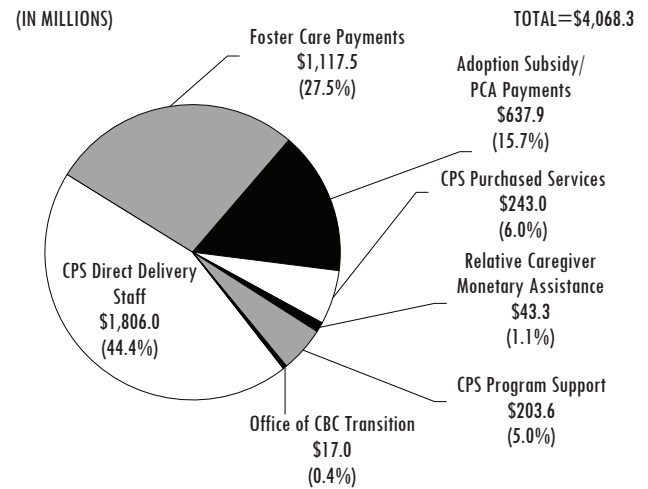
CPS DIRECT DELIVERY STAFF

The largest portion (36.2 percent) of CPS funding is provided for CPS Direct Delivery Staff. These staff provide services including investigating reports of suspected abuse or neglect; developing and implementing protective service plans;

placing children in temporary care or permanent homes; providing long-term casework; and serving families in crisis to help prevent the out-of-home placement of children. Funding for direct delivery staff also includes amounts transferred to SSCCs for CBC. Biennial funding totals \$1.8 billion in All Funds (\$1.3 billion in General Revenue Funds) and provides for 8,913.4 FTE positions in fiscal year 2024 and 8,898.4 FTE positions in fiscal year 2025. Funding represents a net increase of \$39.3 million in All Funds (\$178.6 million in General Revenue Funds) due to the following changes:

- an increase of \$115.8 million in All Funds (\$108.2 million in General Revenue Funds) and 59.0 FTE positions to support current CBC regions and stages and the expansion of CBC into Stage I in Regions 8a, 6a, 6b, and 10, and into Stage II in Regions 3e, 9, 4 and 5, and to provide child and adolescent needs and strengths assessments for all children in CBC regions. Stage I and Stage II funding includes start-up costs in each region, the cost of benefits included in resource transfers, and network support payments. Stage II also includes additional resource transfers. FTE positions decrease by 960.0 for fiscal year 2024 and 960.0 for fiscal year 2025 for CBC expansion;
- an increase of \$23.3 million in All Funds (\$21.4 million in General Revenue Funds) to increase the per diem travel rate and support costs to sustain the mileage at the current Comptroller of Public Accounts (CPA) rate and to provide salary increases to align with the statewide average per the State Auditor's Office (SAO), and additional targeted salary increases;
- an increase of \$17.2 million in All Funds (\$16.0 million in General Revenue Funds) to provide additional funding to SSCCs to expand mental health services, to address foster care litigation costs, and for salary increases for staff to align with the statewide salary adjustment;
- an increase of \$3.4 million in All Funds (\$3.1 million in General Revenue Funds) and 59.0 FTE positions in fiscal year 2024 to maintain funding and FTE positions for caseworkers from fiscal year 2023 into both fiscal years of the 2024–25 biennium;
- an increase of \$3.1 million in All Funds (\$2.8 million in General Revenue Funds) and 56.0 FTE

FIGURE 129
CHILD PROTECTIVE SERVICES (CPS) APPROPRIATIONS
BY PROGRAM, 2024–25 BIENNIUM



NOTE: CBC=Community-based Care; PCA=Permanency Care Assistance.

SOURCE: Legislative Budget Board.

positions in fiscal year 2025 to support foster care rate modernization;

- an increase of \$1.5 million in General Revenue Funds to support a contract to evaluate the CPS investigation process;
- an increase of \$1.2 million in General Revenue Funds and 7.0 FTE positions each fiscal year relating to policies and procedures regarding certain suits affecting the parent-child relationship, and investigations pursuant to House Bill 730, Eighty-eighth Legislature, Regular Session, 2023;
- an increase of 22.0 FTE positions each fiscal year for placement and clinical support staff;
- a decrease of \$2.3 million in All Funds (\$2.1 million in General Revenue Funds) to transition private child-placing agency functions to DFPS in preparation to transfer those functions to SSCCs under CBC. FTE positions decrease by 12.0 for fiscal year 2024 and 24.0 for fiscal year 2025;
- a decrease of \$3.2 million in All Funds (\$3.1 million in General Revenue Funds) and 28.0 FTE positions each fiscal year due to the transfer of CPS Residential Contract Staff to Strategy B.1.2, CPS Program Support, to consolidate similar functions;

FIGURE 130
CHILD PROTECTIVE SERVICES CASELOAD PER CASEWORKER, FISCAL YEARS 2020 TO 2025

CASEWORKER CLASSIFICATION	2020	2021	2022	2023	2024	2025
Conservatorship Caseworker	24.4	22.8	19.5	16.0	17.0	17.0
Family-based Safety Services Caseworker	11.3	8.7	4.8	4.7	6.1	6.1
Investigations Caseworker	13.1	15.5	17.6	17.0	13.0	13.0
Foster and Adoptive Home Development Caseworker	17.4	17.5	15.6	14.7	15.0	15.0
Kinship Caseworker	33.0	31.9	27.4	27.8	20.0	20.0

SOURCES: Legislative Budget Board; Department of Family and Protective Services.

- a decrease of \$4.1 million in All Funds to align Other Funds and Federal Funds with anticipated awards. In addition, the decrease represents the end of COVID-19 pandemic-related grants and the full allocation of the Family First Transition Act (FFTA) federal grant.
- a decrease of \$8.7 million in General Revenue Funds for the removal of onetime start-up costs for CBC;
- a decrease of \$48.0 million in All Funds (\$30.9 million in General Revenue Funds) to represent transfers in the 2022–23 biennium that were not maintained in the 2024–25 biennium;
- a decrease of \$59.8 million in All Funds (\$30.8 million in General Revenue Funds) to represent supplemental appropriation adjustments made during fiscal year 2023 pursuant to Senate Bill 30, Eighty-eighth Legislature, Regular Session, 2023; and
- a decrease of \$100.1 million in Federal Funds and an increase of \$100.1 million in General Revenue Funds for salaries related to the COVID-19 pandemic response.

Figure 130 shows the historical caseload for each caseworker type funded in CPS Direct Delivery from fiscal years 2020 to 2025.

CPS PROGRAM SUPPORT

CPS Program Support provides support services such as program administration, contract management, staff training, federal funds eligibility determination, and administration of discretionary federal programs. Biennial funding totals \$203.6 million in All Funds (\$109.3 million in General Revenue Funds) and provides for 701.5 FTE positions in fiscal year 2024 and 703.5 FTE positions in fiscal year 2025. Funding represents a net increase of \$27.7

million in All Funds (\$34.9 million in General Revenue Funds), due to the following changes:

- an increase of \$20.1 million in All Funds (\$20.0 million in General Revenue Funds) and 2.0 FTE positions in fiscal year 2024 and 4.0 FTE positions in fiscal year 2025 to support foster care rate modernization;
- an increase of \$20.0 million in Federal Funds for pilot programs and services to comply with the Family First Prevention Services Act;
- an increase of \$5.0 million in General Revenue Funds and 5.0 FTE positions each fiscal year to provide funding assistance related to the Children’s Safe Harbor Facility;
- an increase of \$3.8 million in All Funds (\$3.5 million in General Revenue Funds) and 21.0 FTE positions in fiscal year 2024 and 11.0 FTE positions in fiscal year 2025 for staff to support various functions, including clinical, child protective investigations, and administration;
- an increase of \$3.6 million in All Funds (\$3.4 million in General Revenue Funds) and 30.0 FTE positions each fiscal year due to the transfer of CPS Residential Contract Staff to Strategy B.1.2, CPS Program Support, to consolidate similar functions;
- an increase of \$2.6 million in All Funds to represent the portion of the foster care litigation court monitor fees transferred from the Health and Human Services Commission (HHSC);
- an increase of \$2.3 million in General Revenue Funds to address the foster care litigation court monitor fees;
- an increase of \$2.0 million in All Funds (\$1.9 million in General Revenue Funds) to increase the per diem travel rate and support costs to sustain the mileage at

the current CPA rate and to provide salary increases to align with the statewide average per the SAO, and additional targeted salary increases;

- an increase of \$0.8 million in All Funds (\$0.8 million in General Revenue Funds) and 3.0 FTE positions each fiscal year to support data and system enhancements;
- an increase of \$0.4 million in All Funds (\$0.3 million in General Revenue Funds) and 2.0 FTE positions each fiscal year to support the expansion of CBC into Stage I in Regions 8a, 6a, 6b, and 10, and into Stage II in Regions 3e, 9, 4, and 5;
- an increase of \$0.2 million in All Funds (\$0.1 million in General Revenue Funds) and 1.5 FTE positions each fiscal year to support kinship needs-based funding, and reimbursement of costs accrued during the licensing process;
- a decrease of \$0.6 million in All Funds to represent onetime funding for a random-moment time study and for the development of a new reimbursement rate methodology for foster care, community-based care, and other child services funded in the 2022–23 biennium;
- a decrease of \$1.9 million in General Revenue Funds to represent supplemental appropriation adjustments made during fiscal year 2023 pursuant to Senate Bill 30, Eighty-eighth Legislature, Regular Session, 2023; and
- a decrease of \$30.6 million in All Funds to align Other Funds and Federal Funds with anticipated awards. In addition, the decrease represents the end of grants related to the COVID-19 pandemic, the transfer of funding related to the federal Child Abuse Prevention and Treatment Act to Strategy F.1.1, Agency-Wide Automated Systems, and the full allocation of the FFTA federal grant.

CPS PURCHASED SERVICES

CPS Purchased Services provide day care, adoption, post-adoption, preparation for adult living (PAL), substance abuse, and other purchased services for children and families. Biennial funding totals \$243.0 million in All Funds (\$111.9 million in General Revenue Funds).

Day Care services are purchased from the Texas Workforce Commission (TWC). TWC contracts with local workforce

development boards that contract with local child-care management system agencies. TWC bills DFPS monthly for reimbursement of day care service cost plus an administrative fee. Biennial funding for day care totals \$79.0 million in All Funds (\$8.9 million in General Revenue Funds), a decrease of \$0.6 million in All Funds (an increase of \$0.4 million in General Revenue Funds). The decrease is due to transfers in the 2022–23 biennium that were not maintained in the 2024–25 biennium, offset by an increase in General Revenue Funds due to the extension of the enhanced federal medical assistance percentage (FMAP) through the Public Health Emergency (PHE), a more favorable FMAP in federal fiscal year 2025, and the assumption that the number of children in conservatorship eligible for day care will remain near its historically low level.

Adoption Purchased Services provides contracted adoption services through child-placing agencies that recruit, train, and verify adoptive homes; handle adoptive placements; provide post-placement supervision; and facilitate consummation of adoptions. Biennial funding totals \$24.6 million in All Funds (\$15.8 million in General Revenue Funds), an increase of \$0.1 million in General Revenue Funds from 2022–23 biennial spending levels. The increase in General Revenue Funds is due to the transition of private child-placing agency functions to DFPS in preparation to transfer those functions to SSCCs in accordance with CBC.

Post-adoption Purchased Services provides services to help families that adopt children in the care of DFPS to adjust to the adoption. Available services include casework, support groups, parent training, therapeutic counseling services, respite care, and residential therapeutic care. Biennial funding totals \$12.8 million in All Funds (\$8.0 million in General Revenue Funds), maintaining 2022–23 biennial appropriated levels.

PAL Purchased Services provides services to help youth in CPS substitute care prepare for their eventual departure from DFPS care and support. It also provides funding for post-secondary education and training programs. Biennial funding totals \$16.9 million in All Funds (\$2.3 million in General Revenue Funds). Funding represents a decrease of \$15.8 million in Federal Funds due to the end of grants related to the COVID-19 pandemic.

Substance Abuse Purchased Services provides services to address parenting impairment caused by substance abuse. The services help prevent children from being removed from

their homes or enable them to be reunited with their families more quickly. Biennial funding totals \$27.2 million in All Funds (\$26.7 million in General Revenue Funds). Funding represents a decrease of \$2.5 million in General Revenue Funds due to transfers in the 2022–23 biennium that were not maintained in the 2024–25 biennium.

Other CPS Purchased Services includes a range of therapeutic and supportive services for abused or neglected children and their families. The services include, but are not limited to, counseling, case management, skills training, and respite care. Biennial funding totals \$82.4 million in All Funds (\$50.3 million in General Revenue Funds), which is an increase of \$5.7 million in All Funds (\$6.6 million in General Revenue Funds). The funding represents a net increase due to the following changes:

- an increase of \$5.5 million in General Revenue Funds to support kinship needs-based funding, including reimbursement of costs accrued during the licensing process;
- an increase of \$0.6 million in General Revenue Funds to provide luggage to children in conservatorship pursuant to House Bill 3765, Eighty-eighth Legislature, Regular Session, 2023;
- an increase of \$0.5 million in General Revenue Funds to transition private child-placing agency functions to DFPS in preparation to transfer those functions to SSCCs in accordance with CBC; and
- a decrease of \$0.8 million in Federal Funds due to the end of grants related to the COVID-19 pandemic and to align federal funding with 2022–23 actual expenditures.

FOSTER CARE PAYMENTS

DFPS pays a daily rate for the care and maintenance of children who have been removed from their homes and placed in foster homes or residential treatment facilities as a result of abuse or neglect allegations. Biennial funding for the foster care program, including CBC, totals \$1.1 billion in All Funds (\$653.2 million in General Revenue Funds). Funding represents a net increase of \$191.3 million in All Funds (\$123.0 million in General Revenue Funds) for the following purposes:

- an increase of \$167.3 million in All Funds (\$109.1 million in General Revenue Funds) to support foster care rate modernization;

- an increase of \$26.0 million in Federal Funds to represent supplemental appropriation adjustments made in fiscal year 2023 pursuant to Senate Bill 30, Eighty-eighth Legislature, Regular Session, 2023;
- an increase of \$20.5 million in General Revenue Funds for the implementation of the intensive psychiatric stabilization program to support youth with complex mental health needs;
- an increase of \$1.9 million in General Revenue Funds for the transition of private child-placing agency functions to DFPS in preparation to transfer those functions to SSCCs through CBC;
- an increase of \$1.8 million in General Revenue Funds to support the expansion of CBC into Stage I in Regions 8a, 6a, 6b, and 10, and into Stage II in Regions 3e, 9, 4, and 5;
- a decrease of \$8.9 million in All Funds (\$22.9 million in General Revenue Funds) due to transfers in the 2022–23 biennium that were not maintained in the 2024–25 biennium; and
- a decrease of \$17.4 million in All Funds (an increase of \$17.6 million in General Revenue Funds) due to the extension of the enhanced FMAP through the PHE, a more favorable FMAP in federal fiscal year 2025, and the assumption that the number of children in conservatorship will remain near its historically low level.

ADOPTION SUBSIDY/PERMANENCY CARE ASSISTANCE PAYMENTS

Adoption Subsidy payments are made to families that adopt children with disabilities, school-age children, minority children, and children in sibling groups. Permanency Care Assistance (PCA) Payments are provided to qualified relatives who assume permanent managing conservatorship of children leaving DFPS care. Funding is also provided for nonrecurring payments for families that incur certain expenses during the adoption or PCA process. Biennial funding for all programs totals \$637.9 million in All Funds (\$293.6 million in General Revenue Funds). Funding represents an increase of \$20.7 million in General Revenue Funds, primarily for the following:

- an increase of \$14.3 million in All Funds (\$35.6 million in General Revenue Funds) due to the extension of the enhanced FMAP through the PHE,

a more favorable FMAP in federal fiscal year 2025, and assumed caseload levels;

- an increase of \$1.1 million in All Funds (\$0.4 million in General Revenue Funds) for a new enhanced PCA payment; and
- a decrease of \$15.4 million in General Revenue Funds due to transfers in the 2022–23 biennium that were not maintained in the 2024–25 biennium.

RELATIVE CAREGIVER MONETARY ASSISTANCE

The Relative Caregiver Monetary Assistance program assists income-eligible relatives and other designated caregivers that are not verified foster parents in meeting the needs of children placed in their care who are under the conservatorship of DFPS. Biennial funding for the program totals \$43.3 million in All Funds (\$30.4 million in General Revenue Funds). Funding represents an increase of \$11.6 million in All Funds (\$4.2 million in General Revenue Funds) due to the following changes:

- an increase of \$3.0 million in General Revenue Funds to represent supplemental appropriation adjustments made in fiscal year 2023 pursuant to Senate Bill 30, Eighty-eighth Legislature, Regular Session, 2023;
- an increase of \$3.1 million in General Revenue Funds due to transfers in the 2022–23 biennium that were not maintained in the 2024–25 biennium;
- an increase of \$9.4 million in All Funds (\$6.7 million in General Revenue Funds) to increase the relative caregiver daily rate to 50 percent of the basic foster care rate beginning January 2024; and
- a decrease of \$3.9 million in All Funds (\$2.5 million in General Revenue Funds) and the assumption that kinship placements eligible for payments will remain near its historical low level.

OFFICE OF CBC TRANSITION

The Office of CBC Transition provides support and management for the implementation and oversight of CBC in Texas. The office was established in fiscal year 2022 pursuant to Senate Bill 1896, Eighty-seventh Legislature, Regular Session, 2021. Biennial funding provides \$17.0 million in All Funds (\$15.4 million in General Revenue Funds) and 84.2 FTE positions each fiscal year. Funding represents an increase of \$1.6 million in All Funds (\$1.5 million in General Revenue Funds) and 4.0 FTE positions

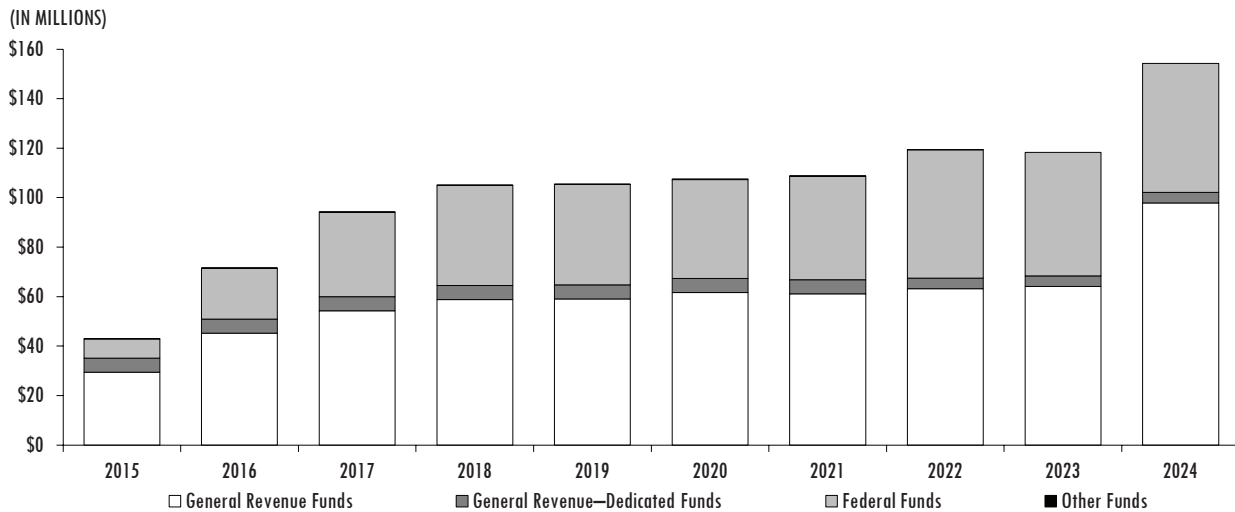
each fiscal year due to the expansion of CBC, and to increase the per diem travel rate and additional travel costs, and to provide salary increases to align with the statewide average in according to the SAO, and additional targeted salary increases.

ADMINISTRATIVE AND INFORMATION TECHNOLOGY

Administrative and IT programs provide indirect administration, IT-related program support, and funding for the agency's capital projects. Biennial funding totals \$295.4 million in All Funds, including \$219.7 million in General Revenue Funds and 951.1 FTE positions in fiscal year 2024 and 955.1 FTE positions in fiscal year 2025. Funding represents a net increase of \$98.3 million in All Funds, including \$95.1 million in General Revenue Funds due primarily to the following changes:

- an increase of \$34.9 million in All Funds (\$32.4 million in General Revenue Funds) and 53.0 FTE positions each fiscal year to support additional support staff and salary adjustments, including to increase the per diem travel rate and additional travel costs, to provide salary increases to align with the statewide average per the SAO, and additional targeted salary increases;
- an increase of \$30.1 million in All Funds (\$27.8 million in General Revenue Funds) and 32.0 FTE positions each fiscal year for IT system enhancements, including securing electronic signatures and improving user accessibility;
- an increase of \$19.7 million in General Revenue Funds for costs related to the assessment with HHSC;
- an increase of \$9.2 million in All Funds (\$8.5 million in General Revenue Funds) and 15.0 FTE positions each fiscal year to support the expansion of CBC into Stage I in Regions 8a, 6a, 6b, and 10, and into Stage II in Regions 3e, 9, 4, and 5;
- an increase of \$6.0 million in All Funds (\$5.6 million in General Revenue Funds) and 23.0 FTE positions in fiscal year 2024 and 28.0 FTE positions in fiscal year 2025 to support foster care rate modernization;
- an increase of \$4.4 million in General Revenue Funds related to contingency funding and transfers pursuant to Senate Bill 24, Eighty-eighth Legislature, Regular Session, 2023;

FIGURE 131
PREVENTION AND EARLY INTERVENTION FUNDING, FISCAL YEARS 2015 TO 2024



NOTE: Prevention and Early Intervention programs and funding for fiscal year 2025 are transferred to the Health and Human Services Commission pursuant to Senate Bill 24, Eighty-eighth Legislature, Regular Session, 2023.
 SOURCE: Legislative Budget Board.

- a decrease of \$2.9 million in General Revenue Funds related to supplemental appropriation adjustments made in fiscal year 2023 pursuant to Senate Bill 30, Eighty-eighth Legislature, Regular Session, 2023; and
- a decrease of \$3.2 million in All Funds (\$0.6 million in General Revenue Funds) and a decrease of 2.0 FTE positions each fiscal year to align Other Funds and Federal Funds with anticipated awards and to align funding between strategies to consolidate functions.

PREVENTION AND EARLY INTERVENTION

The Prevention and Early Intervention Program provides at-risk prevention services for children, youth, and their families through five programs: Services to At-risk Youth, Community Youth Development, child abuse prevention grants, maternal and child home visiting programs, and other at-risk prevention services. Contractual arrangements with community-based organizations deliver most of the services. At-risk prevention program support provides contract management and support services.

Appropriations for fiscal year 2024 total \$154.3 million in All Funds (\$102.3 million in General Revenue Funds and General Revenue-Dedicated Funds) and provide for 86.3 FTE positions. The General Revenue-Dedicated Funds are from Account No. 5084, Child Abuse and Neglect Prevention

Operating, which is financed by the Children's Trust Fund. The Children's Trust Fund receives a portion of each marriage license fee paid in the state. Federal Funds account for 33.8 percent of the appropriation for prevention and early intervention, and consist primarily of funding from the U.S. Social Security Act, Title IV-B, Subpart 2, Promoting Safe and Stable Families Program; the Maternal, Infant, and Early Childhood Home Visiting Grant Program; and from the Temporary Assistance for Needy Families block grant.

Prevention and Early Intervention (PEI) programs and funding in fiscal year 2025 were transferred to HHSC pursuant to Senate Bill 24, Eighty-eighth Legislature, Regular Session, 2023. **Figure 131** shows funding for prevention and early intervention services for fiscal years 2015 to 2024. (See the **Health and Human Services Commission** section for information on PEI funding for fiscal year 2025.)

FAMILY AND YOUTH SUCCESS

The Family and Youth Success (FAYS) program is intended to provide crisis intervention, temporary emergency shelter, and counseling services for young persons at risk of delinquent or criminal behavior. Each FAYS contractor is charged with providing universal child abuse prevention services, ranging from local media campaigns to informational brochures and parenting classes. Funding in fiscal year 2024 totals \$31.9 million in All Funds (\$28.1

million in General Revenue Funds). Funding represents a net decrease of \$19.2 million in All Funds (\$14.0 million in General Revenue Funds) due to an increase of \$14.1 million in General Revenue Funds to expand the FAYS program, offset by a decrease of \$1.4 million in Federal Funds due to the full allocation of FFTA federal grant and a decrease of \$31.9 million in All Funds (\$28.1 million in General Revenue Funds) due to the transfer of the program to HHSC pursuant to Senate Bill 24, Eighty-eighth Legislature, Regular Session, 2023.

COMMUNITY YOUTH DEVELOPMENT

The Community Youth Development (CYD) program provides grant awards that help targeted communities alleviate conditions in the family and the community that lead to juvenile crime. The program emphasizes approaches that support families and enhance positive youth development, such as conflict resolution and mentoring. Funding in fiscal year 2024 totals \$11.3 million in All Funds (\$8.0 million in General Revenue Funds). Funding represents a net decrease of \$7.3 million in All Funds (\$4.0 million in General Revenue Funds) due to an increase of \$4.0 million in General Revenue Funds to expand the CYD program, offset by a decrease of \$11.3 million in All Funds (\$8.0 million in General Revenue Funds) due to the transfer of the program to HHSC pursuant to Senate Bill 24, Eighty-eighth Legislature, Regular Session, 2023.

MATERNAL AND CHILD HOME VISITING PROGRAMS

The Maternal and Child Home Visiting area has two primary programs. The Nurse Family Partnership is a voluntary, evidence-based home visitation program that pairs registered nurses with low-income, first-time mothers to improve prenatal care and provide individual child development education and counseling. The Texas Home Visiting program's mission is to provide evidence-based home visiting services in targeted communities across Texas to contribute to the development of a comprehensive early childhood system that promotes maternal, infant, and early childhood health, safety, and development. Funding in fiscal year 2024 totals \$51.9 million in All Funds (\$17.1 million in General Revenue Funds). Funding represents a decrease of \$30.3 million in All Funds and an increase of \$8.1 million in General Revenue Funds due to the end of grants related to the COVID-19 pandemic, the full allocation of the FFTA federal grant, and the transfer of the program to HHSC pursuant to Senate Bill 24, Eighty-eighth Legislature, Regular Session, 2023, offset by an increase in General Revenue

Funds to expand the Nurse Family Partnership and Texas Home Visiting programs.

CHILD ABUSE PREVENTION GRANTS

Child abuse prevention grants provide funding for local partnerships that strengthen and support families and for community-based, child abuse prevention services. Funding in fiscal year 2024 totals \$5.5 million in All Funds and provides for 3.0 FTE positions. Funding represents a net decrease of \$7.9 million in All Funds (\$1.0 million in General Revenue Funds) to align Federal Funds with anticipated awards, to represent supplemental appropriation adjustments made in fiscal year 2023 pursuant to Senate Bill 30, Eighty-eighth Legislature, Regular Session, 2023, and for the transfer of the program to HHSC pursuant to Senate Bill 24, Eighty-eighth Legislature, Regular Session, 2023.

OTHER AT-RISK PREVENTION SERVICES

DFPS provides other at-risk prevention services, including through the Community-based Family Services program, Healthy Outcomes through Prevention and Early Support (HOPES), Universal Prevention Services, Statewide Youth Services Network, the Runaway Youth Hotlines, and Texas Families: Together and Safe. DFPS also provides prevention services for veterans and military families and safe-baby campaigns to address shaken-baby and safe-sleep risk factors. These prevention programs seek to strengthen families and increase youth resiliency through local collaborations. Funding in fiscal year 2024 for all services totals \$42.9 million in All Funds (\$36.8 million in General Revenue and General Revenue–Dedicated Funds) and includes funding for 8.1 FTE positions. Funding represents a net decrease of \$21.0 million in All Funds (\$15.0 million in General Revenue Funds and General Revenue–Dedicated Funds) to expand the HOPES program, and funding for parental engagement curriculum and long term youth services, offset by the end of grants related to the COVID-19 pandemic, the transfer of the Runaway Youth Hotline to Statewide Intake Services and the transfer of all other programs to HHSC pursuant to Senate Bill 24, Eighty-eighth Legislature, Regular Session, 2023.

AT-RISK PREVENTION PROGRAM SUPPORT

At-risk prevention program support provides staff services such as provider training, contract management, and the management of client data. Funding in fiscal year 2024 totals \$10.8 million in All Funds (\$7.8 million in General Revenue Funds) and provides for 75.2 FTE positions. Funding

represents a net decrease of \$6.1 million in All Funds (\$3.6 million in General Revenue Funds) and a decrease of 75.2 FTE positions due to an increase to provide additional support staff, an increase to the per diem travel rate and additional travel costs, salary increases to align with the statewide average according to the SAO, and additional targeted salary increases, offset by the transfer of program support services to HHSC pursuant to Senate Bill 24, Eighty-eighth Legislature, Regular Session, 2023.

ADULT PROTECTIVE SERVICES

Adult Protective Services (APS) programs investigate reports of abuse, neglect, and exploitation to protect adults with disabilities who are age 18 or older and any adults age 65 or older living in their homes. These services are provided in three ways: APS Direct Delivery Staff, APS Program Support, and APS Purchased Emergency Client Services. Biennial funding for these services totals \$146.0 million in All Funds (\$97.9 million in General Revenue Funds).

APS DIRECT DELIVERY STAFF

APS Direct Delivery Staff provides protective services for individuals living at home. The services include investigating reports of abuse, neglect, or exploitation; providing or arranging for services to remedy or prevent further abuse; and purchasing services to meet short-term client needs. Biennial funding totals \$115.9 million in All Funds (\$85.9 million in General Revenue Funds) and provides for 801.7 FTE positions in fiscal year 2024 and 828.7 FTE positions in fiscal year 2025. Funding represents an increase of \$0.9 million in All Funds (\$11.0 million in General Revenue Funds) primarily for the following changes:

- an increase of \$3.4 million in All Funds (\$3.3 million in General Revenue Funds) for additional support staff, to increase the per diem travel rate and additional travel costs, and to provide salaries increases to align with the statewide average per the SAO, and additional targeted salary increases;
- an increase of \$2.2 million in General Revenue Funds related to supplemental appropriation adjustments made in fiscal year 2023 pursuant to Senate Bill 30, Eighty-eighth Legislature, Regular Session, 2023, and related to transfers in the 2022–23 biennium that were not maintained in the 2024–25 biennium;
- a decrease of \$4.7 million in Federal Funds due to the end of grants related to the COVID-19 pandemic and the full allocation of the FFTA federal grant; and

- a decrease of \$5.5 million in Federal Funds and an increase of \$5.5 million in General Revenue Funds for salaries related to the COVID-19 pandemic response.

APS PROGRAM SUPPORT

APS program support provides direct support and management of APS Direct Delivery Staff. Functions include developing and maintaining policies, legal and IT support, and program training. Biennial appropriations total \$9.2 million in All Funds (\$5.0 million in General Revenue Funds) and provide for 46.3 FTE positions each fiscal year. Funding represents a net decrease of \$5.8 million in All Funds (\$0.6 million in General Revenue Funds) primarily due to an increase for additional support staff, including a financial exploitation team, and an increase to the per diem travel rate and additional travel costs, and targeted salary increases, offset by a decrease due to the end of grants related to the COVID-19 pandemic and supplemental appropriation adjustments made in fiscal year 2023 pursuant to Senate Bill 30, Eighty-eighth Legislature, Regular Session, 2023.

APS PURCHASED EMERGENCY CLIENT SERVICES

APS Purchased Emergency Client Services provides emergency purchased client services for clients in confirmed cases of abuse, neglect, or exploitation. These services are purchased when an APS caseworker determines that resources in the community cannot meet the client's needs. Emergency client services include emergency shelter, food, medications, adaptive equipment, minor home repairs, restoration of utilities, rent, short-term medical or mental health services, and transportation. Biennial funding totals \$20.8 million in All Funds (\$6.9 million in General Revenue Funds). Funding represents a net increase of \$0.8 million in All Funds (\$1.2 million in General Revenue Funds) due to an increase of funding for APS investigation support offset by a decrease to align Federal Funds with anticipated awards, related to supplemental appropriation adjustments made in fiscal year 2023 pursuant to Senate Bill 30, Eighty-eighth Legislature, Regular Session, 2023, and related to transfers in the 2022–23 biennium that were not maintained in the 2024–25 biennium.

STATEWIDE INTAKE SERVICES

Statewide Intake Services include funding for the statewide centralized intake center. The center receives, assesses, prioritizes, and routes reports of abuse, neglect, and exploitation of children, elder adults, and individuals

with disabilities. It also provides 24-hour expedited background checks for CPS caseworkers and information and referral services.

Appropriations for Statewide Intake Services for the 2024–25 biennium total \$67.8 million in All Funds (\$41.7 million in General Revenue Funds) and provide for 521.0 FTE positions in fiscal year 2024 and 542.6 FTE positions in fiscal year 2025. Funding represents an increase of \$7.8 million in All Funds (\$7.9 million in General Revenue Funds). The increase is primarily due to \$4.6 million in All Funds (\$4.5 million in General Revenue Funds) and 12.0 FTE positions in fiscal year 2024 and 23.0 FTE positions in fiscal year 2025 to maintain statewide intake hold times, \$2.6 million in All Funds (\$2.5 million in General Revenue Funds) and 12.0 FTE positions each fiscal year to provide additional support staff and an increase to the per diem travel rate and additional travel costs, onetime salary actions, and \$0.8 million in General Revenue Funds and 10.6 FTE positions in fiscal year 2025 for the transfer of the Runaway Youth Hotline program from other strategies to Statewide Intake Services.

SIGNIFICANT LEGISLATION

House Bill 63 – Reports of child abuse and certain preliminary investigations. The legislation prohibits DFPS from accepting an anonymous report of abuse or neglect. The legislation also requires DFPS to conduct preliminary investigations for any anonymous calls reported to local or state law enforcement agencies.

House Bill 730 – Procedures regarding certain suits affecting the child-parent relationship. The legislation prohibits an ex parte hearing unless there is probable cause that a child is in immediate danger and there is no time for a full hearing. House Bill 730 also establishes a new deadline for terminating a child-safety placement. Appropriations of \$2.3 million in General Revenue Funds and \$0.2 million in Federal Funds and 7.0 FTE positions each fiscal year are provided through a contingency rider in the Eighty-eighth Legislature, General Appropriations Act (GAA), 2024–25 Biennium, Article IX.

House Bill 793 – Reimbursement of services provided by certain persons. The legislation requires DFPS to reimburse providers who are not contracted with DFPS for services in an amount equal to the average cost of department contractors in the region where the parent resides. House Bill 793 requires DFPS to implement the provisions within existing resources.

Senate Bill 24 – Transfer of powers and duties to HHSC.

The legislation transfers prevention and early intervention services from DFPS to HHSC beginning in fiscal year 2025. Appropriations of \$4.5 million in General Revenue Funds are provided through a contingency rider in the 2024–25 GAA, Article IX.

Senate Bill 30 – Supplemental appropriations and decreases in appropriations.

The legislation increases the appropriation authority of DFPS by \$40.9 million in General Revenue Funds in fiscal year 2023. Appropriation authority includes \$30.9 million for costs related to children without placement, \$8.2 million for data center services costs and provider technology costs, and \$1.9 million for court monitor fees related to the foster care litigation.

Senate Bill 1447 – Training for investigative staff.

The legislation requires DFPS to develop a training program for any individuals who investigate an instance of suspected child abuse and neglect. The legislation also prohibits an investigator or supervisor from being assigned a case until they have successfully completed the training program.

Senate Bill 1849 – Interagency reportable conduct search engine.

The legislation establishes an interagency reportable conduct search engine to house information related to instances of abuse, neglect, exploitation, or misconduct. This information will be used to determine whether an individual was engaged in reportable conduct.

DEPARTMENT OF STATE HEALTH SERVICES

PURPOSE: To improve the health, safety, and well-being of Texans through good stewardship of public resources and a focus on core public health functions.

ESTABLISHED: 2004

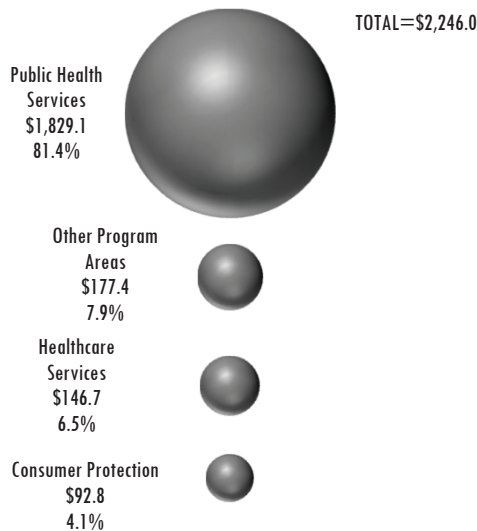
AUTHORIZING STATUTE: The Texas Health and Safety Code, Chapter 1001

GOVERNANCE: Department of State Health Services Commissioner, appointed by the Health and Human Services Executive Commissioner, with the approval of the Governor

FIGURE 132
DEPARTMENT OF STATE HEALTH SERVICES BY METHOD OF FINANCE

METHOD OF FINANCE	(IN MILLIONS)				APPROPRIATED FULL-TIME-EQUIVALENT POSITIONS
	ESTIMATED/BUDGETED 2022–23	APPROPRIATED 2024–25	BIENNIAL CHANGE	PERCENTAGE CHANGE	
General Revenue Funds	\$634.6	\$675.9	\$41.3	6.5%	2024 3,376.2 2025 3,392.2
General Revenue–Dedicated Funds	\$296.8	\$323.5	\$26.7	9.0%	
Federal Funds	\$6,454.0	\$988.5	(\$5,465.6)	(84.7%)	
Other Funds	\$250.8	\$258.2	\$7.4	2.9%	
Total, All Methods of Finance	\$7,636.2	\$2,246.0	(\$5,390.2)	(70.6%)	

AGENCY PROGRAM AREAS BY APPROPRIATION (IN MILLIONS)



SIGNIFICANT DEVELOPMENTS

In addition to appropriated amounts for the 2024–25 biennium, the agency is appropriated \$50.0 million in General Revenue Funds for the 2022–23 biennium to close out **COVID-19 pandemic response costs** that were not reimbursed by the Federal Emergency Management Agency.

In addition to appropriated amounts for the 2024–25 biennium, the agency is appropriated \$40.0 million in General Revenue Funds and 4.0 full-time-equivalent positions for the 2022–23 biennium to support the **Federally Qualified Health Center Incubator Program**.

Appropriations include \$35.7 million, including \$28.6 million in General Revenue Funds and General Revenue–Dedicated Funds, for the **statewide salary adjustment** and \$7.0 million in General Revenue Funds for targeted **salary increases**.

Appropriations include a decrease of \$5.4 billion in **onetime Federal Funds** related to the **COVID-19 pandemic** that were provided during the 2022–23 biennium.

SOURCE: Legislative Budget Board.

MAJOR FUNDING

Senate Bill 30, Eighty-eighth Legislature, Regular Session, 2023, increased appropriation authority for the Department of State Health Services (DSHS) in fiscal years 2022 and 2023 by \$91.0 million in General Revenue Funds, including \$50.0 million to close out COVID-19 pandemic response costs not reimbursed by the Federal Emergency Management Agency (FEMA), \$40.0 million for the Federally Qualified Health Center Incubator Program, and \$1.0 million to replace agency motor vehicles.

Funding for DSHS totals \$2.2 billion in All Funds, including \$999.4 million in General Revenue Funds and General Revenue–Dedicated Funds, for the 2024–25 biennium, which represents a decrease of \$5.4 billion in All Funds from the 2022–23 biennium. The net decrease includes the following significant changes:

- a net increase of \$41.3 million in General Revenue Funds. This is primarily attributable to increases of \$33.7 million to support additional Public Health Services needs, \$28.1 million to maintain critical information technology (IT) systems, \$27.7 million for data center services, \$23.3 million for the statewide salary adjustment, \$11.7 million to support the Maternal Mortality and Morbidity Review Committee, \$10.5 million for a method-of-finance adjustment, and \$7.3 million for assessment adjustments. These increases are partially offset by decreases of \$50.0 million in onetime appropriations provided in the 2022–23 biennium to close out COVID-19 pandemic costs at the agency that are not reimbursable with federal funding, \$40.0 million provided in fiscal year 2023 for the Federally Qualified Health Center Incubator Program, and \$10.0 million in a transfer provided by the Health and Human Services Commission (HHSC) in fiscal year 2022 for cash-flow purposes;
- a net increase of \$26.7 million in General Revenue–Dedicated Funds. This increase is attributable primarily to increases of \$27.7 million due to estimated collections in General Revenue–Dedicated Account No. 5111, Designated Trauma Facility and EMS (Account No. 5111); \$6.7 million in General Revenue–Dedicated Funds from Account No. 19, Vital Statistics (Account No. 19), to support the Vital Statistics program; and \$5.3 million for statewide salary increases. These increases are partially offset by a decrease of \$10.7 million in Laboratory Services;

- a net decrease of \$5.5 billion in Federal Funds. This is primarily attributable to onetime funding granted to the agency in the 2022–23 biennium to respond to the COVID-19 pandemic; and
- a net increase of \$7.4 million in Other Funds. This increase is attributable partially to increases of \$13.9 million in estimated amounts from the Public Health Medicaid Reimbursements account for newborn screening and laboratory activities and \$6.9 million from HIV Vendor Drug Rebates. These increases are offset partially by decreases of \$6.3 million in Delivery System Reform Incentive Payment (DSRIP) funding for the Texas Center for Infectious Disease (TCID), \$3.9 million decrease in Appropriated receipts in the Vital Statistics program, and a \$2.3 million decrease in Appropriated Receipts in the Tuberculosis Surveillance and Prevention program.

This funding includes an increase of \$35.7 million (\$28.6 million in General Revenue Funds and General Revenue–Dedicated Funds) for the statewide salary adjustment and \$7.0 million in General Revenue Funds for targeted salary increases.

PROGRAMS

The agency carries out its responsibilities through four major program areas: (1) public health services; (2) healthcare services; (3) consumer protection services; and (4) other program areas, primarily administration and information technology.

PUBLIC HEALTH SERVICES

DSHS provides a variety of public health services, including HIV/STD prevention, immunizations, emergency medical services and trauma care systems, infectious disease control, and emergency preparedness. Biennial appropriations for public health services total \$1.8 billion, which includes \$702.1 million in General Revenue Funds and General Revenue–Dedicated Funds.

HIV/STD PREVENTION

The HIV/STD Prevention program includes interventions to prevent and reduce the spread of sexually transmitted diseases (STD), which include the human immunodeficiency virus (HIV), syphilis, chlamydia, and gonorrhea. Interventions include HIV and STD screening and testing; evidence-based prevention programs for individuals, groups, and communities; and partner services and referrals. Funding

also supports local providers that offer outpatient medical services, medical case management, and other medical and supportive services to persons living with HIV/AIDS. In addition, DSHS operates the HIV Medication Program, which provides medications to low-income Texans who live with HIV or AIDS. **Figure 133** shows the number of clients served in the HIV Medication Program from fiscal years 2019 to 2025.

Biennial appropriations for HIV/STD Prevention total \$507.3 million in All Funds (\$131.5 million in General Revenue Funds) and provide for 234.6 full-time-equivalent (FTE) positions for each fiscal year. Appropriations represent a net decrease of \$34.6 million in All Funds and an increase of \$0.1 million in General Revenue Funds from the 2022–23 biennium. The decrease in All Funds is attributable to a decrease of \$41.6 million in Federal Funds due to onetime federal funding granted to address the COVID-19 pandemic in the 2022–23 biennium and other HIV mitigation-related grants, which were partially offset by an increase of \$6.9 million in anticipated increases in HIV Vendor Drug Rebates, and a onetime increase of \$0.1 million in General Revenue Funds for an HIV and sexually transmitted disease testing pilot program.

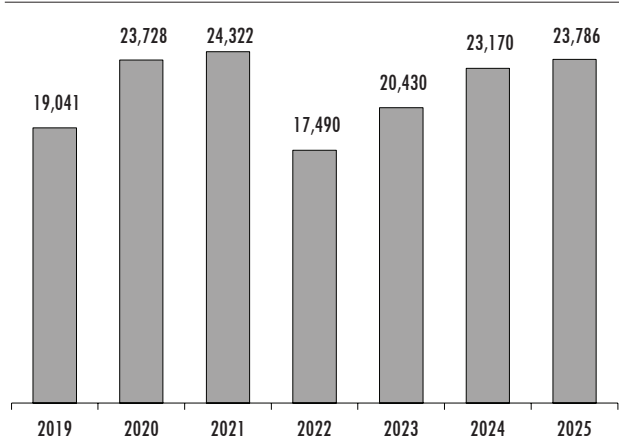
EMS AND TRAUMA CARE SYSTEMS

Emergency health programs include regional emergency medical services (EMS) and trauma systems development; stroke facilities and neonatal facilities; regulation of EMS providers; development and maintenance of a trauma reporting and analysis system; and assurance of coordination and cooperation with neighboring states. **Figure 134** shows the number of designated trauma and stroke facilities in Texas for fiscal years 2019 to 2025.

Biennial appropriations total \$225.7 million in All Funds, which consist entirely of General Revenue and General Revenue–Dedicated Funds and provide for 73.1 FTE positions in each fiscal year. Appropriations include \$194.1 million in General Revenue–Dedicated Funds from Account No. 5111, used primarily to reimburse hospitals for uncompensated trauma care. Of this amount, \$82.2 million in fiscal year 2024 and \$84.3 million in fiscal year 2025 from Account No. 5111 are required to be transferred to the Health and Human Services Commission (HHSC) to provide add-on payments for trauma care and safety-net hospitals in Medicaid.

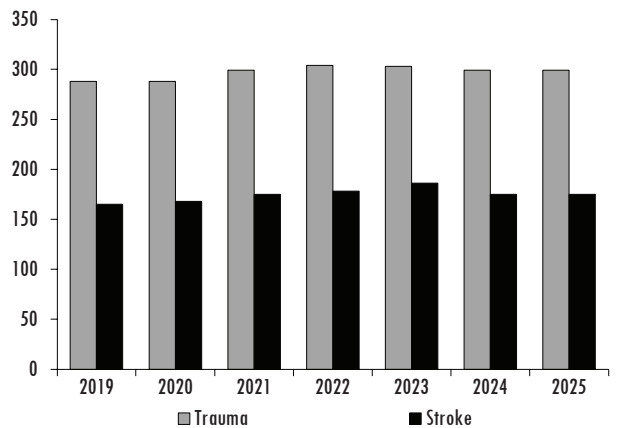
Appropriations represent a net increase of \$14.9 million in All Funds from the 2022–23 biennium, including an increase

FIGURE 133
CLIENTS PROVIDED SERVICES IN TEXAS HIV MEDICATION PROGRAM, FISCAL YEARS 2019 TO 2025



NOTE: Targets for fiscal years 2024 and 2025 are established in the Eighty-eighth Legislature, General Appropriations Act, 2024–25 Biennium.
SOURCE: Department of State Health Services.

FIGURE 134
TEXAS DESIGNATED TRAUMA AND STROKE FACILITIES FISCAL YEARS 2019 TO 2025



NOTE: Targets for fiscal years 2024 and 2025 are established in the Eighty-eighth Legislature, General Appropriations Act, 2024–25 Biennium.
SOURCE: Department of State Health Services.

of \$37.2 million in General Revenue and General Revenue–Dedicated Funds. The increase of \$9.3 million in General Revenue Funds is primarily attributable to \$6.6 million for additional funding for Regional Advisory Councils (RAC) and \$2.7 million for additional support for the Medical Advisory Board. The increase of \$27.9 million in General Revenue–Dedicated Funds appropriations is attributable primarily to \$27.7 million in increased estimated

appropriations from General Revenue–Dedicated Funds from Account No. 5111. Appropriations increases are partially offset by a decrease of \$22.3 million in onetime federal funding to respond to the COVID-19 pandemic.

IMMUNIZE CHILDREN AND ADULTS

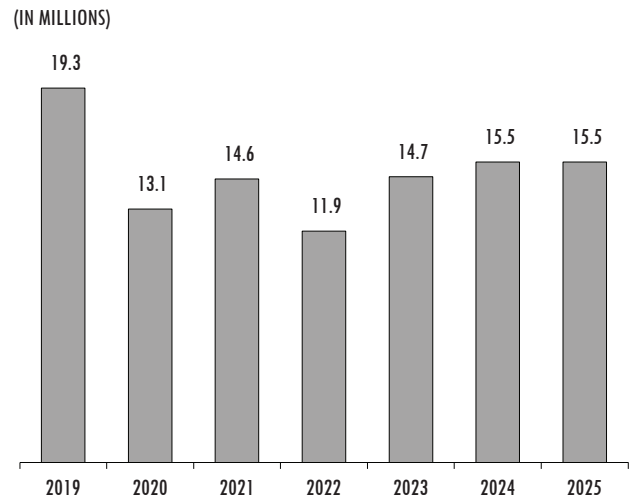
The agency provides immunization services to prevent, control, reduce, and eliminate vaccine-preventable diseases in children and adults, with emphasis on children younger than 36 months. DSHS also manages the state immunization registry. Biennial appropriations total \$180.7 million in All Funds (\$61.5 million in General Revenue Funds and General Revenue–Dedicated Funds) and provide for 249.1 FTE positions in fiscal year 2024 and 257.1 FTE positions in fiscal year 2025. Appropriations represent a net decrease of \$376.5 million in All Funds from the 2022–23 biennium. The net decrease in All Funds is due primarily to a decrease of \$380.0 million in Federal Funds, including \$374.4 million in onetime federal funding to respond to the COVID-19 pandemic. The decrease in federal funding is partially offset by an increase of \$3.5 million in General Revenue Funds, which includes \$1.2 million to support modernizing data systems previously supported with federal funding. **Figure 135** shows the number of vaccine doses administered to children from fiscal years 2019 to 2025.

PUBLIC HEALTH PREPAREDNESS AND COORDINATED SERVICES

DSHS coordinates state public health and healthcare systems' preparedness programs and response activities. This coordination includes providing oversight and management of the Public Health Emergency Preparedness program and the Hospital Preparedness Program. DSHS also provides public health services to communities where local health departments do not exist or that do not have the capacity to provide them. DSHS provides funding to public health regions for disease prevention, syndromic surveillance, disaster response, and protection against environmental hazards. Biennial appropriations total \$235.1 million in All Funds (\$57.7 million in General Revenue Funds) and provide for 248.4 FTE positions in each fiscal year.

Appropriations represent a net decrease of \$3.0 billion in All Funds from the 2022–23 biennium primarily attributable to a \$3.0 billion decrease in onetime federal funding to respond to the COVID-19 pandemic and a decrease of \$52.4 million in General Revenue Funds. The net decrease in General Revenue Funds from the 2022–23 biennium is primarily attributable to \$50.0 million in onetime appropriations

FIGURE 135
VACCINE DOSES ADMINISTERED TO TEXAS CHILDREN
FISCAL YEARS 2019 TO 2025



NOTE: Targets for fiscal years 2024 and 2025 are established in the Eighty-eighth Legislature, General Appropriations Act, 2024–25 Biennium.

SOURCE: Department of State Health Services.

provided to close out COVID-19 response costs not reimbursed by FEMA and \$10.0 million in a transfer provided by HHSC in fiscal year 2022 for cashflow purposes. The decreases in General Revenue Funds are offset partially by increases of \$4.8 million to continue the existing patient transfer portal solution, \$2.0 million in additional funding for the Emergency Medical Taskforce, and \$1.0 million to support hospital system capacity data collection.

LABORATORY SERVICES

The state's public health laboratory conducts analysis of human, animal, and environmental samples; responds to biological and chemical threats; and provides professional consultation. Biennial appropriations total \$132.4 million in All Funds (\$43.4 million in General Revenue Funds and General Revenue–Dedicated Funds) and provide for 366.3 FTE positions in each fiscal year.

Appropriations represent a net decrease of \$18.8 million in All Funds from the 2022–23 biennium, which includes a decrease of \$10.7 million in General Revenue–Dedicated Funds and \$21.9 million in Federal Funds, partially offset by an increase of \$13.9 million in Other Funds. The decrease in General Revenue–Dedicated Funds is related primarily to \$12.0 million from Account No. 5183, Newborn Screening Preservation Fund, allocated in fiscal year 2023 for new

newborn screening tests, partially offset by an increase of \$1.3 million in General Revenue–Dedicated Funds from Account No. 524, Public Health Services Fee Account. Additional increases include \$13.9 million in Other Funds from the Public Health Medicaid Reimbursements account to support newborn screening and laboratory activities. Additional decreases include \$21.9 million in Federal Funds, including \$21.5 million in onetime federal COVID-19 pandemic-related funding.

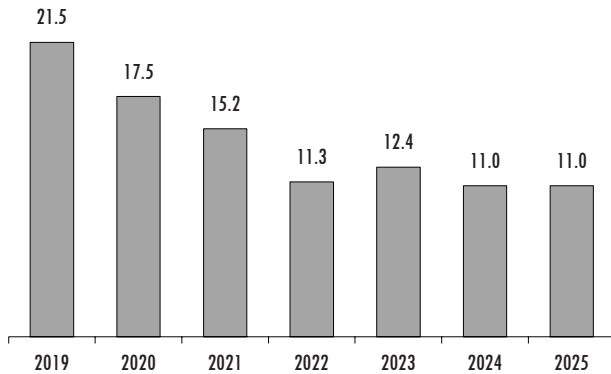
TUBERCULOSIS SURVEILLANCE AND PREVENTION

The tuberculosis (TB) program at DSHS conducts several activities to control and prevent TB in Texas. The program provides funding to local health departments to provide TB screening; provides technical assistance to correctional facilities in establishing TB control plans and dealing with cases of TB; tracks confirmed cases of drug-resistant TB throughout treatment; and maintains a genotyping database. Biennial appropriations total \$64.4 million in All Funds (\$49.9 million in General Revenue Funds) and provide for 136.0 FTE positions in each fiscal year. Appropriations represent a net decrease of \$3.1 million in All Funds, including an increase in General Revenue Funds of \$1.5 million. The increase in General Revenue Funds is attributable to a method-of-finance adjustment fully offset by onetime federal COVID-19 pandemic-related funding provided in the 2022–23 biennium. The additional decreases include \$2.3 million in Appropriated Receipts due to loss of DSRIP funding at the end of fiscal year 2022 and \$0.7 million in federal funding unrelated to the pandemic.

INFECTIOUS DISEASE PREVENTION, EPIDEMIOLOGY, AND SURVEILLANCE

DSHS implements programs to prevent, control, and treat infectious diseases, including hepatitis and Hansen’s disease (leprosy), and to minimize the incidence of diseases transmittable from animals to humans (zoonotic diseases). Biennial appropriations for infectious disease prevention, epidemiology, and surveillance total \$261.3 million in All Funds (\$37.0 million in General Revenue Funds) and provide for 178.5 FTE positions in fiscal year 2024 and 186.5 FTE positions in fiscal year 2025. Appropriations represent a net decrease of \$1.9 billion in All Funds attributable to a decrease of \$1.9 billion in Federal Funds primarily for onetime federal funding to respond to the COVID-19 pandemic. Appropriations represent an increase of \$17.0 million in General Revenue Funds from the 2022–23 biennium primarily attributable to \$16.4

FIGURE 136
AVERAGE NUMBER OF DAYS TO CERTIFY TEXAS VITAL RECORDS, FISCAL YEARS 2019 TO 2025



NOTE: Targets for fiscal years 2024 and 2025 are established in the Eighty-eighth Legislature, General Appropriations Act, 2024–25 Biennium.

SOURCE: Department of State Health Services.

million to modernize data systems previously funded through federal funding.

VITAL STATISTICS

The Vital Statistics Unit (VSU) at DSHS maintains the state’s vital records system, which includes original birth and death records, applications for marriage licenses, and reports of divorces and annulments. Additionally, VSU maintains a paternity registry and voluntary adoption registry. Biennial appropriations for vital statistics activities total \$48.3 million in All Funds (\$17.6 million in General Revenue–Dedicated Funds) and provide for 199.6 FTE positions in each fiscal year. Appropriations represent a net decrease of \$2.9 million in All Funds. The decrease in All Funds includes a decrease of \$4.8 million in Federal Funds attributable to onetime federal COVID-19 pandemic-related funding and \$3.9 million in Appropriated Receipts, which are offset partially by an increase in General Revenue–Dedicated Funds. An additional \$6.8 million in General Revenue–Dedicated Funds from Account No. 19 is provided for salary increases, modernization of order fulfillment, and operating costs, offset partially by a decrease of \$1.1 million to align with revenue projections in General Revenue–Dedicated Funds. **Figure 136** shows the average number of days to certify vital records from fiscal years 2019 to 2025.

HEALTH REGISTRIES

The agency conducts disease surveillance, investigates unusual occurrences of disease, assesses environmental

exposures, and conducts population research studies using several health registries. These registries track conditions such as birth defects, cancer, and elevated blood lead levels, among others. Biennial appropriations total \$35.0 million in All Funds (\$8.4 million in General Revenue Funds) and provide for 153.6 FTE positions in each fiscal year. Appropriations represent a net increase in All Funds of \$1.6 million, including an increase in General Revenue Funds of \$0.3 million. The increase in All Funds is primarily attributable to aligning appropriations with estimated federal funds awards.

TEXAS CENTER FOR INFECTIOUS DISEASE

The Texas Center for Infectious Disease (TCID) is a public health facility for the treatment of TB. The center provides medical care, conducts research, and provides professional education to healthcare providers who treat patients with TB and other infectious diseases. TCID also operates as an outpatient clinic for patients with Hansen's disease. Biennial appropriations total \$37.0 million in All Funds (\$36.3 million in General Revenue Funds and General Revenue–Dedicated Funds) and provide for 140.5 FTE positions in each fiscal year. Appropriations represent a net increase in All Funds of \$6.9 million, including an increase in General Revenue Funds of \$15.4 million from the 2022–23 biennium. The increase in General Revenue Funds is primarily attributable to an additional \$7.1 million provided to support ongoing operations, maintenance, and staffing needs; an additional \$6.1 million provided to maintain operations at existing levels due to a loss of \$6.3 million in Appropriated Receipts in DSRIP funds; and a \$2.1 million increase in General Revenue Funds attributable to a method-of-finance adjustment fully offset by onetime federal COVID-19 pandemic-related funding provided in the 2022–23 biennium.

REDUCE USE OF TOBACCO PRODUCTS

DSHS conducts comprehensive tobacco prevention and control activities at various levels throughout the state, including community mobilization, tobacco use prevention education in schools and communities, and cessation activities through education and a statewide telephone counseling service. Biennial appropriations total \$18.0 million in All Funds (\$12.1 million in General Revenue Funds) and provide for 14.0 FTE positions in each fiscal year. Appropriations represent a net increase in All Funds of \$3.3 million, including a General Revenue Funds increase of \$4.1 million. The increase in General Revenue Funds is attributable to \$2.1 million provided to expand the Texas Tobacco Quitline and \$2.0 million to relaunch the Vapes

Down Outreach Program. Increases in General Revenue Funds are partially offset by a decrease of \$0.8 million in federal funding related to the National and State Tobacco Control Program.

HEALTH PROMOTION AND CHRONIC DISEASE PREVENTION

DSHS implements population-based and community-based interventions to reduce the burden of the most common chronic diseases, including cardiovascular disease, stroke, diabetes, asthma, arthritis, and certain cancers. DSHS works with public and private partners to increase local capacity for chronic disease prevention programs, which support healthy behaviors such as maintaining a healthy weight, good nutrition, physical activity, and preventive healthcare. DSHS collaborates with school districts to implement coordinated school health programs and operates the Safe Rider program that promotes the correct use of child safety seats. Biennial appropriations for health promotion and chronic disease prevention total \$32.4 million in All Funds (\$12.2 million in General Revenue Funds) and provide for 51.4 FTE positions in each fiscal year. Appropriations represent a net increase in All Funds of \$4.3 million, including an increase in General Revenue Funds of \$4.5 million. The increase in General Revenue Funds is attributable to an additional \$4.5 million provided for the Alzheimer's Disease Prevention Program, which is offset partially by a decrease of \$0.3 million in federal funding.

HEALTH DATA AND STATISTICS

DSHS is responsible for collecting, storing, analyzing, and disseminating health data and information to improve public health. The agency achieves this goal by operating the Center for Health Statistics (CHS). CHS conducts research on public health issues and health disparities in Texas; collects and reports on healthcare activity in hospitals and health maintenance organizations operating in Texas through the Texas Health Care Information Collection; collects, analyzes, and disseminates information regarding health and healthcare providers, which includes operating the Health Professions Resource Center and the Texas Center for Nursing Workforce Studies; and provides library and information services, including a medical and research library, an audiovisual library, and a funding information center. Biennial appropriations for health data and statistics total \$11.4 million in All Funds (\$6.3 million in General Revenue Funds and General Revenue–Dedicated Funds) and provide for 50.7 FTE positions in each fiscal year. Appropriations

represent a net decrease in All Funds of \$35.5 million, including a General Revenue Funds and General Revenue–Dedicated Funds increase of \$0.1 million. The decrease in All Funds is primarily attributable to onetime federal funding to respond to the COVID-19 pandemic.

BORDER HEALTH AND COLONIAS

DSHS operates the state’s Office of Border Public Health (OBPH). OBPH coordinates and promotes health issues between Texas and Mexico. Biennial appropriations for border health and colonias total \$4.7 million in All Funds (\$2.4 million in General Revenue Funds) and provide for 19.7 FTE positions in each fiscal year. Appropriations represent a net decrease in All Funds of \$0.1 million.

HEALTHCARE SERVICES

Healthcare services include initiatives promoting maternal and child health, services for children with special healthcare needs, and operations of the Texas Primary Care Office. Biennial appropriations total \$146.2 million in All Funds (\$57.0 million in General Revenue Funds and General Revenue–Dedicated Funds).

MATERNAL AND CHILD HEALTH SERVICES

The agency develops, implements, and promotes maternal and child public health initiatives intended to improve health outcomes for federally identified Social Security Act, Title V, populations in Texas. Initiatives are implemented through research and surveillance, promotion of best practices, statewide public health collaboration efforts, and strengthening of the public health infrastructure, while meeting specified national and state performance measures. DSHS also serves as a connection between direct care services provided by the Medicaid Texas Health Steps program at HHSC and other health and social services programs. Additionally, the agency facilitates collaboration and education, serves as information conduits for public health messaging at the local level, and provides administrative support to the Maternal Mortality and Morbidity Review Committee (MMMRC).

Biennial appropriations for maternal and child health services total \$122.1 million in All Funds (\$45.3 million in General Revenue Funds) and provide for 386.9 FTE positions in each fiscal year. Appropriations represent an increase of \$13.9 million in All Funds, including an increase of \$11.7 million in General Revenue Funds. The increase in General Revenue Funds is attributable primarily to an additional \$5.9 million provided to develop and maintain a state-based replacement

for the Maternal Mortality Review Information Application (MMRIA); \$5.0 million to develop a Maternal Health Quality Improvement System to improve data quality; and \$0.8 million to support the data collection, case preparation, and analysis efforts of the MMMRC members. The MMRIA replacement and MMMRC support includes an additional 9.0 FTE positions.

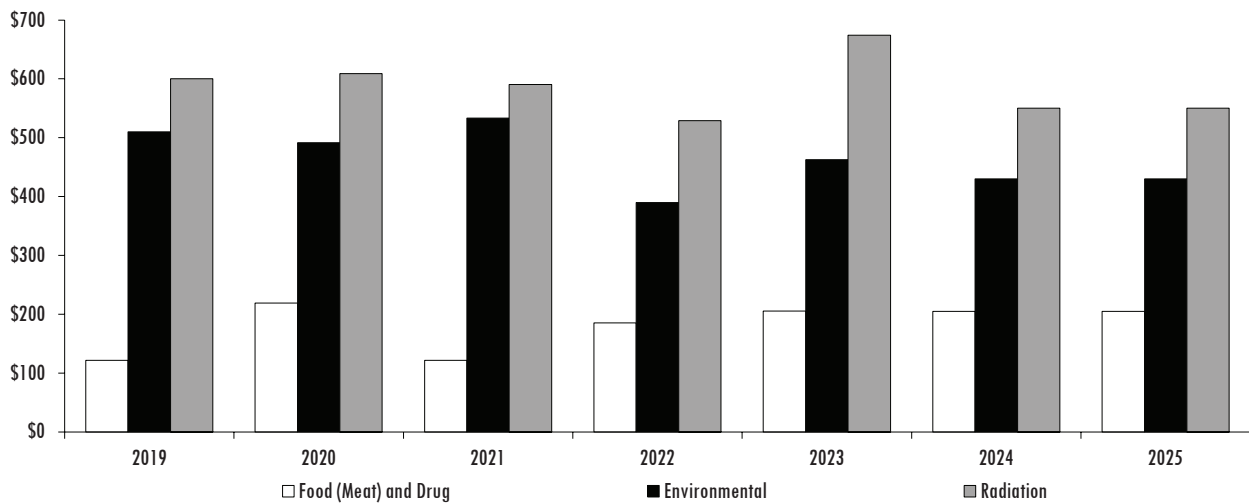
CHILDREN WITH SPECIAL HEALTH CARE NEEDS

The Children with Special Health Care Needs (CSHCN) program provides medical, dental, and case-management services that are not covered by Medicaid, the Children’s Health Insurance Program, or private insurance for children with special healthcare needs. The program also provides family support services (FSS) to eligible clients, including respite care, vehicle and home modifications, and special equipment and family supports and community resources (FSCR), which are population health initiatives available to the general CSHCN population. HHSC provides the medical, dental, and FSS portion of the CSHCN program and DSHS provides case management and FSCR services. Biennial appropriations total \$22.4 million in All Funds (\$10.9 million in General Revenue Funds) and provide for 86.3 FTE positions in each fiscal year. Appropriations represent a net decrease in All Funds of \$2.7 million, which is attributable to the anticipated federal Maternal and Child Health Services Block Grant to the States funding level in the 2024–25 biennium.

TEXAS PRIMARY CARE OFFICE

DSHS operates the Texas Primary Care Office (TPCO), which assesses needs for the underserved, designates parts of the state as health professional shortage areas or as medically underserved, recruits and retains providers to work in these areas, and works with communities to improve access to primary medical, dental, and mental healthcare. Biennial appropriations for TPCO total \$1.7 million in All Funds (\$0.8 million in General Revenue–Dedicated Funds) and provide for 11.7 FTE positions in each fiscal year. Appropriations represent a net decrease of \$60.1 million in All Funds, including \$40.0 million in General Revenue and General Revenue–Dedicated Funds. The decrease in All Funds is primarily attributable a decrease of \$40.0 million in General Revenue Funds provided in Senate Bill 30, Eighty-eighth Legislature, Regular Session, in fiscal year 2023 to support the Federally Qualified Health Center Incubator Program, and \$20.0 million in onetime federal COVID-19 pandemic-related funding provided in the 2022–23 biennium for similar purposes.

FIGURE 137
AVERAGE COST PER CONSUMER PROTECTION SURVEILLANCE ACTIVITY, FISCAL YEARS 2019 TO 2025



NOTE: Targets for fiscal years 2024 and 2025 are established in the Eighty-eighth Legislature, General Appropriations Act, 2024–25 Biennium.
 SOURCE: Department of State Health Services.

CONSUMER PROTECTION SERVICES

Consumer protection services include public health efforts related to ensuring food and drug safety, minimizing environmental hazards, and regulating activities related to radiation. Funding for consumer protection is generated largely through fee revenue deposited to the General Revenue Fund or to specific General Revenue–Dedicated Funds accounts. Biennial appropriations for consumer protection services total \$92.8 million in All Funds (\$78.7 million in General Revenue Funds and General Revenue–Dedicated Funds). **Figure 137** shows the average cost of food (meat) and drug, environmental, and radiation surveillance activities for fiscal years 2019 to 2025.

FOOD (MEAT) AND DRUG SAFETY

Food, meat, and drug safety activities include inspecting and monitoring foods, drugs, medical devices, cosmetics, shellfish-growing areas and processing plants, facilities that produce milk and milk products, and certain public-school cafeterias. In addition, the agency inspects retail food establishments in counties that have no local health authority. DSHS is also responsible for ensuring that all meat and poultry processed in Texas for consumption is derived from healthy animals, is slaughtered and prepared in a sanitary manner, has no harmful ingredients added, and is packaged and labeled truthfully. Food, meat, and drug safety appropriations total \$61.1 million in All Funds for the 2024–25 biennium (\$49.5 million in General Revenue

Funds and General Revenue–Dedicated Funds) and provide for 361.6 FTE positions in each fiscal year.

Appropriations represent a net decrease in All Funds of \$3.4 million, including an increase in General Revenue Funds and General Revenue–Dedicated Funds of \$0.1 million from the 2022–23 biennium. The decrease in All Funds is primarily attributable to Federal Funds, including a decrease of \$2.8 million in onetime federal COVID-19 pandemic-related funding. Other Federal Funds decreases are related primarily to decreases in funding for meat inspection activities pursuant to the Talmadge-Aiken Act.

RADIATION CONTROL

The agency has a primary role in regulating the use of radiation in Texas. DSHS licenses radioactive materials; certifies individuals to practice industrial radiography; certifies x-ray and mammography equipment and facilities; and provides emergency response for nuclear facilities. Radiation control appropriations for the 2024–25 biennium total \$18.2 million in All Funds (\$17.2 million in General Revenue Funds and General Revenue–Dedicated Funds) and provide for 119.0 FTE positions in each fiscal year. Appropriations represent a net decrease of \$0.4 million in All Funds, including an increase of \$1.0 million in General Revenue Funds and General Revenue–Dedicated Funds. The increase of \$1.0 million in General Revenue Funds and General Revenue–Dedicated Funds partially offsets a decrease of \$1.4 million in Federal

Funds primarily attributable to onetime federal COVID-19 pandemic-related funding.

ENVIRONMENTAL HEALTH

DSHS provides licensure, inspection, and regulation of asbestos, lead-based paints, hazardous products, abusable volatile chemicals, community sanitation, and other agents. Additionally, the agency monitors the environmental health safety of schools, youth camps, public swimming pools, and public lodging facilities. Environmental health appropriations for the 2024–25 biennium total \$13.5 million in All Funds (\$12.0 million in General Revenue Funds and General Revenue–Dedicated Funds) and provide for 89.8 FTE positions in each fiscal year. Appropriations represent a net decrease in All Funds of \$0.3 million, which is primarily attributable to a decrease in onetime federal COVID-19 pandemic-related funding.

OTHER PROGRAM AREAS

CENTRAL ADMINISTRATION

Central Administration supports all agency programs by directing and managing agencywide operations, establishing and administering overall agency policy, and directing and managing business and fiscal operations. Appropriations for the 2024–25 biennium total \$43.5 million in All Funds (\$14.1 million in General Revenue Funds and General Revenue–Dedicated Funds) and provide for 171.6 FTE positions in each fiscal year. The decrease in All Funds is primarily attributable to onetime federal funding to address the COVID-19 pandemic.

AGENCYWIDE INFORMATION TECHNOLOGY PROJECTS

DSHS has two major agencywide IT projects: seat management and data center consolidation. Appropriations for these projects for the 2024–25 biennium total \$74.5 million in All Funds (\$63.1 million in General Revenue Funds and General Revenue–Dedicated Funds). Appropriations represent a net increase in All Funds of \$12.6 million, including an increase in General Revenue Funds of \$27.7 million. The increase in General Revenue Funds is attributable to additional funds provided for Data Center Services, which is offset partially by a decrease primarily for onetime federal COVID-19 pandemic-related funding.

INFORMATION TECHNOLOGY PROGRAM SUPPORT

IT program support implements and supports the automation and management of information resources throughout the agency. Appropriations for the 2024–25

biennium total \$49.9 million in All Funds (\$49.7 million in General Revenue Funds and General Revenue–Dedicated Funds) and provide for 14.1 FTE positions in each fiscal year. Appropriations represent a net increase in All Funds of \$11.5 million, including an increase of \$11.9 million in General Revenue Funds. The increase in General Revenue Funds is attributable to \$7.3 million provided for an assessment adjustment and \$4.7 million provided for a web application firewall.

OTHER SUPPORT SERVICES

Other support services include facilities management, mail distribution, and management and maintenance of physical assets and material resources. Appropriations for other support services for the 2024–25 biennium include \$5.4 million in All Funds (\$2.1 million in General Revenue Funds and General Revenue–Dedicated Funds) and provide for 19.8 FTE positions in each fiscal year.

REGIONAL ADMINISTRATION

DSHS provides infrastructure support for eight regional offices, which assist with community needs assessments, manage contracts, and provide public health services. Appropriations total \$2.7 million in All Funds (\$2.5 million in General Revenue Funds and General Revenue–Dedicated Funds) for the 2024–25 biennium.

TEXAS.GOV

Applications and renewals for licenses for certain professionals and businesses can be processed through Texas.gov, the official website for the state of Texas. Appropriations include \$1.4 million in All Funds, provided entirely from General Revenue Funds and General Revenue–Dedicated Funds, for Texas.gov services for the 2024–25 biennium.

SIGNIFICANT LEGISLATION

House Bill 1315 – Open burn pit registry fund. This legislation directs the Texas Department of Motor Vehicles to establish an open burn pit registry fund with related specialty license plates. Funds may be appropriated to DSHS to develop and maintain an open burn pit registry.

House Bill 2478 – Newborn and infant screening tests. The legislation requires DSHS to submit a report for core newborn conditions in the Recommended Uniform Screening Panel currently not screened in Texas, provides follow-up procedures for congenital cytomegalovirus testing, and authorizes extended days and hours for newborn screening tests.

House Bill 3130 and Senate Bill 510 – Protecting the confidentiality of certain occupational licensing information. House Bill 3130 requires a state licensing authority to protect the confidentiality of personal information of a license holder or applicant if the person who notifies the authority is a current or former client of a family violence or trafficking victims shelter center, or is a survivor of family violence, domestic violence, or sexual assault. Senate Bill 510 prohibits the public disclosure by a state licensing authority of certain personal information of a license holder or applicant.

Senate Bill 773 – Expanding the Right to Try Act. This legislation enables patients with severe chronic diseases to access investigational drugs, biological products, and devices in certain circumstances and authorizes DSHS to determine which medical conditions qualify as a severe chronic disease.

Senate Bill 1040 – Prohibiting coverage of transplants associated with forced organ harvesting. This legislation prohibits health plan coverage for human organ transplants using organs from China or other countries involved in forced organ harvesting. DSHS may designate additional countries as necessary.

Senate Bill 1249 – Living organ donor education program. The legislation requires DSHS to establish a living organ donor education program in consultation with Donate Life Texas.

HEALTH AND HUMAN SERVICES COMMISSION

PURPOSE: To improve the health, safety, and well-being of Texans with good stewardship of public resources.

ESTABLISHED: 1991

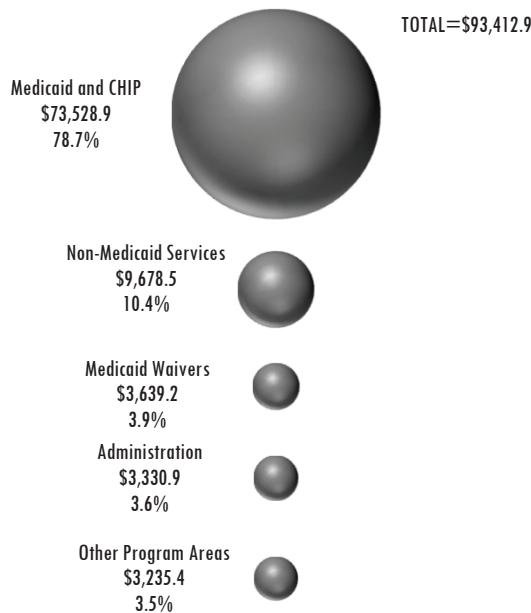
AUTHORIZING STATUTE: The Texas Government Code, §531.001, et seq. (expires April 1, 2025); the Texas Government Code, §521.0001, et seq. (effective April 1, 2025)

GOVERNANCE: Health and Human Services (HHS) Executive Commissioner, appointed by the Governor, with the advice and consent of the Senate; the HHS Executive Council receives public input and advises the executive commissioner regarding operation of the commission

FIGURE 138
HEALTH AND HUMAN SERVICES COMMISSION BY METHOD OF FINANCE

METHOD OF FINANCE	(IN MILLIONS)				APPROPRIATED FULL-TIME-EQUIVALENT POSITIONS
	ESTIMATED/BUDGETED 2022–23	APPROPRIATED 2024–25	BIENNIAL CHANGE	PERCENTAGE CHANGE	
General Revenue Funds	\$35,024.0	\$37,381.0	\$2,357.0	6.7%	2024 38,698.0 2025 38,791.4
General Revenue–Dedicated Funds	\$181.4	\$175.5	(\$5.9)	(3.3%)	
Federal Funds	\$61,965.4	\$54,111.1	(\$7,854.4)	(12.7%)	
Other Funds	\$1,934.6	\$1,745.3	(\$189.3)	(9.8%)	
Total, All Methods of Finance	\$99,105.5	\$93,412.9	(\$5,692.6)	(5.7%)	

AGENCY PROGRAM AREAS BY APPROPRIATION (IN MILLIONS)



SIGNIFICANT DEVELOPMENTS

Funding for **Medicaid client services** represents a decrease of \$6.0 billion in All Funds, including an increase of \$2.1 billion in General Revenue Funds, primarily due to effects of the COVID-19 pandemic during the 2022–23 biennium on program utilization and federal match rates.

Appropriations include a decrease of \$2.2 billion in All Funds (\$2.2 billion in General Revenue Funds) related to supplemental funds provided in Senate Bill 30, Eighty-eighth Legislature, Regular Session, 2023, for **new capacity for mental health services and inpatient facilities, pregnancy support services, vehicle replacement, and certain grant programs.**

Appropriations for **statewide and targeted salary increases** represent an increase of \$950.8 million in All Funds, including \$694.7 million in General Revenue Funds and General Revenue–Dedicated Funds. Targeted salary increases are provided for staff employed at state-owned facilities, eligibility operations staff, regulatory staff, and other specialized staff.

Appropriations include an increase of \$468.4 million in All Funds, including \$473.1 million in General Revenue Funds, related to additional funding for **community mental health services and crisis services for adults and children and community mental health hospitals.**

NOTE: CHIP=Children’s Health Insurance Program.
SOURCE: Legislative Budget Board.

MAJOR FUNDING

Senate Bill 30, Eighty-eighth Legislature, Regular Session, 2023, increased appropriation authority of the Health and Human Services Commission (HHSC) in fiscal year 2023 by \$2.2 billion in All Funds (\$2.2 billion in General Revenue Funds), including the following amounts:

- \$2.2 billion in All Funds, including \$2.2 billion in General Revenue Funds, in fiscal year 2023 for new capacity for mental health services and inpatient facilities at HHSC;
- \$25.0 million in General Revenue Funds for pregnancy support services as an alternative to abortion;
- \$7.9 million in General Revenue Funds to replace an estimated 174 vehicles;
- \$5.0 million in General Revenue Funds for client services within the Home and Community-based Services – Adult Mental Health Program; and
- \$1.0 million in General Revenue Funds for a grant to an organization that provides low-cost preventive and primary medical, dental, diagnostic, specialty, and children’s health services to the indigent community in the Houston area.

Appropriations for HHSC for the 2024–25 biennium total \$93.4 billion in All Funds, including \$37.4 billion in General Revenue Funds, representing a decrease of \$5.7 billion in All Funds from 2022–23 biennial spending levels. A decrease of \$7.9 billion in Federal Funds is partially offset by a \$2.4 billion increase in General Revenue Funds. Significant funding changes include the following items:

- Medicaid funding at HHSC totals \$80.8 billion in All Funds, including \$31.0 billion in General Revenue and General Revenue–Dedicated Funds. These amounts include \$75.4 billion in All Funds (\$29.1 billion in General Revenue General Revenue–Dedicated Funds) for client services, \$1.7 billion in All Funds (\$0.7 billion in General Revenue Funds) for programs supported by Medicaid funding, and \$3.6 billion in All Funds (\$1.2 billion in General Revenue Funds) for administration of the Medicaid program and other programs supported by Medicaid funding. These amounts are an overall decrease of \$5.5 billion in All Funds, which includes an \$8.1 billion decrease in Federal Funds, offset by an increase of \$2.4 billion

in General Revenue Funds from 2022–23 biennial spending levels. Less favorable federal medical assistance percentages (FMAP), combined with the loss of the 6.2 percentage-point increase in FMAP pursuant to the federal Families First Coronavirus Response Act, result in a lower proportion of the program being funded with Federal Funds;

- Children’s Health Insurance Program (CHIP) client services funding totals \$1.7 billion in All Funds, including \$0.5 billion in General Revenue Funds, which is an increase of \$1.0 billion in All Funds, including \$0.3 billion in General Revenue Funds, from 2022–23 biennial spending levels. The All Funds increase is primarily due to projected caseload increases in the 2024–25 biennium resulting from the end of the COVID-19 public health emergency and continuous Medicaid coverage, which meant less clients were transitioning to CHIP;
- behavioral health funding at HHSC totals \$4.5 billion in All Funds, including \$3.4 billion in General Revenue Funds and General Revenue–Dedicated Funds. This amount is a decrease of \$2.1 billion in All Funds, including \$1.2 billion in General Revenue Funds and General Revenue–Dedicated Funds, from 2022–23 biennial spending levels. The decrease is primarily due to \$2.1 billion in All Funds (\$2.1 billion in General Revenue Funds) appropriated in Senate Bill 30 to build new capacity for mental health services. The decrease is partially offset by an increase of \$468.4 million in All Funds (\$473.1 million in General Revenue Funds) related to investments in community mental health services and crisis services for adults and children, and community mental health hospitals, including funding to purchase additional community psychiatric beds. In addition, an estimated \$3.6 billion in All Funds is anticipated to be expended on behavioral health services through Medicaid and CHIP;
- funding for selected specialty health and client services programs, including Women’s Health Programs, Alternatives to Abortion, Early Childhood Intervention, Family Violence Services, and Child Advocacy Programs, totals \$1.2 billion in All Funds (\$674.4 million in General Revenue Funds and General Revenue–Dedicated Funds), an increase of \$254.8 million in All Funds (\$210.3 million in

General Revenue Funds) from 2022–23 biennial spending levels; and

- funding for statewide and targeted salary increases totals \$950.8 million in All Funds, including \$694.7 million in General Revenue Funds and General Revenue–Dedicated Funds. This includes \$353.6 million in All Funds, including \$203.4 million in General Revenue Funds and General Revenue–Dedicated Funds, for the statewide salary adjustment, and \$597.2 million in All Funds, including \$491.3 million in General Revenue Funds, for targeted increases for staff employed at state-owned facilities, eligibility operations staff, regulatory staff, and other specialized staff.

PROGRAMS

The agency carries out its responsibilities through five major program areas: (1) Medicaid and CHIP; (2) Medicaid Waivers; (3) Non-Medicaid Services; (4) Other Program Areas, including eligibility determinations; and (5) Administration.

MEDICAID CLIENT SERVICES

Funding for the 2024–25 biennium includes \$75.4 billion in All Funds, including \$29.0 billion in General Revenue Funds, \$0.1 billion in General Revenue–Dedicated Funds, \$0.6 billion in Other Funds, and \$45.8 billion in Federal Funds, for Medicaid client services. This amount is a decrease of \$6.0 billion in All Funds, offset by an increase of \$2.1 billion in General Revenue and General Revenue–Dedicated Funds, from the projected 2022–23 biennial spending levels. The 2022–23 biennial amounts for Medicaid includes supplemental funding to complete fiscal year 2023 expenditures.

The All Funds decrease in Medicaid client services is related primarily to a projected caseload decrease in the 2024–25 biennium related to the expiration of the federal requirement to temporarily pause client disenrollment throughout the duration of the COVID-19 public health emergency and a funding decrease of \$450.0 million in General Revenue Funds for assumed savings associated with cost containment.

In addition, a decrease in Federal Funds is a result of a less favorable FMAP combined with the loss of the 6.2 percentage-point increase to FMAP pursuant to the federal Families First Coronavirus Response Act resulting in a lower proportion of the program being funded with Federal Funds, offset by a corresponding increase in General Revenue Funds.

Funding provides \$2.1 billion in All Funds, including \$0.8 billion in General Revenue Funds for community-based long-term care and new Medicaid services, including the following increases:

- \$2.0 billion in All Funds, including \$0.8 billion in General Revenue Funds, to increase community attendant wages from \$8.11 to \$10.60 per hour and additional funding for attendant care rate enhancement programs;
- \$122.1 million in All Funds, including \$47.2 million in General Revenue Funds, for additional Medicaid waiver slots and service delivery; and
- \$6.8 million in All Funds, including \$2.7 million in General Revenue Funds, to add biomarker testing as a Medicaid benefit to implement the provisions of Senate Bill 989, Eighty-eighth Legislature, Regular Session, 2023.

Funding provides \$1.1 billion in All Funds, including \$0.4 billion in General Revenue Funds, for the following provider rate increases:

- \$811.7 million in All Funds, including \$324.7 million in General Revenue Funds, to increase reimbursement rates for nursing facilities;
- \$125.9 million in All Funds, including \$49.8 million in General Revenue Funds, for pediatric services;
- \$99.9 million in All Funds, including \$40.1 million in General Revenue Funds, for a reimbursement rate increase for nursing facility services reimbursed using a new patient-driven payment model;
- \$45.8 million in All Funds, including \$18.3 million in General Revenue Funds, for a 2.0 percent rate increase for private-duty nursing;
- \$16.2 million in All Funds, including \$6.4 million in General Revenue Funds, to increase ground ambulance mileage reimbursement rates;
- \$15.0 million in All Funds, including \$5.9 million in General Revenue Funds, to increase the Medicaid reimbursement rates for births and women’s health-related surgeries;
- \$3.8 million in All Funds, including \$1.5 million in General Revenue Funds, to increase rates for long-term pediatric care facilities; and

- \$3.6 million in All Funds, including \$1.4 million in General Revenue Funds, to increase the reimbursement rate for home-delivered meals.

Funding also provides \$119.8 million in All Funds, including \$49.8 million in General Revenue Funds, for the following rural hospital payments:

- \$72.8 million in All Funds, including \$31.3 million in General Revenue Funds, to increase outpatient rural hospital payments; and
- \$47.0 million in All Funds, including \$18.5 million in General Revenue Funds, to increase the rural labor and delivery add-on from \$500 to \$1,500.

Full funding for anticipated increases in cost for the 2024–25 biennium due to medical inflation, higher utilization, or increased acuity is not included.

CHILDREN'S HEALTH INSURANCE PROGRAM

Biennial funding for the Children's Health Insurance Program (CHIP) totals \$1.7 billion in All Funds, including \$0.5 billion in General Revenue Funds, which is an increase of \$1.0 billion in All Funds, including an increase \$0.3 billion in General Revenue Funds, from 2022–23 biennial spending levels primarily due to projected caseload increases resulting from the end of the COVID-19 public health emergency and federally required continuous Medicaid coverage, which meant fewer clients were transitioning to CHIP. Total funding includes \$986.4 million in All Funds (\$272.5 million in General Revenue Funds) to provide medical services to children enrolled in CHIP, \$297.9 million in All Funds (\$82.2 million in General Revenue Funds) for CHIP Perinatal services, \$273.7 million in All Funds (\$75.6 million in General Revenue Funds) for CHIP Prescription Drugs, and \$170.7 million in All Funds (\$47.2 million in General Revenue Funds) for CHIP Dental Services. The CHIP program is matched at the Enhanced Federal Medical Assistance Percentage, a more favorable rate that decreases the state's share compared to the FMAP. Funding for anticipated increases in cost due to medical inflation, higher utilization, or increased acuity is not included.

NON-MEDICAID SERVICES BEHAVIORAL HEALTH SERVICES

COMMUNITY MENTAL HEALTH SERVICES

HHSC provides community mental health services to adults and children through contracts with local mental health authorities (LMHA) and local behavioral health authorities

(LBHA). Services include screening and assessment, service coordination, medication-related services, and outpatient and inpatient services. In addition, certain services are available specifically for adults or children, such as employment and housing assistance for adults and respite services for children.

Community mental health funding for adults totals \$902.5 million in All Funds (\$679.2 million in General Revenue Funds). Funding for children totals \$221.3 million in All Funds (\$167.6 million in General Revenue Funds). Funding amounts for adults and children represent an increase of \$87.5 million in All Funds (\$79.1 million in General Revenue Funds) from 2022–23 biennial spending levels, primarily due to the following items:

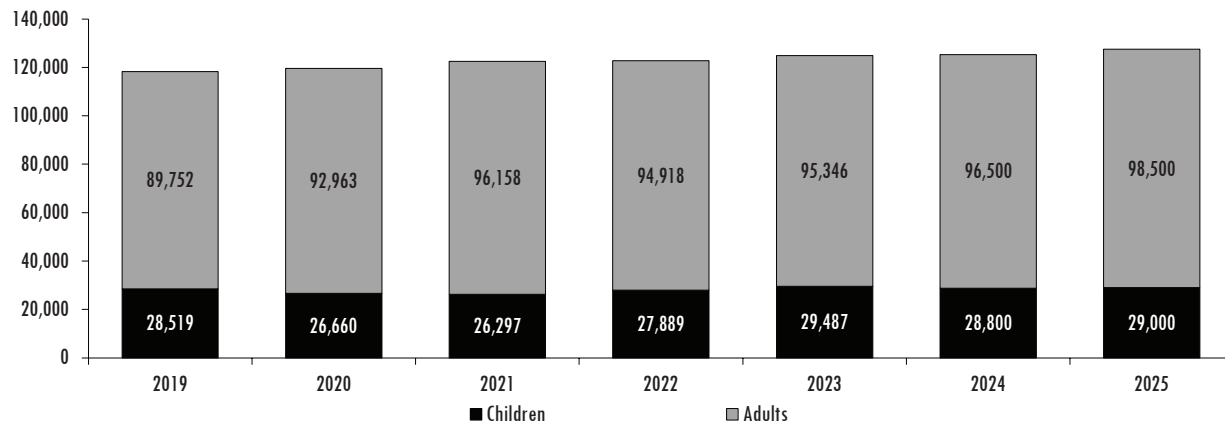
- an increase of \$39.0 million in General Revenue Funds to expand certain programs for high-risk children, including multisystemic therapy, coordinated specialty care, and ongoing mental health services support for the Uvalde community;
- an increase of \$17.8 million in General Revenue Funds to support the maintenance of critical infrastructure at the LMHAs and LBHAs;
- an increase of \$17.0 million in General Revenue Funds to expand step-down housing programs statewide;
- a net increase of \$8.3 million in Federal Funds due to projected changes in certain federal awards; and
- an increase of \$7.4 million in General Revenue Funds for telepsychiatry consultations for rural hospitals.

These increases are partially offset by a decrease of \$2.1 million in General Revenue Funds related to the transfer of appropriations for the Veterans Mental Health Department from HHSC to the Texas Veterans Commission.

Figure 139 shows the monthly average number of children and adults receiving community mental health services from fiscal years 2019 to 2025.

HHSC also contracts with LMHAs/LBHAs and local communities to provide services including crisis hotlines, mobile outreach, children's outpatient services, walk-in services, extended observation, crisis stabilization units, crisis residential units, respite services, and transportation. Funding for these community mental health crisis services includes \$333.6 million in All Funds (\$293.1 million in General Revenue Funds). Funding represents an increase of \$76.7

FIGURE 139
AVERAGE MONTHLY NUMBER OF CHILDREN AND ADULTS RECEIVING COMMUNITY MENTAL HEALTH SERVICES
FISCAL YEARS 2019 TO 2025



NOTE: Targets for fiscal years 2024 and 2025 are established in the Eighty-eighth Legislature, General Appropriations Act, 2024–25 Biennium.
 SOURCE: Health and Human Services Commission.

million in All Funds (\$74.7 million in General Revenue Funds) from 2022–23 biennial spending levels due to the following increases:

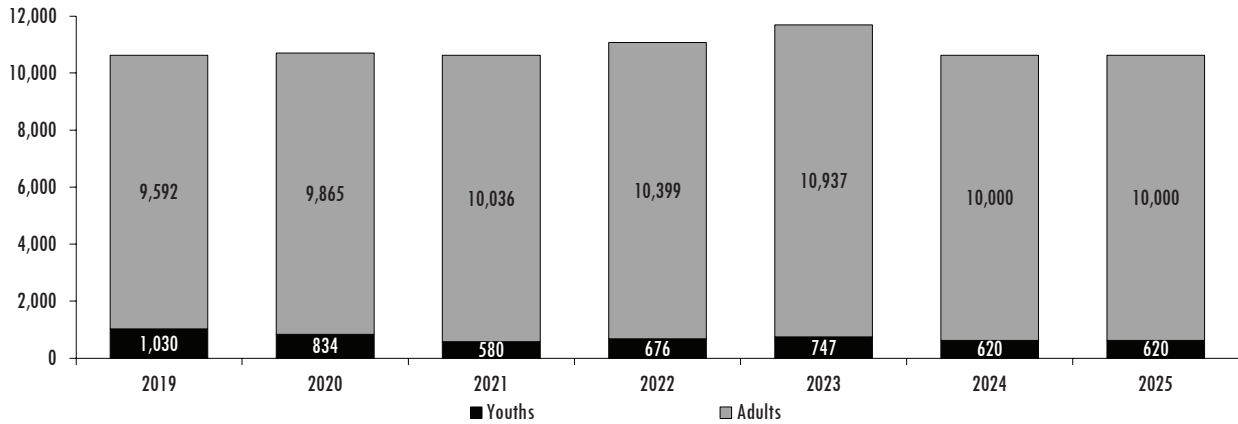
- \$46.5 million in General Revenue Funds for crisis stabilization facilities, including \$28.0 million in General Revenue Funds to fund up to five additional facilities;
- \$14.0 million in General Revenue Funds to establish youth mobile crisis outreach teams;
- \$11.5 million in General Revenue Funds to fund four additional crisis respite units that serve youth and to pilot three peer-run units;
- \$2.7 million in General Revenue Funds to support the maintenance of critical infrastructure at the LMHAs and LBHAs; and
- a combined increase of \$2.0 million in All Funds (an increase of \$2.1 million in Federal Funds and a decrease of \$0.2 million in Other Funds) due to projected changes in certain federal awards and revenue collections.

The Home and Community-based Services – Adult Mental Health program provides community-based services to divert adults with a serious mental illness from inpatient psychiatric settings. Services are provided in the individual’s home or other community-based settings and include psychosocial rehabilitation, employment, home-delivered meals, and transportation services. Funding for the 2024–25 biennium

totals \$39.1 million in All Funds (\$17.4 million in General Revenue Funds) to serve an estimated 443 individuals per month in fiscal year 2024 and 485 individuals per month in fiscal year 2025. The Youth Empowerment Services waiver provides home and community-based services to children ages three to 18 who exhibit symptoms of a serious emotional disturbance. Services include family supports, minor home modifications, specialized therapies, and respite care. Funding for the 2024–25 biennium totals \$27.0 million in All Funds (\$12.9 million in General Revenue Funds) to serve an estimated 1,230 individuals per month in fiscal year 2024 and 1,277 individuals per month in fiscal year 2025. Funding for these programs reflects a decrease of \$8.3 million in All Funds (\$5.4 million in General Revenue Funds), primarily due to supplemental funding provided in fiscal year 2023 for the Home and Community-based Services – Adult Mental Health program, onetime funding made available through the federal American Rescue Plan Act, and less favorable FMAPs.

HHSC operates certain community mental health matching grant programs to provide funding to support local community mental health programs; funding intended to reduce recidivism, arrests, and incarceration of individuals with serious mental illness; funding to support mental healthcare services and treatment to veterans and their families; and funding to support Healthy Community Collaboratives that provide services to individuals experiencing homelessness, substance use, and mental health issues. Senate Bill 26, Eighty-eighth Legislature, Regular Session, 2023, also established an innovation grant program to support community-based

FIGURE 140
AVERAGE MONTHLY NUMBER OF YOUTHS AND ADULTS SERVED IN TREATMENT PROGRAMS FOR SUBSTANCE ABUSE
FISCAL YEARS 2019 TO 2025



NOTE: Targets for fiscal years 2024 and 2025 are established in the Eighty-eighth Legislature, General Appropriations Act, 2024–25 Biennium.
 SOURCE: Health and Human Services Commission.

initiatives that improve access to care for children and families. Funding for all grant programs totals \$231.0 million in General Revenue Funds. Funding reflects a decrease of \$29.9 million in General Revenue Funds, primarily due to a combined \$115.9 million in supplemental funding provided in fiscal year 2023 to establish a community mental health program for county-based collaboratives and a children's hospital construction grant program. This decrease is partially offset by the following increases:

- a combined \$53.0 million in General Revenue Funds for existing grant programs, including programs intended to reduce recidivism, arrests, and incarceration of individuals with serious mental illness, support local community mental health programs, and Healthy Community Collaboratives;
- \$30.0 million in General Revenue Funds for the newly established innovation grant program; and
- \$3.0 million in General Revenue Funds to implement the provisions of Senate Bill 1677, Eighty-eighth Legislature, Regular Session, 2023, relating to the establishment and administration of HHSC programs providing mental health services to certain individuals in the state.

SUBSTANCE ABUSE PREVENTION, INTERVENTION, AND TREATMENT

HHSC is the designated state agency for the federal Substance Abuse Prevention and Treatment block grant (SABG). To meet

federal maintenance-of-effort requirements, the state must maintain spending for substance abuse services at a level equal to the average of expenditures for the previous two fiscal years.

Prevention programs implement one or more of the SABG-required prevention approaches and include prevention education and skills training for youth and families, problem identification and referral to appropriate services, information dissemination, alternative activities, and community collaboration. Substance abuse intervention services include the Outreach, Screening, Assessment, and Referral programs, which provide referrals to treatment and other appropriate services, assist with transportation to services, and assist individuals in enrolling in community-based support services after receiving treatment. Other intervention services include outreach, human immunodeficiency virus (HIV) early intervention services, family services, and screening and assessment services.

HHSC gives comprehensive and appropriate treatment priority status to the needs of pregnant women and mothers and substance users at risk of contracting HIV. Youth ages 13 to 17 with substance use or dependence disorder also are eligible to receive treatment. **Figure 140** shows the monthly average number of youths and adults served in substance abuse treatment programs from fiscal years 2019 to 2025.

Biennial funding for substance abuse services totals \$554.1 million in All Funds (\$98.2 million in General Revenue Funds). Funding for substance abuse services represents a decrease of \$209.4 million in Federal Funds primarily due to the following decreases:

- a decrease of \$123.5 million in Federal Funds received for response to the COVID-19 pandemic; and
- a decrease of \$85.9 million in Federal Funds due to assumed reductions in certain federal grants, including \$35.1 million in the Opioid State Targeted Response federal grant.

MENTAL HEALTH STATE HOSPITALS – DAILY OPERATIONS

The mental health state hospital system includes ten state-operated mental health hospitals, including inpatient mental health services provided at the Rio Grande State Center, and one state-owned inpatient residential treatment facility in Waco for adolescents. These facilities provide inpatient hospitalization and general psychiatric services for persons with severe mental illness who require intensive treatment. Individuals needing specialized short-term or long-term care can receive services such as therapeutic programming and skills building to reduce acute symptoms and restore their ability to function in the community. HHSC also owns the newly constructed John S. Dunn Behavioral Sciences Center in Harris County, which is a psychiatric hospital operated by the University of Texas Health Science Center at Houston.

Funding for the 2024–25 biennium totals \$1.2 billion in All Funds (\$1.1 billion in General Revenue Funds) and provides for 7,858.2 full-time-equivalent (FTE) positions in each fiscal year. Appropriations represent an increase of \$152.2 million in All Funds (\$318.0 million in General Revenue Funds) from 2022–23 biennial spending levels. The primary reason for the increase in General Revenue Funds is a method-of-finance adjustment of \$165.7 million from a combination of Other Funds (Public Health Medicaid Reimbursements Account) and Federal Funds (stimulus funding related to the COVID-19 pandemic) to General Revenue Funds. Other adjustments are due to the following changes:

- an increase of \$134.7 million in General Revenue Funds for salary increases, including increases for direct care and critical support staff, and to maintain salary increases provided for staff during the 2022–23 biennium;
- an increase of \$45.8 million in General Revenue Funds to operate expanded capacity at Kerrville State Hospital and the new John S. Dunn Behavioral Sciences Center;
- an increase of \$8.4 million in General Revenue Funds to contract for 20 competency restoration inpatient beds;

- an increase of \$5.5 million in onetime General Revenue Funds to address inflationary costs for food and supplies at the state hospitals;
- an increase of \$5.0 million in General Revenue Funds to establish state hospital transition teams to support individuals who are at risk of state hospital readmission; and
- a decrease of \$47.2 million in General Revenue Funds related to onetime COVID-19 pandemic response during the 2022–23 biennium.

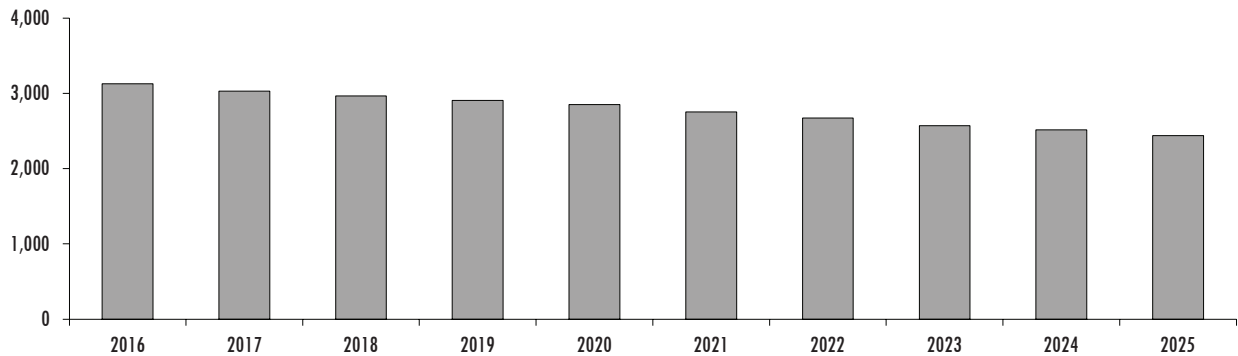
MENTAL HEALTH COMMUNITY HOSPITALS

Mental Health Community Hospitals funding supports inpatient services at psychiatric facilities located throughout the state. The facilities provide services such as assessment, crisis stabilization, skills training, and medication management. Funds are allocated primarily to the community hospitals through performance contracts with LMHAs and LBHAs.

Appropriations for the 2024–25 biennium total \$625.7 million in General Revenue Funds and provide 1.0 FTE position in each fiscal year. Appropriations reflect an increase of \$304.3 million in All Funds (\$319.3 million in General Revenue Funds), primarily due to the following increases:

- \$305.1 million in General Revenue Funds to expand community inpatient beds. This includes funding to expand purchased capacity by more than 300 beds, including competency restoration beds, and funding to maintain existing purchased capacity;
- \$6.0 million in General Revenue Funds to establish an integrated care clinic utilizing the Collaborative Care Model;
- \$5.0 million in General Revenue Funds in fiscal year 2025 for start-up and operational funding for the new Uvalde Behavioral Health Campus;
- \$1.8 million in General Revenue Funds to increase rates for inpatient contracted beds at the University of Texas Health Science Center at Tyler;
- \$1.0 million in General Revenue Funds for operations at a facility operated by the LMHA serving Comal County; and
- \$0.4 million in onetime General Revenue Funds to address inflationary costs.

FIGURE 141
STATE SUPPORTED LIVING CENTERS AVERAGE MONTHLY CENSUS FISCAL YEARS 2016 TO 2025



NOTES: Targets for fiscal years 2024 and 2025 are established in the Eighty-eighth Legislature, General Appropriations Act, 2024–25 Biennium.
 SOURCE: Health and Human Services Commission.

These increases are partially offset by a decrease of \$15.0 million in pandemic-related federal stimulus funds appropriated by Senate Bill 8, Eighty-seventh Legislature, Third-called Session, 2021, to expand capacity at Sunrise Canyon Hospital.

OTHER STATE-OWNED FACILITIES

STATE SUPPORTED LIVING CENTERS

State Supported Living Centers (SSLC) are large, state-operated, intermediate care facilities for individuals with intellectual disability (ICF/IID). Appropriations support 13 centers across Texas (including the ICF/IID component of Rio Grande State Center), located in Abilene, Austin, Brenham, Corpus Christi, Denton, El Paso, Harlingen, Lubbock, Lufkin, Mexia, Richmond, San Angelo, and San Antonio.

Appropriations for SSLCs for the 2024–25 biennium total \$1.6 billion in All Funds (\$0.8 billion in General Revenue Funds) and provide for 11,794.1 FTE positions in each fiscal year. This amount is an increase of \$156.8 million in All Funds (\$196.3 million in General Revenue Funds) from the 2022–23 biennial level. Less favorable FMAPs result in a higher proportion of the program being funded with General Revenue Funds, which results in an increase of \$54.3 million in General Revenue Funds and an equal reduction in Federal Funds. Appropriations also include the following items:

- an increase of \$203.5 million in General Revenue Funds for salary increases, including increases for direct care and critical support staff, and to maintain salary increases provided for staff during the 2022–23 biennium;

- an increase of \$22.0 million in All Funds (\$0.9 million in General Revenue Funds) primarily to maintain certain higher fiscal year 2022 costs;
- an increase of \$9.0 million in onetime General Revenue Funds to address inflationary costs for food and supplies at the SSLCs;
- a decrease of \$67.6 million in General Revenue Funds related to onetime COVID-19 pandemic response during the 2022–23 biennium; and
- a decrease of \$10.2 million in All Funds (\$3.8 million in General Revenue Funds) related to projected census declines.

As shown in **Figure 141**, the average monthly SSLC census has decreased steadily. From fiscal years 2016 to 2025, the average monthly census is projected to decrease by 22.0 percent. However, the cost to operate the SSLCs has not decreased to the same degree during the same period, in part because of fixed overhead costs such as salaries, benefits, and capital needs.

RIO GRANDE STATE CENTER AND CORPUS CHRISTI BOND HOMES

In addition to inpatient mental health services and ICF/IID services, the Rio Grande State Center in Harlingen provides primary medical care to individuals living in the lower Rio Grande Valley. HHSC also operates two small ICFs/IID (bond homes) in Corpus Christi. Appropriations for these services for the 2024–25 biennium total \$11.8 million in All Funds (\$9.0 million in General Revenue Funds) and provide for 67.9 FTE positions each fiscal year. This represents a

decrease of \$0.1 million in All Funds (an increase of \$0.6 million in General Revenue Funds) from 2022–23 biennial spending levels primarily related to method-of-finance adjustments in pandemic-related federal stimulus funds that were not continued in the 2024–25 biennium.

OTHER NON-MEDICAID CLIENT SERVICES

WOMEN'S HEALTH SERVICES

HHSC operates three women's health programs: the Healthy Texas Women (HTW) Program, Family Planning Program (FPP), and Breast and Cervical Cancer Services (BCCS). HTW provides no-cost women's health, family planning, and preventive health services to women who are U.S. citizens or eligible immigrants between the ages of 15 and 44 with a household income at or less than 204.2 percent of the federal poverty level (FPL). Clients also must be uninsured and not pregnant. Healthy Texas Women Plus offers enhanced postpartum care services for HTW clients pregnant within 12 months prior to enrollment. HHSC received approval from the Centers for Medicare and Medicaid Services in January 2020, for the Healthy Texas Women Section 1115 Demonstration Waiver, making the program eligible for federal matching funds for services in the HTW Program. FPP provides low-cost or no-cost reproductive healthcare, family planning, prenatal care, and preventive screenings to men and women age 64 or younger who have incomes at or less than 250.0 percent of the FPL. BCCS provides access to diagnostic services for breast and cervical cancers for women who do not have health insurance and have household incomes at or less than 200.0 percent of the FPL.

Biennial appropriations for women's health programs total \$447.2 million in All Funds (\$239.8 million in General Revenue Funds). Appropriations represent an increase of \$160.1 million in All Funds (\$88.1 million in General Revenue Funds) from 2022–23 biennial spending levels. The All Funds increase includes the following changes:

- an increase of \$98.6 million in All Funds (\$54.3 million in General Revenue Funds) to support maternal health, family planning, and access to long-acting reversible contraceptives for better birth outcomes;
- an increase of \$41.6 million in All Funds (\$13.8 million in General Revenue Funds) to maintain funding from the 2022–23 biennium and assume HTW Plus is added to the HTW Section 1115 Demonstration waiver, to receive federal funding;

- an increase of \$10.0 million in General Revenue Funds to fully fund HHSC's projected women's health caseload growth; and
- an increase of \$10.0 million in General Revenue Funds to increase the number of Women's Preventive Mobile Health Units.

ALTERNATIVES TO ABORTION

Alternatives to Abortion provides pregnancy support services that promote childbirth, including information and referrals. Some material services, such as maternity clothes and car seats, are also available. Biennial appropriations total \$140.0 million in General Revenue Funds. This amount is an increase of \$15.3 million in General Revenue Funds from 2022–23 biennial spending levels, primarily related to an increase of \$40.3 million in General Revenue Funds to provide additional funding for the program. This increase is partially offset by a decrease of \$25.0 million in General Revenue Funds related to supplemental funding provided in fiscal year 2023 for pregnancy support services as an alternative to abortion.

Pursuant to Senate Bill 24, Eighty-eighth Legislature, Regular Session, 2023, HHSC is required to establish the Thriving Texas Families Program as a continuation of the alternatives to abortion program to facilitate the operation of a statewide support network that provides community outreach, consultation, and care coordination for women with an unexpected pregnancy.

EARLY CHILDHOOD INTERVENTION SERVICES

Early Childhood Intervention (ECI) Services are for eligible children younger than age three who have a disability or developmental delay. These services are provided through contracts with local agencies, including community centers, education service centers, and private nonprofit entities. These agencies determine eligibility, assess the child's needs, and coordinate the delivery of comprehensive services. Appropriations for ECI client services total \$396.6 million in All Funds (\$155.6 million in General Revenue Funds). This amount is an increase of \$55.3 million in All Funds (\$62.3 million in General Revenue Funds) from 2022–23 biennial amounts, primarily to address anticipated caseload growth. **Figure 142** shows the distribution of appropriations for ECI client services for the 2022–23 biennium and the 2024–25 biennium. The share of ECI client services funded by General Revenue Funds increased by 11.9 percentage points from the 2022–23 biennium to the 2024–25

biennium. This is primarily due to the loss of additional federal funding received during the COVID-19 Public Health Emergency for Medicaid and IDEA Part C during the 2022–23 biennium. Additional sources of funding for ECI services not shown in **Figure 142** include some therapy services funded through Medicaid and CHIP client services and other funding sources that are not included in the General Appropriations Act, including third-party collections and local contributions.

Figure 143 shows historical changes in the number of children served through ECI. The average monthly caseload increased from fiscal years 2016 to 2025 and decreased slightly in fiscal years 2020 and 2021. The average monthly caseload is estimated to increase by 7.9 percent from fiscal years 2023 to 2025.

In addition to the client services discussed above, the ECI program receives appropriations for respite services. Biennial appropriations for these activities total \$0.8 million in General Revenue Funds.

CHILDREN WITH SPECIAL HEALTH CARE NEEDS

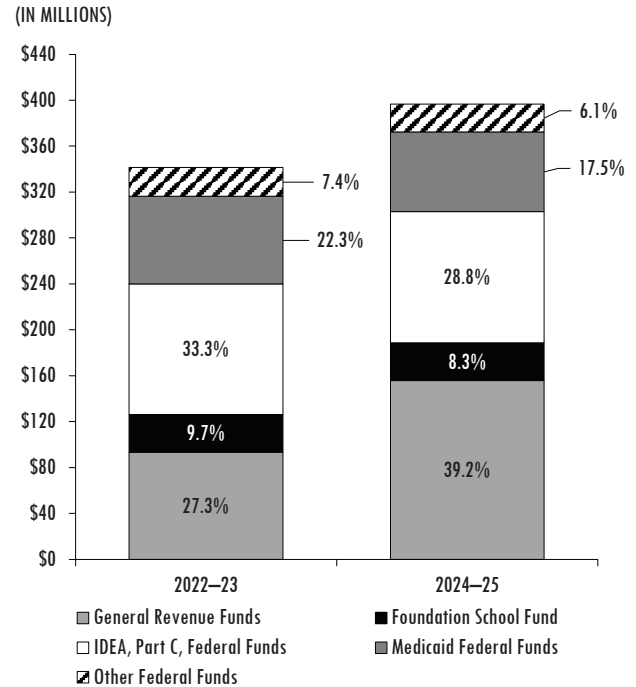
The Children with Special Health Care Needs (CSHCN) program provides medical, dental, and case-management services not covered by Medicaid, CHIP, or private insurance for children with special healthcare needs. The program also provides family support services (FSS) to eligible clients, including respite care, vehicle and home modifications, and special equipment; and family supports and community resources (FSCR), which are population health initiatives available to the general CSHCN population. HHSC provides the medical, dental, and FSS portion of the CSHCN program, and the Department of State Health Services provides case management and FSCR services. Biennial appropriations for medical, dental, and FSS total \$48.9 million in All Funds (\$42.6 million in General Revenue Funds).

OTHER SPECIALTY CARE PROGRAMS

HHSC operates several additional specialty care programs, including the Kidney Health Care Program; Title V Maternal and Child Health Program; Autism Program; Blind Children’s Vocational Discovery and Development Program; Epilepsy Program; Blindness Education, Screening, and Treatment (BEST) Program; and Hemophilia Assistance Program.

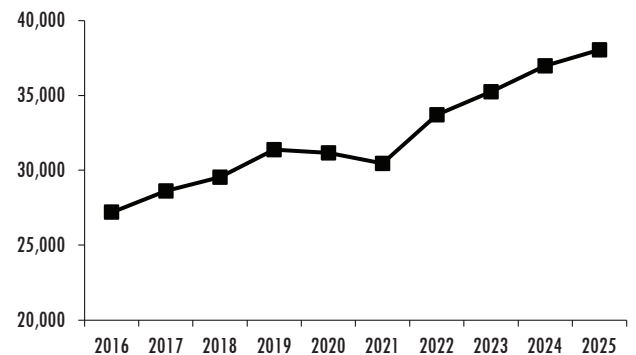
The Kidney Health Care Program assists Texans with end-stage renal disease in paying for treatment. Biennial

**FIGURE 142
EARLY CHILDHOOD INTERVENTION PROGRAM
APPROPRIATIONS BY FUND TYPE
2022–23 AND 2024–25 BIENNA**



NOTE: IDEA, Part C=the federal Individuals with Disabilities Education Act, Part C, Program for Infants and Toddlers with Disabilities.
SOURCE: Legislative Budget Board.

**FIGURE 143
EARLY CHILDHOOD INTERVENTION PROGRAM AVERAGE
MONTHLY CHILDREN SERVED, FISCAL YEARS 2016 TO 2025**



NOTES: Targets for fiscal years 2024 and 2025 are established in the Eighty-eighth Legislature, General Appropriations Act, 2024–25 Biennium.
SOURCES: Legislative Budget Board; Health and Human Services Commission.

appropriations total \$30.7 million in All Funds (\$27.7 million in General Revenue Funds).

The Title V Maternal and Child Health program provides preventive and primary health care and dental services to low-income youth age 21 and younger who do not qualify for Medicaid, CHIP, or another program that covers similar services. The program also provides up to 60 days of prenatal care for pregnant women while they await Medicaid or CHIP Perinatal coverage, and dental care for pregnant women up to three months postpartum. Biennial appropriations total \$12.5 million in All Funds (\$2.8 million in General Revenue Funds).

The Multi-assistance Demonstration Project, established by the Eighty-seventh Legislature, 2021, provides comprehensive medical, therapeutic, and nonmedical services to adults and children with special needs in Bexar County and the South Texas region. Biennial appropriations for the 2024–25 biennium total \$15.0 million in General Revenue Funds, an increase of \$7.5 million in General Revenue Funds from 2022–23 biennial spending levels.

The Autism Program serves children ages three to 15 with a diagnosis of autism spectrum disorder. Appropriations total \$13.7 million in General Revenue Funds.

The Blind Children’s Vocational Discovery and Development Program provides services through trained blind children’s specialists who function as case managers and direct-care providers. Appropriations total \$11.5 million in All Funds (\$9.5 million in General Revenue Funds) and provide for 77.5 FTE positions in each fiscal year.

The Epilepsy Program connects low-income Texans with epilepsy and seizure-like symptoms to comprehensive outpatient care. Services can include diagnosis, treatment, and case management. Biennial appropriations for the Epilepsy Program total \$3.7 million in General Revenue Funds.

The BEST Program provides vision screenings and treatment for individuals with eye conditions. Appropriations total \$0.9 million in General Revenue Funds and provide for 1.0 FTE position in each fiscal year.

The Hemophilia Assistance Program assists low-income adults with hemophilia who are not eligible for other programs in paying for medical care. Biennial appropriations for the Hemophilia Assistance Program total \$0.3 million in General Revenue Funds.

COMMUNITY PRIMARY CARE SERVICES

The Community Primary Care Services program contracts with clinics throughout the state to provide primary health care services to low-income men, women, and children who do not receive similar services through another program. Biennial appropriations total \$23.8 million in General Revenue Funds.

PRESCRIPTION DRUG SAVINGS PROGRAM

House Bill 18, Eighty-seventh Legislature, Regular Session, 2021, established the prescription drug savings program, Texas Cares. The program is required to partner with a pharmacy benefit manager to make prescription drugs available to uninsured individuals at a discounted rate. Biennial appropriations for the program total \$28.5 million in General Revenue Funds, a decrease of \$4.0 million in General Revenue Funds for onetime startup funding provided in the 2022–23 biennium. Funding includes 8.5 FTE positions in each fiscal year. Capital budget authority of \$8.0 million in each fiscal year is provided for the 2024–25 biennium for information technology projects.

CASH ASSISTANCE

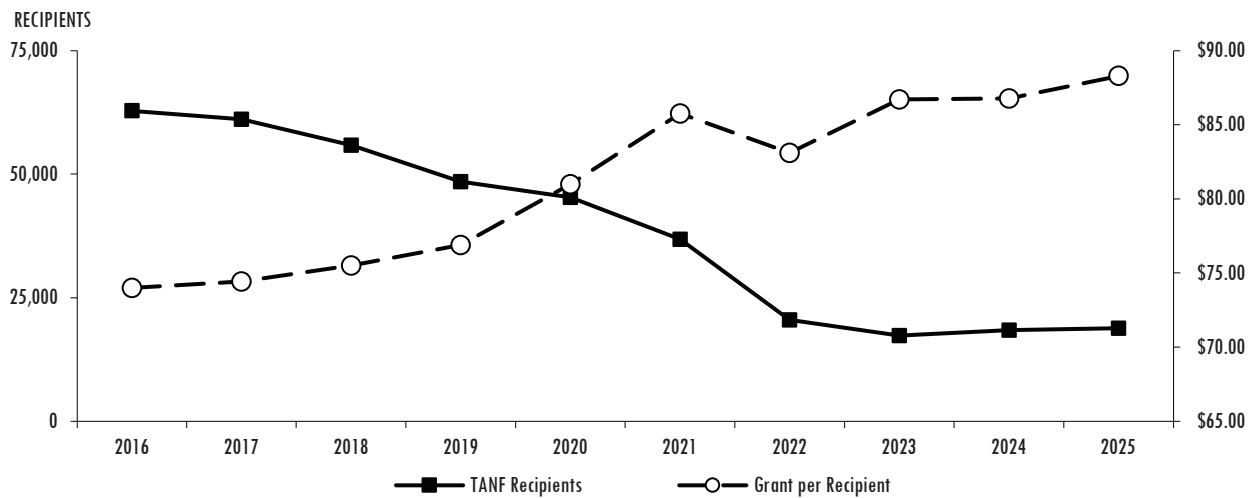
Temporary Assistance for Needy Families (TANF) grants provide time-limited cash assistance to very-low-income families with children. Grants are provided to single-parent families and to two-parent families in which one or both parents are unemployed or have a disability. The monthly cash grant amount paid to a family is based on household size, income, and the family’s basic needs.

Appropriations for TANF cash assistance include \$41.5 million in All Funds, including \$38.0 million in General Revenue Funds. These amounts represent a decrease of \$1.4 million in All Funds, offset by an increase of \$1.2 million in General Revenue Funds, primarily due to projected caseload increases and increases in the average grant per recipient. **Figure 144** shows changes in the TANF caseload and grant per recipient from fiscal years 2016 to 2025. Increased expenditures associated with a slight increase in caseloads are combined with an increase in the average monthly grant per recipient.

SPECIAL SUPPLEMENTAL NUTRITION PROGRAM FOR WOMEN, INFANTS, AND CHILDREN

Nutrition services are delivered through the federally funded Special Supplemental Nutrition Program for Women, Infants, and Children (WIC). This program uses smart cards, which function similarly to debit cards,

FIGURE 144
CASH ASSISTANCE CASELOAD AND AVERAGE MONTHLY GRANT PER RECIPIENT, FISCAL YEARS 2016 TO 2025



NOTE: TANF=Temporary Assistance for Needy Families. Targets for fiscal years 2024 and 2025 are established in the Eighty-eighth Legislature, General Appropriations Act, 2024–25 Biennium.

SOURCES: Legislative Budget Board; Health and Human Services Commission.

to provide food assistance through electronic benefits transfer for infants, young children, and low-income pregnant and postpartum women. The program also provides nutrition education to pregnant and postpartum women. WIC rebates are collected from manufacturers of infant formula. Biennial appropriations for WIC total \$1.7 billion in All Funds, including \$0.4 billion in WIC rebates (Other Funds), and provide for 205.1 FTE positions in each fiscal year.

DISASTER ASSISTANCE

HHSC administers the Other Needs Assistance provision of the Federal Assistance to Individuals and Households Program, which provides financial assistance to victims of floods, hurricanes, tornadoes, and other disasters when insurance and other avenues of recovery are exhausted. Funding for disaster assistance is made available when the U.S. president declares a disaster. Although funds are not appropriated explicitly for disasters, the Eighty-eighth Legislature, General Appropriations Act, 2024–25 Biennium, authorizes the transfer of funding from one or more agencies to address funding needs in response to a disaster. Onetime funding for disaster response during the 2022–23 biennium accounts for a decrease of \$26.0 million in All Funds (\$7.7 million in General Revenue Funds) during the 2024–25 biennium, including \$5.0 million in General Revenue Funds to respond to the school shooting in Uvalde.

GUARDIANSHIP

The Guardianship Services Program includes services for adults with diminished capacity; arranging for placement in facilities such as long-term-care facilities, hospitals, or foster homes; managing estates; and making medical decisions. The program serves individuals referred by Adult Protective Services at the Department of Family and Protective Services (DFPS) and courts with jurisdiction of probate matters. Funding totals \$18.6 million in All Funds (\$4.2 million in General Revenue Funds) and provides for 124.4 FTE positions in each fiscal year. This is an increase of \$0.9 million in General Revenue Funds from 2022–23 biennial spending levels to provide a targeted salary increase for contract oversight and specialized staff.

NON-MEDICAID COMMUNITY SERVICES

Non-Medicaid Community Services include services funded by the state and the federal government, including through the U.S. Social Security Act, Title XX, Social Services Block Grant, and Federal Funds from the Older Americans Act. These services are provided in community settings to persons who are aging or have disabilities to maintain independence and avoid institutionalization. Unlike entitlement services, funding does not necessarily increase as the demand for services increases.

Funding for these programs totals \$364.3 million in All Funds (\$75.5 million in General Revenue Funds) for the

2024–25 biennium. Funding provides an increase of \$5.2 million in All Funds (\$29.1 million in General Revenue Funds) from 2022–23 biennial spending levels, primarily due to an increase of \$20.7 million in General Revenue Funds for attendant wages, including \$20.0 million in General Revenue Funds to increase the base wage for personal attendant services to \$10.60 an hour, and \$0.7 million in General Revenue Funds for the attendant care rate enhancement program. Increases also include \$8.6 million in General Revenue Funds to increase the home-delivered meal rate to no less than \$6.46 per meal. This is partially offset by a decrease of \$24.0 million in All Funds (\$0.2 million in General Revenue Funds) due to the removal of onetime Federal Funds related to the COVID-19 pandemic and certain other onetime costs.

NON-MEDICAID INTELLECTUAL AND DEVELOPMENTAL DISABILITY SERVICES

Non-Medicaid Intellectual and Developmental Disability Services provide funding to local intellectual and developmental disability authorities (LIDDA) to serve individuals with intellectual or developmental disabilities in the community. Services can include service coordination, residential support services, employment services, day training services, and specialized therapies. Funding for these services totals \$101.6 million in All Funds (\$101.6 million in General Revenue Funds). Funding provides a decrease of \$0.4 million in General Revenue Funds, primarily related to a decrease of \$2.1 million in General Revenue Funds for onetime funding made available through the federal American Rescue Plan Act. This decrease is partially offset by an increase of \$1.8 million in General Revenue Funds to support the maintenance of critical infrastructure at the LIDDAs.

INDEPENDENT LIVING SERVICES

The Independent Living Services program provides services to individuals with significant disabilities, including those who are blind or visually impaired, to promote independence at home and in the community. HHSC contracts with Centers for Independent Living, which are community-based nonprofit organizations, to provide services. Services can include providing assistive technology and devices, such as hearing aids and prosthetics, or the provision of core services mandated by federal law, such as independent-living skills training and peer counseling. Combined appropriations for all services total \$29.1 million in All Funds (\$8.8 million

in General Revenue Funds) and provide for 24.1 FTE positions each fiscal year.

COMPREHENSIVE REHABILITATION

The Comprehensive Rehabilitation Services program provides rehabilitation services to persons with traumatic spinal cord or traumatic brain injuries. Core services include inpatient comprehensive medical rehabilitation services, post-acute brain injury rehabilitation services, and outpatient rehabilitation services. Comprehensive rehabilitation services are time-limited and focus on mobility, self-care, and communication skills. HHSC is estimated to serve approximately 550 individuals per month in each fiscal year of the 2024–25 biennium. Appropriations total \$46.3 million in All Funds (\$46.3 million in General Revenue Funds) and provide for 37.1 FTE positions in each fiscal year. Appropriations represent an increase of \$6.0 million in General Revenue Funds from 2022–23 biennial spending levels primarily due to the restoration of funds that were transferred to Integrated Eligibility and Enrollment services to respond to the COVID-19 public health emergency.

FAMILY VIOLENCE

HHSC provides emergency shelter and support services to victims of family violence and their children, educates the public, and provides training and prevention support to various agencies. The agency contracts with residential and nonresidential centers. Services include shelter, transportation, legal assistance, medical assistance, educational arrangements for children, and employment assistance. Appropriations total \$117.1 million in All Funds (\$37.4 million in General Revenue Funds) and provide for 12.0 FTE positions in each fiscal year. Funding reflects an increase of \$9.6 million in All Funds (\$9.7 million in General Revenue Funds) from 2022–23 biennial spending levels, including an increase of \$9.3 million in General Revenue Funds for enhanced capacity of family violence services and an increase of \$0.4 million for a targeted salary increase for contract oversight staff, offset by a \$0.1 million decrease in Federal Funds due to projected changes in certain federal awards.

CHILD ADVOCACY PROGRAMS

The Children's Advocacy Center (CAC) program provides funds to develop and support local children's advocacy programs that offer a coordinated, multidisciplinary response to cases of suspected child abuse. Appropriations for the CAC program total \$83.6 million in All Funds (\$69.7

million in General Revenue Funds and General Revenue–Dedicated Funds). Funding includes an increase of \$14.5 million in General Revenue Funds, including \$12.5 million in General Revenue Funds to expand services and \$2.0 million in General Revenue Funds to implement regional support centers.

The Court Appointed Special Advocates (CASA) program provides funds to help develop and support local CASA programs, which coordinate volunteers who are court-appointed to advocate for the best interests of abused or neglected children involved in the legal and welfare systems. Appropriations for the CASA program total \$31.9 million in All Funds (\$31.9 million in General Revenue Funds) and maintain 2022–23 biennial spending levels for the 2024–25 biennium.

FAMILY SUPPORT SERVICES

Pursuant to Senate Bill 24, Eighty-eighth Legislature, Regular Session, 2023, the Prevention and Early Intervention Program at DFPS transferred to HHSC in fiscal year 2025 and was renamed Family Support Services. These services provide at-risk prevention services for children, youth, and their families through five programs: Services to At-risk Youth, Community Youth Development, child abuse prevention grants, maternal and child home visiting programs, and other at-risk prevention services. Contractual arrangements with community-based organizations deliver most of the services. Appropriations for Family Support Services total \$141.6 million in All Funds (\$95.1 million in General Revenue Funds and General Revenue–Dedicated Funds), and 3.0 FTE positions in fiscal year 2025. Appropriations include additional funding provided by the Eighty-eighth Legislature, 2023, to expand certain programs. Appropriations by program include the following allocations.

The Maternal and Child Home Visiting area has two primary programs. The Nurse Family Partnership is a voluntary, evidence-based home visitation program that pairs registered nurses with low-income, first-time mothers to improve prenatal care and provide individual child development education and counseling. The Texas Home Visiting program’s mission is to provide evidence-based home visiting services in targeted communities across Texas to contribute to the development of a comprehensive early childhood system that promotes maternal, infant, and early childhood health, safety, and development. Funding totals \$49.3 million in All Funds (\$17.1 million in General Revenue Funds) for fiscal year 2025.

Other at-risk prevention services include Community-based Family Services program, Healthy Outcomes through Prevention and Early Support (HOPES), Universal Prevention Services, Statewide Youth Services Network, and Texas Families: Together and Safe. Services also include prevention services for veterans and military families and safe-baby campaigns to address shaken-baby and safe-sleep risk factors. These prevention programs seek to strengthen families and increase youth resiliency through local collaborations. Funding totals \$43.6 million in All Funds (\$41.8 million in General Revenue Funds and General Revenue–Dedicated Funds) for fiscal year 2025.

The Family and Youth Success (FAYS) program is intended to provide crisis intervention, temporary emergency shelter, and counseling services for young persons at risk of delinquent or criminal behavior. Funding totals \$31.9 million in All Funds (\$28.1 million in General Revenue Funds) for fiscal year 2025.

The Community Youth Development program provides grant awards that help targeted communities alleviate conditions in the family and the community that lead to juvenile crime. Funding totals \$11.3 million in All Funds (\$8.0 million in General Revenue Funds) for fiscal year 2025.

Child abuse prevention grants provide funding for local partnerships that strengthen and support families and for community-based, child abuse prevention services. Funding totals \$5.5 million in All Funds (under \$0.1 million in General Revenue Funds) and 3.0 FTE positions for fiscal year 2025.

OTHER PROGRAM AREAS

MENTAL HEALTH STATE HOSPITALS – CONSTRUCTION PROJECTS

Since the Eighty-fifth Legislature, 2017, HHSC has received appropriations each biennium to support numerous construction projects at the state hospitals, including funding to repair and replace existing infrastructure or to develop new capacity within the state. Appropriations for the 2024–25 biennium include \$75.0 million in Other Funds to build a children’s unit at the new Texas Behavioral Health Center in Dallas.

Senate Bill 30, Eighty-eighth Legislature, Regular Session, 2023, appropriated an additional \$1.9 billion in General Revenue Funds in fiscal year 2023 for new capacity for mental health services and inpatient facilities. Many of the

projects add maximum security or forensic inpatient capacity to the state, and include the following projects:

- \$573.0 million in General Revenue Funds to construct a 250-bed replacement campus for Terrell State Hospital;
- \$452.0 million in General Revenue Funds to construct a 200-bed replacement campus for North Texas State Hospital – Wichita Falls;
- \$175.0 million in General Revenue Funds to establish a onetime grant program to construct or expand mental health inpatient facilities, with specific designations for the Rio Grande Valley region, Montgomery County, and Victoria County;
- \$159.0 million in General Revenue Funds to construct a 75-bed state hospital in Amarillo;
- \$121.0 million in General Revenue Funds to construct a 50-bed maximum security facility on the existing SSLC campus in Lubbock;
- \$120.0 million in General Revenue Funds to construct a 50-bed maximum security facility in the Rio Grande Valley;
- \$101.9 million in General Revenue Funds to complete construction of the 200-bed adult inpatient unit at the new Texas Behavioral Health Center in Dallas;
- \$64.0 million in General Revenue Funds to construct a 72-bed facility in Beaumont;
- \$50.0 million in General Revenue Funds for pre-planning, planning, land acquisition, and initial construction of a 50-bed El Paso state hospital;
- \$45.0 million in General Revenue Funds to construct 30 additional beds at the Sunrise Canyon facility in Lubbock;
- \$33.6 million in General Revenue Funds to construct a behavioral health campus in Uvalde; and
- \$15.0 million in General Revenue Funds to rehabilitate a unit at San Antonio State Hospital into a 40-bed maximum security facility.

The funding is included in fiscal year 2023 but was appropriated for a two-year period and is anticipated to be expended in the 2024–25 biennium.

In addition to the amounts discussed previously, funding in 2022–23 biennial spending levels includes \$439.2 million in All Funds (\$237.8 million from the federal Coronavirus State Fiscal Recovery Fund and \$201.4 million in Other Funds) appropriated or authorized by the Eighty-seventh Legislature, 2021, primarily related to construction efforts at the new Texas Behavioral Health Center in Dallas.

Overall, onetime funding included in the 2022–23 biennium for new construction at the state hospitals and other state-funded inpatient mental health facilities accounts for a total decrease of \$2.3 billion in All Funds (\$1.9 billion in General Revenue Funds) during the 2024–25 biennium.

OTHER STATE-OWNED FACILITY SUPPORT SERVICES, REPAIRS, AND RENOVATIONS

HHSC provides program oversight, business and communications support, and other administrative services to assist with the operation of state-owned facilities, including the SSLCs and state mental health hospitals. HHSC also receives funding for repairs, renovations, and construction projects at the state-owned facilities. Appropriations for all other facility support services, repairs, and renovations total \$65.4 million in All Funds (\$54.7 million in General Revenue Funds and General Revenue–Dedicated Funds) and provide for 120.9 FTE positions in each fiscal year. This is a decrease of \$228.8 million in All Funds (\$70.8 million in General Revenue Funds) from 2022–23 biennial spending levels due to the following decreases:

- \$169.5 million in All Funds (\$10.9 million in General Revenue Funds) associated with funding provided by the Eighty-sixth Legislature, 2019, and Eighty-seventh Legislature, Regular Session, 2021, for deferred maintenance at the state-owned facilities, vehicle replacement, and demolition at Rusk State Hospital; and
- \$71.9 million in General Revenue Funds related to supplemental funding provided in fiscal year 2023 by the Eighty-eighth Legislature, Regular Session, 2023, for vehicle replacement, deferred maintenance, and emergency repairs at the state-owned facilities.

Decreases are offset partially by an increase of \$9.8 million in General Revenue Funds for Master Lease Purchase Program lease payments, \$2.0 million in General Revenue Funds to replace laundry machines and related equipment, and \$0.8 million in All Funds (\$0.2 million in

General Revenue Funds) to maintain certain higher fiscal year 2023 costs.

ELIGIBILITY DETERMINATION

HHSC is responsible for making eligibility determinations for Medicaid, CHIP, Healthy Texas Women (HTW), Supplemental Nutrition Assistance Program (SNAP), and TANF. The commission provides outreach and application assistance; develops and implements policy; and provides training, oversight, and quality assurance for eligibility and enrollment functions. HHSC also provides state oversight staff and administers the contract for the operation of the Lone Star electronic benefits transfer card system, which issues TANF and SNAP benefits to eligible recipients.

The Families First Coronavirus Response Act, passed in March 2020, required states to maintain Medicaid eligibility during the federally declared COVID-19 public health emergency (PHE), to receive an increased FMAP and additional federal funding. This period of continuous coverage increased Medicaid caseloads, resulting in increased workloads for eligibility staff. Continuous coverage ended on March 31, 2023, and HHSC is required to complete an eligibility redetermination for every client. In anticipation of this increased workload, HHSC began planning for the end of continuous coverage during the PHE, and the agency used funding during the 2022–23 biennium for retention, recruitment, and training of eligibility staff. Additional funding was provided for the 2024–25 biennium to assist in this unwinding process, including hiring temporary FTE positions.

Biennial appropriations for eligibility determination functions total \$1.4 billion in All Funds (\$520.3 million in General Revenue Funds) and provide for 7,862.0 FTE positions in each fiscal year. This funding level is an increase of \$202.5 million in All Funds, including an increase of \$52.8 million in General Revenue Funds, from 2022–23 biennial spending levels. The All Funds increase is due to the following changes:

- an increase of \$182.1 million in All Funds (\$90.7 million in General Revenue Funds) to maintain salary increases provided to eligibility staff during the 2022–23 biennium and a targeted salary increase for specialized staff;
- an increase of \$113.3 million in All Funds (\$37.9 million in General Revenue Funds) for onetime costs related to the unwinding of the COVID-19 PHE;

- an increase of \$56.4 million in All Funds for costs related to public assistance administrative support;
- an increase of \$6.0 million in General Revenue Funds to provide grants to organizations implementing nutrition incentive programs; and
- an increase of \$1.5 million in All Funds (\$0.8 million in General Revenue Funds) to support Area Information Centers that oversee and manage the 2-1-1 Texas Information and Referral Network (TIRN).

The All Funds increase is partially offset by a reduction of \$156.8 million in All Funds (\$82.6 million in General Revenue Funds) related to onetime COVID-19 pandemic response during the 2022–23 biennium.

In addition to eligibility determination functions for Medicaid, CHIP, HTW, SNAP, and TANF, HHSC also provides for functional eligibility determinations, development of individual service plans, and assistance to consumers in obtaining information and authorization for appropriate long-term-care services. Funding for long-term-care intake and access totals \$523.9 million in All Funds (\$240.7 million in General Revenue Funds), which provides for 1,275.8 FTE positions in fiscal year 2024 and 1,287.8 FTE positions in fiscal year 2025. This amount is a decrease of \$22.4 million in All Funds, offset by an \$11.6 million increase in General Revenue Funds, from 2022–23 biennial spending levels. Less favorable FMAPs result in a higher proportion of services being funded with General Revenue Funds, which results in an increase of \$12.0 million in General Revenue Funds, offset by an associated reduction of \$12.3 million in Federal Funds. Other decreases include a decrease of \$29.9 million in All Funds (\$5.4 million in General Revenue Funds) primarily associated with administrative changes and the loss of onetime federal COVID-19 pandemic-related funding. These decreases are partially offset by the following changes:

- an increase of \$4.7 million in All Funds (\$2.6 million in General Revenue Funds) for FTE positions to support eligibility determination and enrollment in Home and Community-based Services Medicaid waiver programs;
- an increase of \$1.7 million in All Funds (\$0.9 million in General Revenue Funds) for a targeted salary increase for contract oversight and specialized staff and regulatory inspectors; and

- an increase of \$1.6 million in General Revenue Funds to support the maintenance of critical infrastructure for local authority workforce capacity.

TEXAS INTEGRATED ELIGIBILITY REDESIGN SYSTEM

Texas utilizes the Texas Integrated Eligibility Redesign System (TIERS) to make eligibility determinations and enroll clients in Medicaid, CHIP, HTW, SNAP, and TANE. Appropriations to support TIERS total \$364.7 million in All Funds (\$129.2 million in General Revenue Funds), which supports 308.9 FTE positions in each fiscal year. This funding level is an increase of \$35.4 million in All Funds (\$7.9 million in General Revenue Funds) due to the following changes:

- an increase of \$22.9 million in All Funds (\$5.7 million in General Revenue Funds) to migrate TIERS to cloud services to improve availability, scalability, and security;
- an increase of \$6.1 million in All Funds (\$1.7 million in General Revenue Funds) to improve the TIERS learning environment and develop an eligibility workload management system to enhance onboarding tools for new eligibility advisors;
- an increase of \$2.6 million in Federal Funds due to projected changes in certain federal awards;
- an increase of \$2.1 million in All Funds (\$0.8 million in General Revenue Funds) to support technology needs for the 2-1-1 TIRN managed by Area Information Centers;
- an increase of \$0.8 million in All Funds (\$0.3 million in General Revenue Funds) for a targeted salary increase for specialized staff; and
- an increase of \$0.8 million in All Funds, including a decrease of \$0.6 million in General Revenue Funds, related to public assistance administrative support and the removal of onetime funding for the implementation of House Bill 133, Eighty-seventh Legislature, Regular Session, 2021.

ABSTINENCE EDUCATION

Through the Abstinence Education Program, HHSC contracts with local providers for abstinence-only sex education and, where appropriate, mentoring, counseling, and adult-supervised activities to decrease the teen pregnancy rate and the rate of sexually transmitted infections in youths

ages 10 to 19. Biennial appropriations total \$12.8 million in Federal Funds.

SERVICES FOR DEAF AND HARD OF HEARING

The agency provides services to persons who are deaf or hard of hearing through contracted services, education and training, interpreter certification, and specialized telecommunication assistance. Combined appropriations for all services total \$8.3 million in All Funds, including \$5.6 million in General Revenue Funds, and provide for 23.6 FTE positions in each fiscal year.

FACILITY, COMMUNITY-BASED, LONG-TERM-CARE, AND ACUTE-CARE REGULATION

Staff in the healthcare facility and community-based regulation program license and regulate nursing facilities, ICFs/IID, assisted living facilities, day activity and health services facilities, home and community support services agencies, Medicaid waiver program providers, and healthcare facilities. Staff conduct inspections, investigate complaints and provider-reported incidents, and monitor the performance of facilities found to be out of compliance with state and federal regulations. Additionally, the long-term-care quality outreach program conducts quality-monitoring activities in long-term-care facilities. Biennial appropriations total \$262.9 million in All Funds (\$117.9 million in General Revenue Funds and General Revenue–Dedicated Funds) and provide for 1,695.8 FTE positions in fiscal year 2024 and 1,697.8 FTE positions in fiscal year 2025.

Appropriations represent an increase of \$22.9 million in All Funds (\$31.3 million in General Revenue Funds) from 2022–23 biennial spending levels for the following items:

- an increase of \$26.3 million in All Funds (\$24.4 million in General Revenue Funds) to provide targeted salary increases for regulatory, contract oversight, and specialized staff;
- an increase of \$4.2 million in All Funds (\$4.1 million in General Revenue Funds) to address the backlog of investigations and inspections in long-term-care facilities;
- an increase of \$1.6 million in All Funds (\$1.4 million in General Revenue Funds) and 9.0 FTE positions in each fiscal year to align the Individualized Skills and Socialization program with new Home and Community-based Services provider types and rules;

- an increase of \$1.2 million in All Funds (\$0.6 million in General Revenue Funds) and 6.0 FTE positions in each fiscal year to implement the provisions of House Bill 1890, Eighty-eighth Legislature, Regular Session, 2023, relating to the operation of a hospital-at-home program by certain hospitals;
- an increase of \$0.7 million in All Funds (\$0.3 million in General Revenue Funds), and 4.0 FTE positions in fiscal year 2024, and 6.0 FTE positions in fiscal year 2025 to support new enrollments in Medicaid waiver programs;
- an increase of \$0.5 million in General Revenue Funds and 2.0 FTE positions in each fiscal year to create rules, policies, and procedures for the creation of a new rural emergency hospital license type; and
- a decrease of \$11.5 million in All Funds (\$9.3 million in Federal Funds and \$2.2 million in Other Funds) due to projected decreases in certain federal awards, collected revenue, and costs related to public assistance administrative support.

CHILD CARE REGULATION

The Child Care Regulation Program develops and enforces minimum standards for the delivery of child-care services throughout the state. Providers range in size from small family homes to large, 24-hour, residential care facilities. The program licenses, registers, or lists providers; conducts monitoring inspections; investigates complaints; takes action when violations are confirmed; and provides technical assistance and training to help providers improve services. The program also obtains abuse or neglect and criminal history information on individuals who come into contact with children in regulated settings and disseminates information about child-care services that are available throughout the state. Appropriations for Child Care Regulation total \$119.9 million in All Funds (\$85.7 million in General Revenue Funds) and provide for 825.1 FTE positions in each fiscal year. This amount represents an increase of \$5.0 million in All Funds (\$5.9 million in General Revenue Funds) from 2022–23 biennial spending levels for the following items:

- an increase of \$8.6 million in All Funds (\$8.6 million in General Revenue Funds) to provide a targeted salary increase for regulatory and specialized staff;
- an increase of \$1.0 million in General Revenue Funds to implement the provisions of Senate Bill

593, Eighty-eighth Legislature, Regular Session, 2023, which requires an independent assessment of HHSC's and DFPS' rules, minimum standards, and contract requirements that apply to certain residential child-care providers;

- an increase of \$1.0 million in General Revenue Funds to implement changes to child-care regulation as required by Senate Bill 225, Eighty-seventh Legislature, Regular Session, 2021;
- a decrease of \$4.7 million in General Revenue related to supplemental funding provided in fiscal year 2023 to implement psychiatric residential youth treatment facility voluntary quality standards as required by House Bill 3121, Eighty-seventh Session, Regular Session, 2021; and
- a decrease of \$0.9 million in Other Funds due to projected decreases in collected revenue.

CREDENTIALING AND CERTIFICATION OF HEALTHCARE OCCUPATIONS

The credentialing and certification program regulates certain long-term-care and behavioral health occupations. The primary activities include the nursing facility administrator licensing and enforcement function, operation of the nurse aide registry and the nurse aide training and competency evaluation program, operation of the employee misconduct registry, issuing and renewing permits for medication aides, conducting continuing education activities, and licensing chemical dependency counselors and sex offender treatment providers. Biennial appropriations total \$6.6 million in All Funds (\$5.5 million in General Revenue Funds) and provide for 43.7 FTE positions in each fiscal year. Appropriations represent an increase of \$2.1 million in All Funds (\$2.0 million in General Revenue Funds) from 2022–23 biennial spending levels primarily due to an increase of \$1.2 million in General Revenue Funds to address the backlog of investigations and inspections in long-term-care facilities, and an increase of \$0.8 million in All Funds (\$0.8 million in General Revenue Funds) to provide a targeted salary increase for regulatory staff. Other increases include a combined increase of \$0.1 million in All Funds (\$0.1 million in General Revenue Funds) and 0.5 FTE positions in each fiscal year to monitor compliance with new Home and Community-based Services provider type and rules, and due to projected changes in certain federal awards.

Applications and renewals for licenses for certain occupations and facilities regulated by HHSC can be processed through the Texas.gov website. Biennial appropriations for HHSC's Texas.gov subscription total \$0.1 million in All Funds (\$0.1 million in General Revenue Funds and General Revenue–Dedicated Funds).

DISABILITY DETERMINATION SERVICES

The Disability Determination Services (DDS) program makes medical determinations of disability for Texans who apply for disability benefits through Social Security Disability Insurance or Supplemental Security Income. DDS is funded completely by the U.S. Social Security Administration. Biennial appropriations total \$209.6 million in Federal Funds and provide for 830.2 FTE positions in each fiscal year. This amount represents an increase of \$0.4 million in Federal Funds to align with the projected number of disability determinations HHSC will perform during the 2024–25 biennium.

TEXAS CIVIL COMMITMENT OFFICE

The Texas Civil Commitment Office (TCCO) is an independent agency responsible for the supervision and treatment of civilly committed sexually violent offenders. It is attached administratively to HHSC. Biennial funding for TCCO totals \$47.6 million in All Funds (\$47.4 million in General Revenue Funds) and provides for 41.0 FTE positions in each fiscal year. This amount is an increase of \$6.7 million in All Funds (\$6.7 million in General Revenue Funds) from 2022–23 biennial spending levels. General Revenue Fund increases include \$3.2 million to support agency-projected caseload growth for the 2024–25 biennium; \$2.2 million to support costs for certain healthcare services; \$1.5 million to provide for a per diem rate increase; and \$0.5 million and 4.0 FTE positions in each fiscal year for additional case managers. These increases are partially offset by a decrease of \$0.7 million in General Revenue Funds provided for increased healthcare services in fiscal year 2023.

TEXAS PHARMACEUTICAL INITIATIVE

The Eighty-eighth Legislature, 2023, provided funding to implement the provisions of House Bill 4990, Regular Session, 2023, which established the Texas Pharmaceutical Initiative. The initiative is attached administratively to HHSC and is intended to provide cost-effective access to prescription drugs and other medical supplies for certain state employees, dependents, retirees, and clients of certain state programs. Biennial funding totals \$150.0 million in

General Revenue Funds and provides for 25.6 FTE positions in each fiscal year.

OTHER PROGRAMS

The Eighty-eighth Legislature, 2023, provided funding for a variety of other grant programs and client outreach and coordination services, including the Office of Disability Prevention for Children, the Office for e-Health, the Healthy Marriage Program, Indigent Health Care Services, and the Rural Texas Pediatric Tele-Connectivity Resource Program. Appropriations for these programs total \$72.9 million in All Funds (\$70.1 million in General Revenue Funds and General Revenue–Dedicated Funds). Funding for the 2024–25 biennium is an increase of \$64.1 million in All Funds (\$64.0 million in General Revenue Funds) from 2022–23 biennial spending levels, primarily due to the following changes:

- an increase of \$50.0 million in General Revenue Funds to establish a Rural Hospital Grant Program to provide rural hospital grants for financial stabilization, maternal care operation, and alternative payment model readiness;
- an increase of \$10.0 million in General Revenue Funds for the Texas Colorectal Cancer Initiative to provide treatment for uninsured and underinsured Texas residents;
- an increase of \$5.0 million in General Revenue Funds for a community services grant to a nonprofit organization in the Houston area to provide crisis pregnancy services, foster care outreach, and community services; and
- a decrease of \$1.0 million in General Revenue Funds related to supplemental funding provided in fiscal year 2023 to provide a grant to an organization that provides low-cost preventative and primary healthcare in the Houston area.

ADMINISTRATION

MEDICAID AND CHIP CONTRACTS AND ADMINISTRATION

HHSC performs administrative functions for Medicaid and CHIP, including maintaining the contract for a claims administrator, supporting the Medicaid Management Information System, and contracting with an enrollment broker. Biennial funding for Medicaid and CHIP-related contracts and administration totals \$1.5 billion in All

Funds (\$464.6 million in General Revenue Funds), which supports 1,024.9 FTE positions in fiscal year 2024 and 1,026.9 FTE positions in fiscal year 2025. This amount is a decrease of \$109.2 million in All Funds (\$8.8 million in General Revenue Funds) from 2022–23 biennial spending levels, primarily due to decreases of \$54.9 million in All Funds (\$6.2 million in General Revenue Funds) for costs related to public assistance administrative support, \$39.3 million in All Funds (\$18.6 million in General Revenue Funds) in onetime funding primarily related to the COVID-19 pandemic, and \$48.3 million in All Funds (\$28.2 million in Federal Funds and \$20.1 million in Other Funds) for projected changes in certain revenue collections or federal grants. These decreases are partially offset by the following increases:

- \$15.0 million in All Funds (\$3.8 million in General Revenue Funds) for the conversion to a performance-driven payment model for nursing facilities;
- \$5.0 million in General Revenue Funds to study and report on charity care and hospital transparency;
- \$5.0 million in All Funds (\$3.9 million in General Revenue Funds) and 6.0 FTE positions in each fiscal year to implement the provisions of House Bill 1575, Eighty-eighth Legislature, Regular Session, 2023, which prescribes a screening process for pregnant women eligible for certain state services;
- \$4.4 million in All Funds (\$2.0 million in General Revenue Funds) for salary increase for contract oversight and specialized staff;
- \$2.0 million in All Funds (\$0.5 million in General Revenue Funds) for ongoing costs related to the Medicaid and CHIP Provider Enrollment and Credentialing Portal;
- \$1.8 million in All Funds (\$0.9 million in General Revenue Funds) to review appeals of federally required Office of the Inspector General utilization reviews; and
- \$0.1 million in All Funds (\$0.1 million in General Revenue Funds) for additional staff to support the Medicaid waiver programs.

ADMINISTRATION FOR CERTAIN HEALTH PROGRAMS

Primary Health and Specialty Care Administration provides administrative support to a number of other non-Medicaid

client services programs, including the Women’s Health Programs, Early Childhood Intervention Services, and Other Specialty Care Programs. Biennial funding totals \$54.9 million in All Funds (\$39.5 million in General Revenue Funds) and provides for 171.4 FTE positions in each fiscal year.

Community Behavioral Health Administration oversees the implementation of the state’s non-Medicaid Community Behavioral Health and Substance Abuse Prevention, Intervention, and Treatment Services. Funding for administration includes \$122.1 million in All Funds (\$68.0 million in General Revenue Funds) and provides for 565.2 FTE positions in each fiscal year.

At-risk prevention program support provides contract management and support services for Family Support Services. Funding in fiscal year 2025 totals \$10.8 million in All Funds (\$7.9 million in General Revenue Funds) and provides for 73.7 FTE positions. Funding for this purpose is transferred from DFPS to HHSC pursuant to Senate Bill 24, Eighty-eighth Legislature, Regular Session, 2023.

SYSTEM OVERSIGHT AND PROGRAM SUPPORT

HHSC also performs administrative functions for all other internal programs and performs certain administrative functions for the Department of State Health Services and DFPS. HHSC uses a federally approved cost-allocation plan to determine the other agencies’ shares of administrative costs. HHSC then bills the agencies for their allocated costs, and payments from the agencies are received as Interagency Contracts.

Enterprise Oversight and Policy consists of services such as procurement, human resources, and legal. Funding for Enterprise Oversight and Policy totals \$303.0 million in All Funds (\$104.4 million in General Revenue Funds) and provides for 1,450.9 FTE positions in each fiscal year. This is an increase of \$34.3 million in All Funds (\$19.0 million in General Revenue Funds) primarily due to:

- an increase of \$15.4 million in All Funds (\$10.9 million in General Revenue Funds) to provide a targeted salary increase for specialized staff;
- an increase of \$9.0 million in All Funds (\$6.3 million in General Revenue Funds) to develop a new State of Texas Automated Information and Reporting System (STAIRS) to be used by providers for submission of cost and accountability reports;

- an increase of \$4.3 million in All Funds (decrease of \$2.8 million in General Revenue Funds) due to projected increases in certain federal awards, costs related to public assistance administrative support, and method-of-finance adjustments for system support services costs;
- an increase of \$2.9 million in All Funds (\$2.3 million in General Revenue Funds) and 12.0 FTE positions in each fiscal year for onetime costs related to implementation of Senate Bill 24, Eighty-eighth Legislature, Regular Session, 2023, relating to the transfer of certain authority and duties from DFPS to HHSC;
- an increase of \$1.6 million in All Funds (\$1.3 million in General Revenue Funds) and 4.0 FTE positions in each fiscal year to update and improve the System of Contract Operation and Reporting (SCOR) application; and
- an increase of \$1.0 million in General Revenue Funds to administer the new Rural Hospital Grant Program.

Information Technology Oversight and Program Support includes project management, application development and support, network management, help desk services, Internet security, and information resource procurement review. Funding for Information Technology Oversight and Program Support totals \$629.7 million in All Funds (\$321.1 million in General Revenue Funds and General Revenue–Dedicated Funds) and provides for 633.9 FTE positions in each fiscal year. This is an increase of \$16.7 million in All Funds (\$2.8 million in General Revenue Funds) from 2022–23 biennial spending levels. The majority of the increase is attributed to the following changes:

- \$44.8 million in All Funds (\$32.9 million in General Revenue Funds) for data center services;
- \$21.0 million in All Funds (\$17.4 million in General Revenue Funds) to provide a cloud data analytics platform for the Performance Management and Analytics System;
- \$14.2 million in All Funds (\$9.9 million in General Revenue Funds) for information technology (IT) projects related to cybersecurity compliance and operations monitoring;
- \$10.9 million in All Funds (\$9.1 million in General Revenue Funds) and 6.8 FTE positions in each fiscal

year for onetime costs related to implementation of Senate Bill 24, Eighty-eighth Legislature, Regular Session, 2023, relating to the transfer of certain authority and duties from DFPS to HHSC;

- \$10.9 million in All Funds (\$6.4 million in General Revenue Funds) to support IT projects for the Office of Inspector General (OIG), including replacement of the Automated System for Office of Inspector General and procurement of a system to automate beneficiary evidence gathering for beneficiary investigators;
- \$7.0 million in All Funds (\$5.2 million in General Revenue Funds) to support IT projects related to improvement of the SCOR and STAIRS applications;
- \$5.1 million in All Funds (\$3.6 million in General Revenue Funds) for a hosted faxing solution for multiple health and human services programs; and
- \$2.1 million in All Funds (\$1.8 million in General Revenue Funds) to provide a targeted salary increase for specialized staff.

These increases are offset partially by the following decreases:

- \$60.2 million in General Revenue Funds related to supplemental funding provided in fiscal year 2023 for upgrades to the state hospital electronic health record system and to provide a grants management system for Intellectual and Developmental Disability and Behavioral Health Services grants; and
- \$39.0 million in All Funds (\$23.2 million in General Revenue Funds) due to projected decreases in certain federal awards, costs related to public assistance administrative support, and method-of-finance and other adjustments for system support services costs.

Central Program Support provides administrative support for other internal administrative functions, such as accounting, budget, contract and grant administration, internal audit, external relations, and legal services. Appropriations for Central Program Support total \$95.7 million in All Funds (\$47.2 million in General Revenue Funds and General Revenue–Dedicated Funds) and provide for 580.4 FTE positions in fiscal year 2024 and 581.1 FTE positions in fiscal year 2025. This amount is an increase of \$13.6 million in All Funds (\$9.0 million in General Revenue Funds) from 2022–23 biennial spending levels, primarily related to the following items:

- an increase of \$8.2 million in All Funds (\$5.6 million in General Revenue Funds) to provide a targeted salary increase for specialized staff;
- an increase of \$4.4 million in All Funds (\$3.5 million in General Revenue Funds) and 21.0 FTE positions in each fiscal year for onetime costs related to implementation of Senate Bill 24, Eighty-eighth Legislature, Regular Session, 2023, relating to the transfer of certain authority and duties from DFPS to HHSC;
- an increase of \$0.7 million in All Funds (\$0.5 million in General Revenue Funds) and 4.1 FTE positions in fiscal year 2024 and 4.8 FTE positions in fiscal year 2025 to support administration of programs that are newly funded or received additional funding from the Eighty-eighth Legislature; and
- a combined increase of \$0.3 million in All Funds (decrease of \$0.6 million in General Revenue Funds) due to projected decreases in certain federal awards, costs related to public assistance administrative support, and method-of-finance adjustments for system support services costs, and other onetime costs, including supplemental funding provided in fiscal year 2023 for upgrades to the state hospital electronic health record system.

Additionally, Regional Program Support provides administrative support to regional offices. Appropriations for Regional Program Support total \$224.1 million in All Funds (\$19.8 million in General Revenue Funds) and provide for 369.9 FTE positions in each fiscal year. This amount is an increase of \$23.9 million in All Funds (\$10.4 million in General Revenue Funds) from 2022–23 biennial spending levels, primarily due to the following changes:

- an increase of \$24.6 million in All Funds (\$20.0 million in General Revenue Funds) to address cost increases and inflation affecting agency leases at public facing offices;
- an increase of \$3.8 million in All Funds (\$3.7 million in General Revenue Funds) for facility security and maintenance at certain leased facilities;
- an increase of \$1.2 million in All Funds (\$1.0 million in General Revenue Funds) to provide a targeted salary increase for specialized staff;

- an increase of \$2.8 million in Federal Funds due to projected increases in certain federal awards; and
- a decrease of \$8.4 million in All Funds (\$14.4 million in General Revenue Funds) due to projected decreases in costs related to public assistance administrative support and method-of-finance adjustments for system support services costs.

OFFICE OF INSPECTOR GENERAL

OIG is responsible for the prevention, detection, audit, inspection, review, and investigation of fraud, waste, and abuse in the provision of health and human services. OIG is charged with protecting the integrity of the Texas Medicaid program, CHIP, SNAP, TANF, WIC, and other programs through investigation of allegations of provider and recipient fraud, waste, and abuse; audit of contracts, providers, and administrative services and functions; and inspection of HHS programs, systems, and functions. OIG serves as an independent office within the HHS system, and the Inspector General is appointed by the Governor. Biennial funding for OIG totals \$123.7 million in All Funds (\$53.0 million in General Revenue Funds) and provides for 628.9 FTE positions in each fiscal year. This amount is an increase of \$14.7 million in All Funds, including \$7.7 million in General Revenue Funds, from 2022–23 biennial spending levels primarily related to the following changes:

- an increase of \$2.9 million in All Funds (\$2.2 million in General Revenue Funds) to procure a case management system for the Special Investigations Unit;
- an increase of \$2.9 million in All Funds (\$1.6 million in General Revenue Funds) to provide a targeted salary increase for OIG staff;
- an increase of \$2.7 million in All Funds (\$2.1 million in General Revenue Funds) to replace the Waste, Abuse, and Fraud Electronic Reporting System;
- an increase of \$2.1 million in All Funds (\$1.1 million in General Revenue Funds) and 10.0 FTE positions in each fiscal year to provide additional staff and resources for data analytics;
- an increase of \$2.0 million in All Funds (\$1.1 million in General Revenue Funds) and 12.0 FTE positions in each fiscal year to provide additional staff to perform investigations and provider enrollment integrity screenings;

- an increase of \$1.9 million in All Funds (\$1.2 million in General Revenue Funds) and 9.0 FTE positions in each fiscal year to conduct performance audits of local behavioral health authorities, as required by Senate Bill 26, Eighty-eighth Legislature, Regular Session, 2023;
- an increase of \$0.8 million in All Funds (\$0.5 million in General Revenue Funds) and 4.0 FTE positions in each fiscal year to create a team to audit high-risk and complex contracts; and
- a decrease of \$0.6 million in All Funds (\$2.2 million in General Revenue Funds) due to projected decreases in certain federal awards, costs related to public assistance administrative support, and method-of-finance adjustments for system support services costs.

SIGNIFICANT LEGISLATION

House Bill 12 – Extending Medicaid postpartum health coverage. The legislation extends Medicaid postpartum health coverage from two months to 12 months, beginning on the last day of a woman’s pregnancy. The projected increase in entitlement expenditures for Medicaid client services is estimated to be offset partially by savings associated with averted births and reduced client services costs in other programs, including Healthy Texas Women and Healthy Texas Women Plus.

House Bill 25 – Wholesale Prescription Drug Importation Program. The legislation establishes the Wholesale Prescription Drug Importation Program, which is designed to provide lower-cost prescription drugs available outside of the U.S. to consumers in Texas. House Bill 25 requires HHSC to contract with prescription drug wholesalers and Canadian prescription drug providers to import prescription drugs. The legislation authorizes HHSC to impose a fee on each prescription drug sold under the program or establish a funding method to administer the program.

House Bill 728 – Statewide interagency aging services coordinating council. The council established by the legislation includes membership from 11 state agencies and institutions of higher education and is required to develop and submit a five-year statewide interagency aging services strategic plan.

House Bill 1009 – Reviewing criminal history record information for certain residential caregivers. The

legislation requires Medicaid providers and certain licensed facilities to review criminal history record information for certain residential caregivers providing services to individuals with an intellectual or developmental disability to prevent the employment of individuals convicted of certain offenses. House Bill 1009 also requires providers and facilities to suspend the employment of an individual who has engaged in reportable conduct.

House Bill 3858 - Peace officer wellness programs and wellness fund. The legislation establishes an account in the General Revenue Fund to include any money appropriated by the Legislature, gifts and grants, and earnings of the fund to implement the program and provide grants to local law enforcement agencies.

House Bill 4696 – Transferring responsibility for certain investigations from DFPS to HHSC. The legislation transfers from DFPS to HHSC the responsibility for conducting investigations of abuse, neglect, or exploitation regarding certain children receiving services or residents of certain facilities.

House Bill 4990 – Texas Pharmaceutical Initiative. The legislation establishes the Texas Pharmaceutical Initiative to provide access to prescription drugs and other medical supplies. The initiative is governed by a board and administratively attached to HHSC. The legislation also establishes the Texas Pharmaceutical Initiative Advisory Council to advise the board. HHSC received \$150.0 million in General Revenue Funds for the 2024–25 biennium to implement the provisions of the legislation.

Senate Bill 24 – Consolidating certain family support services within HHSC. The legislation renames Prevention and Early Intervention (PEI) Services to Family Support Services and requires the transfer of legacy PEI services and other resources from DFPS to HHSC in fiscal year 2025. HHSC received \$18.3 million in All Funds (\$15.0 million in General Revenue Funds) in onetime funding for the 2024–25 biennium to implement the provisions of the legislation. Senate Bill 24 also establishes the Thriving Texas Families Program as a continuation of the Alternatives to Abortion program to facilitate the operation of a statewide support network that provides community outreach, consultation, and care coordination for women with an unexpected pregnancy. HHSC received \$1.4 million in General Revenue Funds in onetime funding and 4.0 FTE positions in each fiscal year of the 2024–25 biennium to implement the provisions of the legislation. Other transfers from DFPS to

HHSC required by the legislation, funding for Family Support Services, and funding for the Thriving Texas Families Program are discussed previously in this section.

Senate Bill 26 – Grant program to support initiatives for the early identification and treatment of mental health issues. The legislation establishes a matching grant program to support community-based initiatives that promote early identification, intervention, and treatment of mental health issues for children and families. Senate Bill 26 also requires the OIG to conduct performance audits of each local behavioral health authority. HHSC received \$14.6 million in All Funds (\$13.5 million in General Revenue Funds) for the 2024–25 biennium to implement the provisions of the legislation, and \$30.0 million in General Revenue Funds for the innovation grant program.

Senate Bill 30 – Supplemental appropriations for the 2022–23 biennium. This legislation delivered supplemental funding to complete Medicaid expenditures for fiscal year 2023. Senate Bill 30 increased appropriation authority of HHSC in fiscal year 2023 by \$2.2 billion in All Funds, including \$2.2 billion in General Revenue Funds for the following projects:

- \$573.0 million in General Revenue Funds to construct a 250-bed replacement for the Terrell State Hospital;
- \$452.0 million in General Revenue Funds to construct a 200-bed replacement for the North Texas State Hospital – Wichita Falls;
- \$175.0 million in General Revenue Funds to establish a onetime grant program to construct or expand mental health inpatient facilities, with specific designations for Rio Grande Valley region, Montgomery County, and Victoria County;
- \$159.0 million in General Revenue Funds to construct a 75-bed state hospital in Amarillo;
- \$121.0 million in General Revenue Funds to construct a 50-bed maximum security facility on the existing SSLC campus in Lubbock
- \$120.0 million in General Revenue Funds to construct a 50-bed maximum security facility in the Rio Grande Valley;
- \$101.9 million in General Revenue Funds to complete construction of the 200-bed adult

inpatient unit at the new Texas Behavioral Health Center in Dallas;

- \$100.0 million in General Revenue Funds to establish a onetime community mental health program for county-based collaboratives to support jail diversion and step-down facilities, permanent supportive housing, crisis stabilization units, and crisis respite units;
- \$64.0 million in General Revenue Funds to construct a 72-bed facility at the Baptist Hospital in Beaumont;
- \$50.0 million in General Revenue Funds for deferred maintenance at state facilities;
- \$50.0 million in General Revenue Funds for pre-planning, planning, land acquisition, and initial construction of a 50-bed El Paso state hospital;
- \$45.0 million in General Revenue Funds to construct 30 additional beds at the Sunrise Canyon Facility in Lubbock;
- \$38.9 million in All Funds (\$38.9 million in General Revenue Funds) to upgrade the state hospital Electronic Health Record System;
- \$33.6 million in General Revenue Funds to construct a behavioral health campus in Uvalde;
- \$25.0 million in General Revenue Funds for pregnancy support as an alternative to abortion;
- \$21.4 million in General Revenue Funds for a grants management system for improving mental health outcomes;
- \$15.9 million in General Revenue Funds to establish a onetime children’s hospital construction grant program;
- \$15.0 million in General Revenue Funds to rehabilitate a unit at the San Antonio State Hospital campus into a 40-bed maximum security facility;
- \$14.0 million in General Revenue Funds for emergency facility repairs for state facilities;
- \$7.9 million in General Revenue Funds for the purchase of motor vehicles;
- \$5.0 million in General Revenue Funds for supplemental client services in the Home and

Community-based Services – Adult Mental Health program;

- \$4.7 million in General Revenue Funds to enhance the Child Care Licensing Automation Support System to implement psychiatric residential youth treatment facility voluntary quality standards; and
- \$1.0 million in General Revenue Funds to award a grant to an organization that provides healthcare services to the indigent community in the Houston area.

Senate Bill 490 – Itemized billing from health care providers. The legislation requires healthcare providers licensed in the state, including hospitals, to provide an itemized bill that includes a plain language description of each healthcare service or supply provided to the patient.

Senate Bill 1677 – Grant programs providing mental health services to certain individuals. The legislation directs HHSC to provide grants, in collaboration with local mental health authorities primarily in rural areas, to contract with nonprofit organizations or governmental entities to establish or expand behavioral health centers or jail diversion centers. HHSC received \$3.0 million in General Revenue Funds for the 2024–25 biennium to implement the provisions of the legislation.

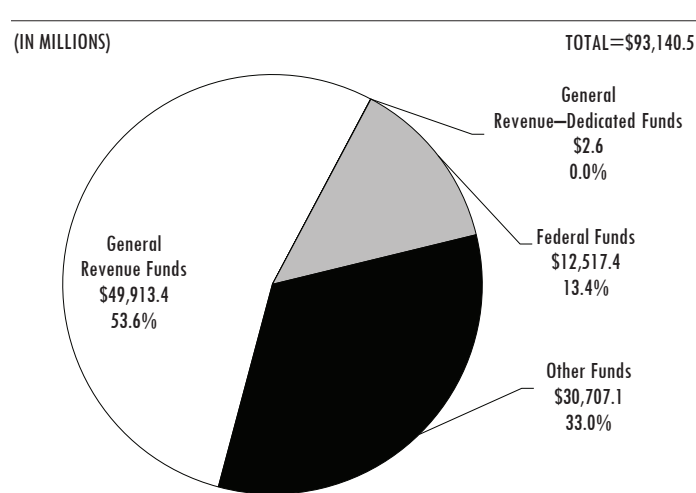
6. AGENCIES OF EDUCATION PUBLIC EDUCATION

Public education is the largest function of Texas state government, receiving 34.6 percent of all General Revenue Funds appropriations. The largest public education agency, the Texas Education Agency (TEA), is responsible for supporting and distributing funding to school districts and charter schools throughout the state. The public education system serves approximately 5.4 million students enrolled in 8,094 campuses, located in 1,022 districts and 872 charter school campuses. The public education function also includes the Texas School for the Blind, Visually Impaired and Texas School for the Deaf, and the Texas Permanent School Fund Corporation. Although the Teacher Retirement System of Texas (TRS) and the Optional Retirement Program include higher education functions, they are considered public education entities for the purpose of the General Appropriations Act (GAA).

FIGURE 145
ARTICLE III – AGENCIES OF EDUCATION – PUBLIC EDUCATION, BY METHOD OF FINANCE

METHOD OF FINANCE	(IN MILLIONS)			
	ESTIMATED/BUDGETED 2022–23	APPROPRIATED 2024–25	BIENNIAL CHANGE	PERCENTAGE CHANGE
General Revenue Funds	\$41,655.1	\$49,913.4	\$8,258.4	19.8%
General Revenue–Dedicated Funds	\$0.0	\$2.6	\$2.6	N/A
Federal Funds	\$13,461.1	\$12,517.4	(\$943.7)	(7.0%)
Other Funds	\$16,911.5	\$30,707.1	\$13,795.6	81.6%
Total, All Methods of Finance	\$72,027.7	\$93,140.5	\$21,112.9	29.3%

SHARE OF FUNDING BY METHOD OF FINANCE (IN MILLIONS)



SIGNIFICANT DEVELOPMENTS

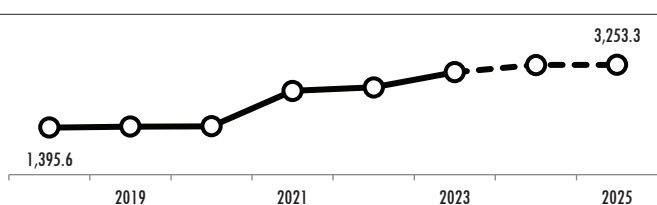
Foundation School Program (FSP) appropriations total \$65.4 billion in All Funds, an increase of \$17.8 billion. Appropriations include **\$17.6 billion** in additional state aid **related to property tax relief**, **\$2.4 billion for increases to the golden penny yield**, **\$3.2 billion for student enrollment growth**, and **\$4.0 billion** appropriated to TEA in the GAA, Article IX, Sections 18.78(d), (e), and (f), contingent on the enactment of legislation by the Eighty-eighth Legislature.

Non-FSP programs and administration appropriations for the 2024–25 biennium total \$2.7 billion in General Revenue Funds, a biennial decrease of \$1.4 billion (35.0 percent), primarily attributable to additional school safety grant funding added in fiscal year 2023 pursuant to Senate Bill 30, Eighty-eighth Legislature, Regular Session, 2023.

TRS appropriations include \$5.0 billion in General Revenue Funds pursuant to Senate Bill 10 and House Joint Resolution 2, Eighty-eighth Legislature, Regular Session, 2023, which provide a **onetime supplemental payment and a cost-of-living adjustment for eligible retirees**.

Appropriations for the 2024–25 biennium provide General Revenue Funds increases of **\$500.0 million for curriculum** and **\$300.0 million for school safety** to implement House Bill 1605 and House Bill 3, Eighty-eighth Legislature, Regular Session, 2023. Additionally, school districts receive **\$1.1 billion for school safety grants** for fiscal year 2023 pursuant to Senate Bill 30.

FULL-TIME-EQUIVALENT POSITIONS



NOTES:

- (1) Excludes Interagency Contracts.
- (2) Full-time-equivalent (FTE) positions show actual positions for fiscal years 2018 to 2022, budgeted positions for fiscal year 2023, and appropriated positions for fiscal years 2024 and 2025.
- (3) Data shown include Teacher Retirement System of Texas funding and FTE positions for public education purposes.
- (4) Included in amounts shown is \$4,048.8 million appropriated to TEA and TRS in the Eighty-eighth Legislature, GAA, 2024–25 Biennium, Article IX, Sections 18.78(d), (e), and (f), contingent on the enactment of legislation by the Eighty-eighth Legislature.

SOURCES: Legislative Budget Board; State Auditor's Office.

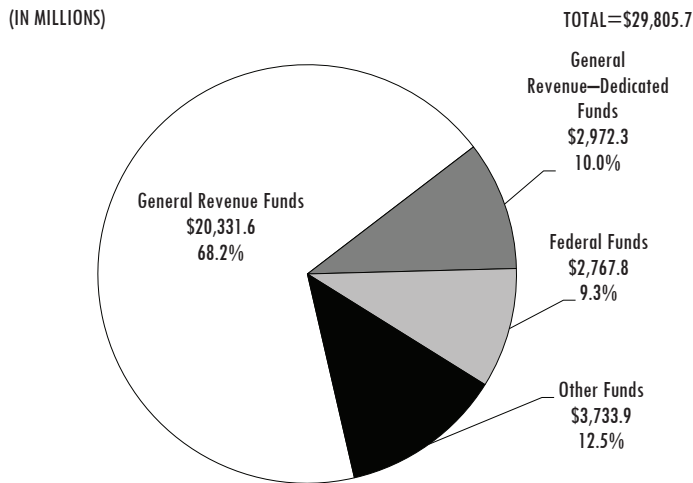
HIGHER EDUCATION

Texas’ system of public higher education encompasses 37 general academic institutions; three lower-division institutions; 50 community and junior college districts; one technical college system; and 14 health-related institutions. Higher education also includes the Texas Higher Education Coordinating Board, whose mission is to ensure an effective system of higher education; eight Texas A&M University System agencies that provide research and training support; two constitutionally authorized funds to support new construction and maintenance programs; several statutorily authorized research funds; and funds to assist public institutions of higher education offset the waived tuition and fee revenue from the Hazlewood Legacy Program.

FIGURE 146
ARTICLE III – AGENCIES OF EDUCATION – HIGHER EDUCATION, BY METHOD OF FINANCE

METHOD OF FINANCE	(IN MILLIONS)			
	ESTIMATED/BUDGETED 2022–23	APPROPRIATED 2024–25	BIENNIAL CHANGE	PERCENTAGE CHANGE
General Revenue Funds	\$18,297.4	\$20,331.6	\$2,034.2	11.1%
General Revenue–Dedicated Funds	\$2,888.2	\$2,972.3	\$84.1	2.9%
Federal Funds	\$7,347.6	\$2,767.8	(\$4,579.8)	(62.3%)
Other Funds	\$3,320.2	\$3,733.9	\$413.7	12.5%
Total, All Methods of Finance	\$31,853.5	\$29,805.7	(\$2,047.8)	(6.4%)

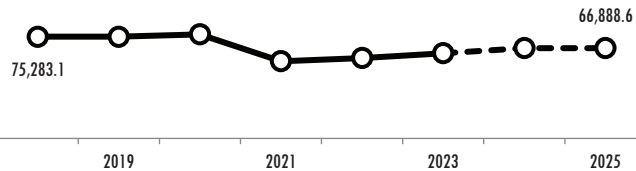
SHARE OF FUNDING BY METHOD OF FINANCE (IN MILLIONS)



SIGNIFICANT DEVELOPMENTS

- Higher education formulas** are supported by **\$9.6 billion** in General Revenue Funds, an increase of **\$993.8 million** from the 2022–23 biennium.
- Appropriations include **\$1.1 billion** for **nonformula support** items at all institutions of higher education, a decrease of **\$69.6 million** from the 2022–23 biennium, not including supplemental funding for fiscal year 2023.
- Higher Education Coordinating Board** appropriations for the **TEXAS Grants program** total **\$950.3 million**.

FULL-TIME-EQUIVALENT POSITIONS



NOTES:

- (1) Excludes Interagency Contracts.
- (2) Full-time-equivalent (FTE) positions show actual positions for fiscal years 2018 to 2022, budgeted positions for fiscal year 2023, and appropriated positions for fiscal years 2024 and 2025.
- (3) Data shown includes Optional Retirement Program funding and Teacher Retirement System of Texas funding and FTE positions used for higher education purposes.

SOURCES: Legislative Budget Board; State Auditor’s Office.

FIGURE 147
ARTICLE III – EDUCATION APPROPRIATIONS BY AGENCY OR GROUP, ALL FUNDS

(IN MILLIONS)	ESTIMATED/BUDGETED 2022–23	APPROPRIATED 2024–25	BIENNIAL CHANGE	PERCENTAGE CHANGE
Public Education				
Texas Education Agency	\$64,811.5	\$80,612.1	\$15,800.6	24.4%
Texas Permanent School Fund Corporation	\$45.5	\$98.5	\$53.0	116.5%
Texas School for the Blind and Visually Impaired	\$62.5	\$59.5	(\$3.0)	(4.8%)
Texas School for the Deaf	\$127.4	\$74.8	(\$52.6)	(41.3%)
Subtotal, Public Education (1)	\$65,047.0	\$80,844.9	\$15,797.9	24.3%
Public Higher Education				
General Academic Institutions	\$8,982.5	\$9,047.3	\$64.8	0.7%
Health-related Institutions	\$3,773.9	\$3,870.2	\$96.2	2.5%
Texas A&M Service Agencies	\$8,103.0	\$3,716.9	(\$4,386.1)	(54.1%)
Higher Education Coordinating Board	\$2,402.6	\$2,836.4	\$433.8	18.1%
Higher Education Funds	\$3,498.2	\$4,294.8	\$796.6	22.8%
Article III, Special Provisions	\$0.0	\$0.0	\$0.0	N/A
Two-year Institutions				
Public Community/Junior Colleges	\$1,880.5	\$2,312.8	\$432.3	23.0%
Lamar State Colleges	\$135.3	\$145.0	\$9.7	7.2%
Texas State Technical Colleges	\$228.5	\$298.9	\$70.4	30.8%
Subtotal, Two-year Institutions	\$2,244.3	\$2,756.7	\$512.4	22.8%
Subtotal, Public Higher Education (1)	\$29,004.6	\$26,522.2	(\$2,482.4)	(8.6%)
Employee Benefits				
Teacher Retirement System of Texas	\$7,756.5	\$12,891.7	\$5,135.2	66.2%
Optional Retirement Program	\$295.0	\$295.0	\$0.0	0.0%
Higher Education Employees Group Insurance Contributions	\$1,428.6	\$1,595.4	\$166.7	11.7%
Retirement and Group Insurance	\$122.0	\$141.6	\$19.6	16.1%
Social Security and Benefit Replacement Pay	\$704.7	\$785.8	\$81.1	11.5%
Subtotal, Employee Benefits	\$10,306.7	\$15,623.3	\$5,316.6	51.6%
Bond Debt Service Payments	\$13.0	\$9.4	(\$3.6)	(27.8%)
Lease Payments	\$0.0	\$0.0	\$0.0	N/A
Subtotal, Debt Service	\$13.0	\$9.4	(\$3.6)	(27.8%)
Less Interagency Contracts	\$490.1	\$139.6	(\$350.5)	(71.5%)
Total, All Functions	\$103,881.2	\$122,946.2	\$19,065.1	18.4%

NOTES:

- (1) Subtotal does not include employee benefits or debt service and include Interagency Contracts.
- (2) Biennial change and percentage change are calculated on actual amounts before rounding. Therefore, figure totals may not sum due to rounding.
- (3) Included in amounts shown is \$4,048.8 million appropriated to the Texas Education Agency and Teacher Retirement System of Texas in the Eighty-eighth Legislature, General Appropriations Act, 2024–25 Biennium, Article IX, Sections 18.78(d), (e), and (f), contingent on the enactment of legislation by the Eighty-eighth Legislature.

SOURCE: Legislative Budget Board.

MAJOR FUNDING

The Eighty-eighth Legislature, Regular and Called Sessions, 2023, appropriated \$122.9 billion in All Funds for public and higher education for the 2024–25 biennium. This amount is an increase of \$19.1 billion, or 18.4 percent, from the 2022–23 biennial spending level.

Senate Bill 30, Eighty-eighth Legislature, Regular Session, 2023, also increased funding for the 2022–23 biennium. For public education, significant additional 2022–23 biennial funding includes \$1.1 billion in General Revenue Funds provided for school safety grants to school districts.

PUBLIC EDUCATION

Agencies of public education, excluding the Teacher Retirement System of Texas (TRS) and Optional Retirement Program, were appropriated \$80.8 billion in All Funds for the 2024–25 biennium. This amount is an increase of \$15.8 billion, or 24.3 percent, from the 2022–23 biennial spending level. Included in these amounts are \$65.4 billion in All Funds for state aid to school districts and charter schools through the Foundation School Program (FSP). Funding for the FSP fully funds current law and includes an estimated \$3.2 billion for student enrollment growth, \$17.6 billion in additional state aid related to property tax compression pursuant to the Texas Education Code, and \$4.0 billion appropriated to the Texas Education Agency and TRS in the Eighty-eighth Legislature, General Appropriations Act, 2024–25 Biennium, Article IX, Section 18.78(d), (e), and (f), contingent on the enactment of legislation by the Eighty-eighth Legislature.

The Legislature appropriated an additional \$5.0 billion in General Revenue Funds to provide a onetime additional annuity payment and an ongoing cost-of-living adjustment to certain TRS retirees pursuant to Senate Bill 10 and House Joint Resolution 2, Eighty-eighth Legislature, Regular Session, 2023. TRS funding includes an increase in the state contribution rate to the retirement fund from 8.0 percent in fiscal year 2023 to 8.25 percent for the 2024–25 biennium pursuant to Senate Bill 12, Eighty-sixth Legislature, 2019.

HIGHER EDUCATION

Appropriations to support higher education, excluding end-of-article benefits, total \$28.1 billion in All Funds for the 2024–25 biennium, a decrease of \$2.3 billion,

or 7.6 percent, from the 2022–23 biennial spending level. This decrease is due primarily to future receipts of federal funding for disasters not included in the 2024–25 biennial appropriations for the Texas Division of Emergency Management.

Higher education formulas are supported by \$9.6 billion in General Revenue Funds and \$1.8 billion in General Revenue–Dedicated Funds, which primarily are from statutory tuition. Included in this amount is an increase of \$947.5 million in General Revenue Funds and a decrease of \$9.7 million in General Revenue–Dedicated Funds from statutory tuition. **Figure 148** shows the biennial change in All Funds formula appropriations for the different types of institutions. The increase in formula appropriations represents additional funding provided to general academic institution formulas as part of an agreement on higher education affordability, the funding of enrollment growth in the various institutions' funding formulas, and additional funding provided to the Public Community and Junior Colleges pursuant to House Bill 8, Eighty-eighth Legislature, Regular Session, 2023. **Figure 148** also shows the Instruction and Operations formula rates for the different types of institutions for the 2022–23 and 2024–25 biennia.

Funding for institutions of higher education includes funding for nonformula support items, which are direct appropriations for projects specifically identified by the Legislature for support. Nonformula support item funding for the 2024–25 biennium includes General Revenue Funds appropriations shown in **Figure 149**.

Funding represents direct support for research at general academic institutions through three formulas, including the following amounts:

- \$156.9 million in General Revenue Funds, an increase of \$9.9 million from the 2022–23 biennium, for the Texas Research University Fund to the two eligible institutions, the University of Texas at Austin and Texas A&M University;
- \$175.0 million in General Revenue Funds, an increase of \$57.8 million from the 2022–23 biennium, for the National Research Support Fund, formerly known as the Core Research Support Fund, to four eligible institutions; and
- \$31.0 million in General Revenue Funds, an increase of \$16.7 million from the 2022–23 biennium, for the Comprehensive Research Fund to institutions that are

**FIGURE 148
ALL FUNDS FORMULA APPROPRIATIONS AND INSTRUCTION AND OPERATIONS FORMULA RATES
2022–23 AND 2024–25 BIENNIA**

INSTITUTIONS	(IN MILLIONS)				INSTRUCTION AND OPERATIONS RATE	
	2022–23	2024–25	BIENNIAL CHANGE	PERCENTAGE CHANGE	2022–23	2024–25
General Academic Institutions	\$4,406.9	\$4,620.1	\$398.2	4.8%	\$55.66 per weighted semester credit hour (WSCH)	\$59.08 per WSCH
Lamar State Colleges	\$58.5	\$73.1	\$14.6	25.0%	\$7.20 per credit hour (CH)	\$8.16 per CH
Texas State Technical Colleges (1)	\$139.8	\$190.2	\$50.4	36.0%	35.9%	35.9%
Health-related Institutions (2)	\$2,835.5	\$3,041.6	\$206.2	7.3%	\$9,622 per weighted full-time student equivalent (WFTSE)	\$9,689 per WFTSE
Public Community and Junior Colleges	\$1,844.5	\$2,273.2	\$428.7	23.2%	\$2.84 per contact hour; \$247.91 per success point	\$3.12 per contact hour; \$1,275 per full-time student equivalent; funding per outcome varies

NOTES:

- (1) The Texas State Technical Colleges rate represents the returned value percentage.
 - (2) Formula amounts for the health-related institutions include amounts appropriated to the Texas Higher Education Coordinating Board for Baylor College of Medicine.
 - (3) Formula amounts do not include Board Authorized Tuition.
- SOURCE: Legislative Budget Board.

**FIGURE 149
NONFORMULA SUPPORT ITEM GENERAL REVENUE FUNDS APPROPRIATIONS, 2022–23 AND 2024–25 BIENNIA**

INSTITUTIONS	(IN MILLIONS)			
	APPROPRIATED 2022–23	APPROPRIATED 2024–25	BIENNIAL CHANGE	PERCENTAGE CHANGE
General Academic Institutions	\$752.8	\$1,209.6	\$456.8	60.7%
Lamar State Colleges	\$13.1	\$14.0	\$0.9	6.8%
Texas State Technical Colleges	\$17.9	\$17.9	\$0.0	0.0%
Health-related Institutions	\$265.0	\$340.4	\$75.4	28.5%
Public Community and Junior Colleges	\$36.0	\$39.6	\$3.6	10.1%

NOTE: Amounts do not include supplemental appropriations for fiscal year 2023.
SOURCE: Legislative Budget Board.

not eligible for either the Texas Research University Fund or the National Research Support Fund.

Additionally, funding includes a new formula providing support for research at eligible general academic institutions. Funding for the Texas University Fund includes \$136.4 million in General Revenue Funds and an estimated \$137.0 million in Other Funds for the 2024–25 biennium.

Funding for the health-related institutions includes \$34.4 million in All Funds through the formulas to support Sam Houston State University College of Osteopathic Medicine for the 2024–25 biennium.

Funding for the **Texas Higher Education Coordinating Board** for the 2024–25 biennium includes an increase of \$433.8 million in All Funds from the 2022–23 biennium. Appropriations for the 2024–25 biennium include the following amounts:

- \$950.3 million for the TEXAS Grants program;
- \$222.0 million and \$22.2 million, respectively, for the Texas Educational Opportunity Grant (TEOG) Public Community College Program and the TEOG State and Technical Colleges Program, which is an increase of \$125.0 million

and \$14.0 million, respectively, pursuant to House Bill 8, Eighty-eighth Legislature, Regular Session, 2023;

- \$195.8 million for the Tuition Equalization Grants program;
- \$149.3 million in additional funding for Student Financial Aid;
- \$233.1 million for the Graduate Medical Education Expansion program, which is an increase of \$34.1 million in All Funds from the 2022–23 biennium; and
- \$280.6 million in General Revenue Funds for the Texas Child Mental Health Care Consortium, which is an increase of \$156.2 million from the 2022–23 biennium.

Appropriations for the **Texas A&M University System agencies** for the 2024–25 biennium total \$3.7 billion in All Funds, which is a decrease of \$4.4 billion from the 2022–23 biennium. This funding decrease is driven primarily by onetime federal disaster funding received by the Texas Division of Emergency Management during the 2022–23 biennium.

TEXAS EDUCATION AGENCY

PURPOSE: To oversee the primary and secondary public education system in Texas through the distribution of state and federal funding, administration of statewide assessment and accountability systems, support of curriculum development and textbook adoption, administration of a public school data collection system, and supervision of compliance with state and federal regulations.

ESTABLISHED: 1949

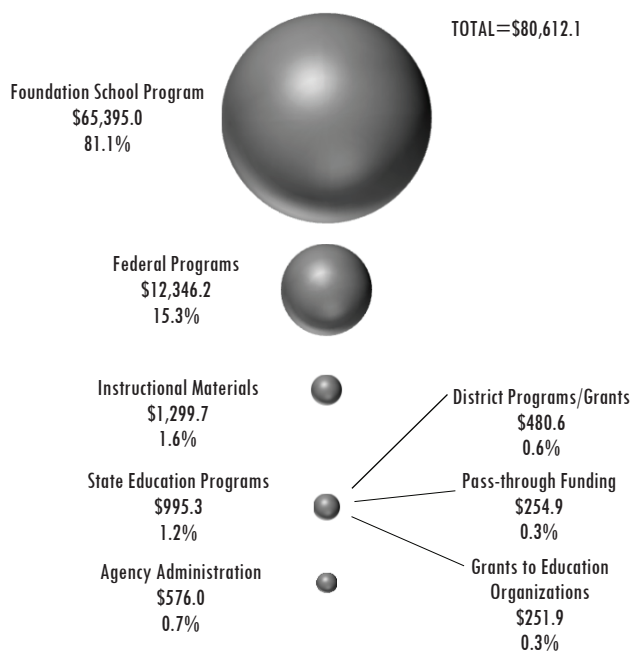
AUTHORIZING STATUTE: The Texas Education Code, §7.002

GOVERNANCE: A governor-appointed Commissioner of Education, an elected State Board of Education, and an appointed State Board for Educator Certification

FIGURE 150
TEXAS EDUCATION AGENCY BY METHOD OF FINANCE

METHOD OF FINANCE	(IN MILLIONS)				APPROPRIATED FULL-TIME-EQUIVALENT POSITIONS	
	ESTIMATED/BUDGETED 2022–23	APPROPRIATED 2024–25	BIENNIAL CHANGE	PERCENTAGE CHANGE		
General Revenue Funds	\$35,339.2	\$37,966.4	\$2,627.1	7.4%	2024	1,270.0
General Revenue–Dedicated Funds	\$0.0	\$2.6	\$2.6	N/A		
Federal Funds	\$12,706.0	\$12,488.4	(\$217.7)	(1.7%)	2025	1,270.0
Other Funds	\$16,766.3	\$30,154.8	\$13,388.5	79.9%		
Total, All Methods of Finance	\$64,811.5	\$80,612.1	\$15,800.6	24.4%		

AGENCY PROGRAM AREAS BY APPROPRIATION (IN MILLIONS)



SIGNIFICANT DEVELOPMENTS

All Funds appropriations for the **Foundation School Program (FSP) total \$65.4 billion**, an increase of \$17.8 billion. FSP funding covers \$3.2 billion in projected costs related to enrollment growth, \$2.4 billion for increases to the golden penny yield, and \$17.6 billion for property tax relief, including the compression of school district tax rates and increases to the residence homestead exemption.

Appropriations include **\$12,488.4 million in Federal Funds**, a decrease of \$217.7 million. This amount includes a \$175.0 million increase in Title I Grants, a \$56.3 million increase in Child Nutrition Programs, and a \$451.8 million decrease in Coronavirus Relief Funds.

Technology and instructional materials appropriations total \$1,050.0 million, an increase of \$307.0 million compared to the 2022–23 biennium, which includes unexpended balances of \$313.7 million from the 2020–21 biennium.

Appropriations for the 2024–25 biennium provide **increases of \$500.0 million in General Revenue Funds for curriculum** and **\$300.0 million for school safety** to implement House Bill 1605 and House Bill 3, Eighty-eighth Legislature, Regular Session, 2023. Appropriations also include \$4.0 billion appropriated to TEA in the General Appropriations Act, 2024–25 Biennium, Article IX, Sections 18.78(d), (e), and (f), contingent on the enactment of legislation by the Eighty-eighth Legislature. Additionally, **\$1.1 billion for school safety grants** is provided to school districts for fiscal year 2023 pursuant to Senate Bill 30, Eighty-eighth Legislature, Regular Session, 2023.

NOTE: Included in amounts shown is \$3,962.7 million appropriated to the Texas Education Agency in the Eighty-eighth Legislature, General Appropriations Act, 2024–25 Biennium, Article IX, Sections 18.78 (d), (e), and (f), contingent on enactment of legislation by the Eighty-eighth Legislature. SOURCE: Legislative Budget Board.

MAJOR FUNDING

Funding for the Texas Education Agency (TEA) for the 2024–25 biennium includes All Funds increases of \$17.8 billion for the Foundation School Program (FSP) from the 2022–23 biennium for statutory entitlements associated with student growth and property tax decreases (see the **Foundation School Program** section).

In addition to the FSP, TEA administers several state and federally funded educational grant and support programs. The 2024–25 biennial appropriation for non-FSP programs and administration is \$2.7 billion in General Revenue Funds, a decrease of \$1.4 billion (35.0 percent) from 2022–23 biennial spending levels, primarily attributable to additional school safety grant funding added in fiscal year 2023 in Senate Bill 30, Eighty-eighth Legislature, Regular Session, 2023. The All Funds 2022–23 biennial appropriation for non-FSP programs and administration is \$15.2 billion, a decrease of \$2.0 billion (11.5 percent) from 2022–23 biennial spending levels. This decrease is attributable primarily to a decrease of \$217.7 million in Federal Funds, a decrease of \$295.3 million in Other Funds, and the \$1.4 billion decrease in General Revenue Funds.

Figure 151 shows the change in public education revenue since fiscal year 2016 in current and constant dollars, using compounded state population and inflation growth, and the number of students in average daily attendance (ADA).

FUNDING FOR PUBLIC EDUCATION INITIATIVES

The Eighty-eighth Legislature, 2023, provided significant funding for multiple new education initiatives during the 2024–25 biennium.

SCHOOL PROPERTY TAX REDUCTIONS

Appropriations for the FSP include an estimated \$17.6 billion in additional state aid to reduce local school district property taxes. Of this amount, \$5.3 billion is appropriated for additional property tax relief required pursuant to House Bill 3, Eighty-sixth Legislature, 2019.

Additionally, Senate Bill 2, Eighty-eighth Legislature, Second Called Session, 2023, and voter approval of House Joint Resolution 2 (Proposition 4) at the November 2023 election provide for further property tax relief. Senate Bill 2 increases the mandatory residence homestead exemption from \$40,000 to \$100,000. The legislation provides for 10.7 cents of additional school district property tax rate compression beginning in the 2023–24 school year and continued in each

subsequent school year. Additionally, Senate Bill 2 establishes a temporary circuit breaker limitation on annual appraised value increases of 20.0 percent on certain real property other than a residence homestead. The value limitation would apply to property with an appraised value of less than \$5.0 million in the year in which the property first qualifies for the limitation. A residence homestead would maintain the 10.0 percent annual appraisal growth limitation that exists under current law. The provisions of the legislation are estimated to increase the state’s FSP General Revenue obligation by \$12.7 billion in the 2024–25 biennium.

House Joint Resolution 2 amends the constitution to increase the residence homestead exemption to \$100,000 and exempts appropriations for the purpose of property tax relief from the limit on the growth of appropriations of state tax revenue as established by the Texas Constitution, Article VIII, Section 22.

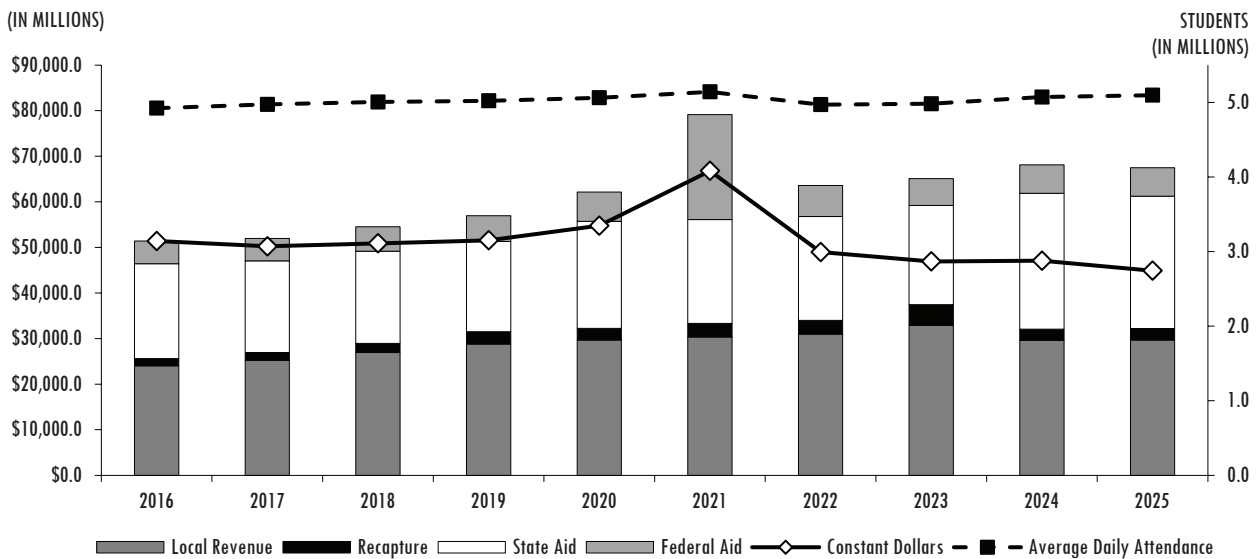
As a result of both House Bill 3 and Senate Bill 2, the maximum Tier 1 tax rate decreases from \$0.8941 in fiscal year 2023 to \$0.6880 in fiscal year 2024 and \$0.6855 in fiscal year 2025 per \$100 of valuation.

SCHOOL SAFETY

The Eighty-eighth Legislature, 2023, implemented several programs to improve public school safety. This includes onetime funding of \$1.1 billion in Senate Bill 30, Regular Session, for use during the 2022–23 biennium to award grants to assist school districts in implementing school safety initiatives; and \$300.0 million for the 2024–25 biennium to implement the provisions of House Bill 3, Regular Session, which prescribes and funds measures related to public school safety, including purchases and funding for public school safety and security requirements and the provision of safety-related resources.

House Bill 3 requires the Commissioner of Education to review and amend the necessary rules to ensure that facilities standards for districts and open-enrollment charters provide a secure and safe environment. Regional Education Service Centers are required to provide safety and security assistance to school districts and open-enrollment charters and assistance to school safety review teams. Further, the bill requires TEA to provide an allotment to each school equal to the amount spent for employees for certain mental-health training, including travel expenses. School district boards are required to determine the appropriate number of armed security officers for each campus, ensuring at least one armed security officer at each school campus, with certain exceptions.

**FIGURE 151
PREKINDERGARTEN TO GRADE 12 TEXAS EDUCATION AGENCY FUNDING IN ACTUAL AND CONSTANT DOLLARS
FISCAL YEARS 2016 TO 2025**



YEAR	ACTUAL DOLLARS				TOTAL ACTUAL DOLLARS (2)	TOTAL CONSTANT DOLLARS (3)	AVERAGE DAILY ATTENDANCE (4)
	LOCAL REVENUE (1)	RECAPTURE (1)	STATE AID	FEDERAL AID			
2016	\$24,019.2	\$1,587.5	\$20,792.9	\$4,997.1	\$51,396.7	\$51,396.7	4,922,493
2017	\$25,223.7	\$1,721.9	\$20,098.2	\$4,907.2	\$51,951.0	\$50,227.6	4,972,376
2018	\$26,939.2	\$2,004.9	\$20,213.4	\$5,380.7	\$54,538.2	\$50,888.9	5,005,005
2019	\$28,780.3	\$2,702.8	\$19,818.5	\$5,647.9	\$56,949.5	\$51,549.9	5,020,341
2020	\$29,661.9	\$2,556.7	\$23,505.9	\$6,409.2	\$62,133.6	\$54,764.5	5,061,017
2021	\$30,339.1	\$2,967.0	\$22,800.9	\$23,023.6	\$79,130.6	\$66,774.1	5,140,653
2022	\$30,984.2	\$3,007.4	\$22,763.7	\$6,825.9	\$63,581.1	\$48,966.6	4,969,086
2023	\$32,890.7	\$4,533.2	\$21,782.8	\$5,880.1	\$65,086.8	\$46,907.9	4,981,161
2024	\$29,598.9	\$2,476.0	\$29,775.7	\$6,253.5	\$68,104.0	\$47,078.1	5,071,347
2025	\$29,680.2	\$2,533.6	\$29,024.3	\$6,234.9	\$67,473.0	\$44,901.3	5,095,452

NOTES:

- (1) Amounts for fiscal years 2024 and 2025 include projected decreases to local revenue and recapture from budgeted amounts following the enactment of Senate Bill 2, Eighty-eighth Legislature, Second Called Session, 2023.
- (2) Included in amounts shown is \$3,962.7 million appropriated to the Texas Education Agency in the Eighty-eighth Legislature, General Appropriations Act, 2024–25 Biennium, Article IX, Sections 18.78 (d), (e), and (f), contingent on enactment of legislation by the Eighty-eighth Legislature.
- (3) Constant dollars are calculated with compounded state population and inflation growth.
- (4) Average Daily Attendance (ADA) for fiscal years 2020 and 2021 includes additional student attendance to maintain district funding during the COVID-19 pandemic. ADA for fiscal year 2022 includes the Operational Minutes Adjustment to hold districts harmless for decreased attendance rates due to the pandemic for the first four six-week periods of school year 2021–22.
- (5) Amounts for fiscal years 2022 and 2023 are estimated; amounts for fiscal years 2024 and 2025 are projected.

SOURCES: Legislative Budget Board; Comptroller of Public Accounts; Texas Education Agency.

TEA is required to establish an Office of School Safety and Security within the agency to coordinate the agency’s monitoring of school district safety and security requirements, including multihazard emergency plans and safety and security audits. TEA or the Texas School Safety Center (TxSSC) will establish a directory of approved vendors of school safety technology and equipment.

At least once every five years, House Bill 3 requires that the TxSSC review instructional facilities standards and make any necessary recommendations to the Commissioner.

House Bill 3 also amends the school safety allotment through the Foundation School Program. A district is entitled to \$15,000 per campus and \$10 per student in average daily attendance, plus \$1 per student in average daily attendance for every \$50 increase in the basic allotment.

The \$300.0 million appropriated for school safety is included in the TEA appropriations for the 2024–25 biennium. Of this amount, \$269.5 million is allocated for amendments to the School Safety Allotment; \$10.5 million for new school safety review teams; and \$18.9 million for administrative costs including 46.0 additional full-time-equivalent positions, travel and vehicle costs, training equipment, and other related administrative costs.

CURRICULUM

The Eighty-eighth Legislature, Regular Session, 2023, provided \$500.0 million in funding for the 2024–25 biennium for instructional materials and technology pursuant to House Bill 1605, Eighty-eighth Legislature, Regular Session, 2023. House Bill 1605 extends additional state aid to school districts through the FSP for printing of approved open education resource instructional materials, grants authority to the State Board of Education to determine the review and revision cycle of instructional materials, and grants parents the right to request a review of instructional materials.

Of the \$500.0 million appropriated to implement House Bill 1605, \$226.0 million is allocated for the new FSP allotments and \$274.0 million is appropriated to provide administrative support and grant funding. Significant non-FSP items include the following:

- \$59.5 million to establish a new annual review of instructional materials by TEA;
- \$59.4 million to implement professional development in the adoption and use of open education resource instructional materials;

- \$26.4 million to provide district grants to support implementation of the new materials;
- \$20.8 million to make available a full set of Tier 1 instructional materials for districts;
- \$10.1 million to implement campus classroom reviews; and
- \$10.0 million to establish district adoption grants.

PROGRAMS

The agency carries out its responsibilities through seven major program areas: (1) Foundation School Program; (2) instructional materials; (3) district programs and grants; (4) grants to education organizations; (5) pass-through funding; (6) federal education programs; and (7) agency administration.

FOUNDATION SCHOOL PROGRAM

The FSP is the principal vehicle for distributing state aid to school districts, which in turn use state funds, local property tax revenue, and federal funding to provide educational services. The FSP is the largest appropriation item for TEA, accounting for 81.1 percent of the agency’s 2024–25 biennial All Funds appropriation. It is also the largest single appropriation item in the state budget from General Revenue Funds and General Revenue–Dedicated Funds. The Eighty-eighth Legislature, General Appropriations Act (GAA), 2024–25 Biennium, Article III, TEA, Strategies A.1.1, FSP – Equalized Operations, and A.1.2, FSP – Equalized Facilities, address FSP appropriations, and set-aside appropriations in other strategies address programs that are funded statutorily from the FSP.

All Funds appropriations to FSP for the 2024–25 biennium total \$65.4 billion, representing a \$17.8 billion increase from the 2022–23 biennial spending level. The increase is attributable primarily to property tax relief provided in Senate Bill 2, Eighty-eighth Legislature, Second Called Session, 2023, an increase to the golden penny yield, and projected enrollment growth in public schools, partially offset by increased local revenue due to projected growth in district property values. Additionally, part of the increase is due to \$4.0 billion appropriated to TEA in the 2024–25 GAA, Article IX, Sections 18.78(d), (e), and (f), contingent on the enactment of legislation by the Eighty-eighth Legislature.

Figure 152 shows the major cost drivers for FSP for the 2024–25 biennium compared to the 2022–23 biennial spending level. The combined effect of major cost drivers is an increase in state FSP obligations of approximately \$17.8 billion in All Funds and \$4.1 billion in General Revenue Funds.

**FIGURE 152
MAJOR FOUNDATION SCHOOL PROGRAM (FSP) GENERAL REVENUE FUNDS COST DRIVERS AND LEGISLATIVE ACTIONS
2024–25 BIENNIUM**

CURRENT LAW OBLIGATIONS AND COST DRIVERS GREATER THAN 2022–23 BIENNIUM	COST CHANGES (IN MILLIONS)
Projected Student Enrollment Growth	\$3,150.0
Fiscal Year 2024 – 90,000	
Fiscal Year 2025 – 24,000	
Projected School District Property Value and Revenue Increase	(\$6,447.9)
Tax Year 2022 – 4.36% (Budgeted), 17.49% (Actual)	
Tax Year 2023 – 4.43%	
Tax Year 2024 – 2.87%	
Estimated Tax Rate Compression and Other Property Tax Reductions	\$2,971.2
Increases to the Golden Penny Yield	\$2,366.7
Replace Onetime Federal Funding Related to the COVID-19 Pandemic	\$1,109.2
Removal of Onetime General Revenue Funds for Maintenance of Effort and Equity for Pandemic-related Federal Funds	(\$274.5)
Increased Facilities Payments	\$248.1
Settle-up and Other Adjustments	(\$2,094.7)
Actions of the Eighty-eighth Legislature, 2023	
House Bill 3, Regular Session	\$269.5
House Bill 1605, Regular Session	\$226.0
Senate Bill 2, Second Called Session	\$12,294.8
General Appropriations Act, Article IX, Section 18.78(d) and (f), contingent on actions of the Eighty-eighth Legislature	\$3,960.0
Total, Net Foundation School Program Cost Change (All Funds) from 2022–23 Biennial Adjusted Base	\$17,778.7
General Revenue Funds Cost Changes Above Base Due to Changes in Other Funds	
Increase in Budgeted Recapture Payments – Attendance Credits	(\$1,764.8)
Increase in Property Tax Relief Fund, primarily due to \$12.3 billion transfer from General Revenue Fund pursuant to Senate Bill 2, Eighty-eighth Legislature, Second Called Session, 2023	(\$11,482.2)
Increase in Tax Reduction and Excellence in Education Fund	(\$436.9)
Net Change to General Revenue Funds from Increases to Other Funds	(\$13,683.8)
Total, Net FSP Comparison to 2022–23 Biennial Base, General Revenue Funds	\$4,094.9

NOTES:

- (1) General Revenue Funds costs related to changes to projected recapture payments represent budgeted recapture payments. As a result of enacted legislation by the Eighty-eighth Legislature, 2023, recapture payments are estimated to decrease by \$4.3 billion from \$9.3 billion to \$5.0 billion for the 2024–25 biennium.
- (2) Tax Rate Compression and Other Property Tax Reductions include statutorily required Tier 1 rate compression based on projected statewide average property value growth and district property value growth; and a decrease of 8.25 percent to the State Compression Percentage pursuant to the Eighty-eighth Legislature, General Appropriations Act (GAA), 2024–25 Biennium, Article III, Texas Education Agency, Rider 3, Foundation School Program Funding. Estimated General Revenue Funds costs of tax relief for current law excluding Senate Bill 2, Eighty-eighth Legislature, Second Called Session, 2023, total \$5.3 billion when combined with \$2.3 billion in decreased recapture payments included in General Revenue Funds Cost Changes Above Base Due to Changes in Other Funds.
- (3) Increases to Other Funds Methods of Finance for the FSP result in a decrease of equal value to General Revenue Funds FSP obligations.
- (4) Included in amounts shown is \$3,960.0 million appropriated to the Texas Education Agency in the 2024–25 GAA, Article IX, Sections 18.78 (d) and (f), contingent on enactment of legislation by the Eighty-eighth Legislature related to financial and other assistance to public school educators or the public school finance system and virtual education in public schools.
- (5) Totals may not sum due to rounding.

SOURCE: Legislative Budget Board.

Increases in the overall cost of the FSP to the state are attributed to three primary cost drivers.

Property tax reductions are the largest major cost driver, resulting in a projected \$17.6 billion increase in General

Revenue Funds and Other Funds from the Property Tax Relief Fund for the 2024–25 biennium. This amount includes funding for statutorily required Tier 1 rate compression based on estimated statewide average property

value growth and district property value growth. (See the section on **House Bill 3, Property Tax Compression.**) It also includes appropriations to further compress statewide property tax rates by reducing the State Compression Percentage by 8.25 percentage points each fiscal year, and to implement the provisions of Senate Bill 2, Eighty-eighth Legislature, Second Called Session, 2023, which provides a 10.7 cent decrease to Tier 1 tax rates, increases the homestead exemption to \$100,000, and establishes a temporary circuit breaker limitation on annual appraised value increases of 20.0 percent on certain real property other than a residence homestead. The value limitation applies to property with an appraised value of less than \$5.0 million in the year in which the property first qualifies for the limitation.

An estimated \$3.2 billion in additional funding for projected student enrollment growth represents another major cost driver from the 2022–23 biennium. This projection includes an increase of about 114,000 students in ADA from fiscal years 2023 to 2025. Additionally, appropriations for enrollment growth fund an increase in the number of students who generate higher levels of weighted funding through various FSP allotments, equal to a projected increase of about 145,000 students in weighted ADA from fiscal 2023 to fiscal year 2025.

Another major cost driver is an estimated \$2.4 billion in additional funding related to increases to the golden penny yield, which is the guaranteed level of revenue districts are entitled to for each of the first eight cents of optional Tier 2 enrichment tax effort levied by districts. Pursuant to Texas Education Code, Section 48.202(a-1)(1), the golden penny yield is the greater of the amount of district tax revenue per weighted student per cent of tax effort available to a school district at the ninety-sixth percentile of wealth per weighted student; or 1.6 percent of the basic allotment. As a result of historic district property value growth in fiscal year 2023, the golden penny yield for the 2024–25 biennium is based on the district tax revenue per weighted student per cent of tax effort of the ninety-sixth percentile district, increasing from \$98.56 in fiscal year 2023 to \$126.21 in fiscal year 2024 and \$129.52 in fiscal year 2025.

Additionally, FSP funding for the 2024–25 biennium incorporates \$495.5 million for school district entitlement increases related to the enactment of House Bill 3, Regular Session, 2023, and House Bill 1605, Regular Session, 2023, and \$3,960.0 million in appropriations to TEA in the 2024–25 GAA, Article IX, Section 18.78 (d) and (f), contingent on actions of the Eighty-eighth Legislature.

Offsetting these major cost increases is a savings of approximately \$6.4 billion for the 2024–25 biennium due to the growth of local property values, which increases property tax collections and decreases the level of state aid required to fund school district FSP entitlement. (See the section regarding **State and Local Revenue Contribution.**)

Although overall FSP state costs increased by \$17.8 billion for the 2024–25 biennium, costs to General Revenue Funds increased by \$4.1 billion due to a projected \$13.7 billion increase in Other Funds, including Recapture Payments – Attendance Credits, Property Tax Relief Fund, and Tax Reduction and Excellence in Education (TREE) Fund. Most of the Other Funds increase can be attributed to a transfer from General Revenue Funds to the Property Tax Relief Fund of \$12.3 billion, which was appropriated for property tax relief provided by Senate Bill 2, Eighty-eighth Legislature, Second Called Session, 2023. The FSP is structured so that any change in estimated revenue from a dedicated revenue stream is made up by an opposite and equal change in General Revenue Funds. As a result, increases in Other Funds from the previous biennium will decrease the amount of General Revenue Funds required to finance the FSP. Additionally, settle-up contributed to General Revenue Funds savings. School districts are paid based on estimates of major cost drivers such as student counts and local property values, and the state settles up with districts during the following school year based on actual data.

FOUNDATION SCHOOL PROGRAM FUNDING SOURCES

Figure 153 shows all the appropriated sources that fund the FSP for the 2024–25 biennium. General Revenue Funds contribute an estimated 54.0 percent of the FSP appropriation through three sources: the Available School Fund (ASF), Texas Lottery Proceeds, and the Foundation School Fund, which is an amount distributed from the state’s General Revenue Funds sufficient to fulfill the state’s FSP funding obligation.

FSP funding sources that are not General Revenue Funds are categorized as Other Funds. An additional \$17.5 billion is projected to come from the Property Tax Relief Fund (PTRF), made up of certain revenue generated by the state’s franchise tax, tobacco taxes, and a tax on used car sales. Included in the \$17.5 billion is a \$12.3 billion transfer from General Revenue Funds that was appropriated for Senate Bill 2, Eighty-eighth Legislature, Second Called Session, 2023. Appropriations from wealth-equalizing recapture payments, budgeted as Recapture Payments – Attendance Credits, from property-wealthy school districts total \$9.3 billion and are

used to offset the state cost of the school finance system. Following the enactment of legislation modifying the FSP formulas by the Eighty-eighth Legislature, including property tax relief provided by Senate Bill 2, Second Called Session, 2023, recapture payments are estimated to decrease to a total of \$5.0 billion for the 2024–25 biennium. Statute requires that recapture payments are used only as a source of funding for the FSP.

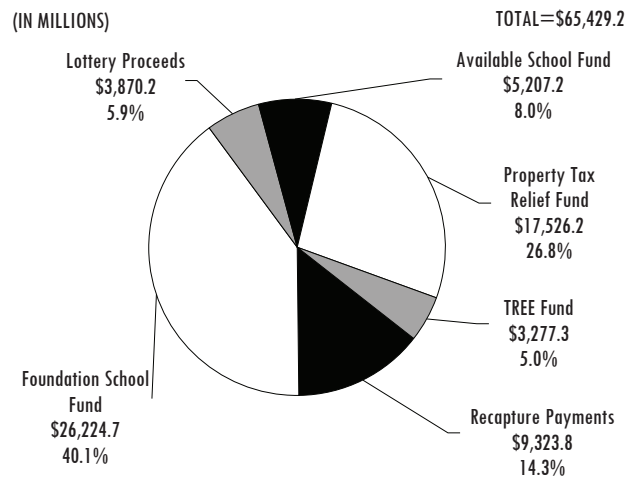
Additionally, the TREE Fund (Other Funds) consists of deposits of certain sales and use tax collections, money appropriated to the fund by the Legislature, and annual transfers in excess of \$300.0 million from the Permanent School Fund to the ASF by the School Land Board, the State Board of Education, or the Permanent School Fund Corporation, pursuant to the Texas Constitution, Article VII, Section 5(g). Appropriations from the TREE Fund may be used only to pay the cost of Tier 1 allotments in the FSP or for the purpose of decreasing school district maintenance and operations property tax rates. These appropriations total \$3.3 billion for the 2024–25 biennium.

Revenues from the ASF, Lottery Proceeds, PTRF, TREE Fund, and Recapture Payments are estimated, and during the biennium they may increase or decrease based on actual revenue collections. The Foundation School Fund also is estimated; however, it draws from the state Treasury. These estimated appropriations constitute a sum-certain All Funds appropriation amount for the FSP. In practice, if revenue for the ASF, Lottery Proceeds, PTRF, TREE Fund, or Recapture Payments is greater than estimated, the amount of General Revenue Funds drawn through the Foundation School Fund decreases; conversely, if revenue is less than expected, the General Revenue Funds cost increases.

STATE AND LOCAL REVENUE CONTRIBUTION

The 2024–25 biennial FSP appropriation, in combination with an estimated \$59.3 billion in local property tax revenue not included in appropriations, represents the \$123.6 billion total FSP entitlement for the 2024–25 biennium, as shown in **Figures 154** and **155**. The FSP is a shared funding model, depending on contributions from state and local revenue sources to fund the level of entitlement generated by the statutory formulas. As such, fluctuations in local property tax revenue partially determine the amount of state funding needed to fund district entitlement in the school finance system. The measure of the proportion of the FSP system funded from state revenues is referred to as the state share.

FIGURE 153
FOUNDATION SCHOOL PROGRAM APPROPRIATIONS BY FUNDING SOURCE, 2024–25 BIENNIUM



NOTES:

- (1) General Revenue Funds include Foundation School Fund, Lottery Proceeds, and the Available School Fund. Other Funds include the Property Tax Relief Fund, Tax Reduction and Excellence in Education (TREE) Fund, and Recapture Payments.
- (2) Included in amounts shown for the Foundation School Fund is \$3,960.0 million appropriated to the Texas Education Agency in the Eighty-eighth Legislature, General Appropriations Act, 2024–25 Biennium, Article IX, Sections 18.78(d) and (f), contingent on the enactment of legislation by the Eighty-eighth Legislature.
- (3) Budgeted recapture payments do not include projected decreases to recapture as a result of Senate Bill 2, Eighty-eighth Legislature, Second Called Session, 2023.

SOURCE: Legislative Budget Board.

Figure 154 shows that, from fiscal years 2016 to 2019, local revenue driven by strong property value growth outpaced both FSP entitlement increases and additional property tax relief, resulting in a steady decrease in the state share. House Bill 3, Eighty-sixth Legislature, 2019, slowed this trend by increasing school district entitlement and providing automatic compression to Tier 1 tax rates to offset property value growth exceeding 2.5 percent annually. (See the section regarding **House Bill 3 Property Tax Compression**.) However, certain limits on compression may result in local revenue growth above 2.5 percent in years when actual statewide property value growth greatly exceeds the level of growth originally projected. For example, fiscal year 2023 statewide average property value growth was projected to be 4.36 percent, compared to actual estimated statewide average property growth of 17.5 percent. As is shown in **Figure 154**, this actual estimated average growth resulted in significant local revenue increases and a decrease in the state share of the FSP for fiscal year 2023.

**FIGURE 154
STATE AND LOCAL FOUNDATION SCHOOL PROGRAM FUNDING FOR COMBINED MAINTENANCE AND OPERATIONS
AND FACILITIES, FISCAL YEARS 2016 TO 2025**

YEAR	LOCAL	RECAPTURE	STATE (3)	TOTAL	PERCENTAGE STATE SHARE
2016	\$24,019.2	\$1,587.5	\$19,873.3	\$45,480.0	43.7%
2017	\$25,223.7	\$1,721.9	\$19,388.2	\$46,333.8	41.8%
2018	\$26,939.2	\$2,004.9	\$19,100.2	\$48,044.3	39.8%
2019	\$28,780.3	\$2,702.8	\$18,424.4	\$49,907.5	36.9%
2020	\$29,661.9	\$2,556.7	\$22,345.2	\$54,563.8	41.0%
2021	\$30,339.1	\$2,967.0	\$22,416.6	\$55,722.8	40.2%
2022	\$30,984.2	\$3,007.4	\$21,048.5	\$55,040.1	38.2%
2023	\$32,890.7	\$4,533.2	\$18,705.4	\$56,129.2	33.3%
2024 (1)	\$29,598.9	\$2,476.0	\$29,425.7	\$61,500.6	47.8%
2025 (1)	\$29,680.2	\$2,533.6	\$29,839.3	\$62,053.2	48.1%

NOTES:

- (1) Amounts for fiscal years 2024 and 2025 include projected decreases to local revenue and recapture from budgeted amounts following the enactment of Senate Bill 2, Eighty-eighth Legislature, Second Called Session, 2023.
- (2) Included in amounts shown is \$3,960.0 million appropriated to the Texas Education Agency in the Eighty-eighth Legislature, General Appropriations Act, 2024–25 Biennium, Article IX, Sections 18.78 (d) and (f), contingent on the enactment of legislation by the Eighty-eighth Legislature. Changes to recapture that could result from the contingency appropriation are not included in amounts shown.
- (3) The State category includes appropriations of Other Funds from the Economic Stabilization Fund of \$806.5 million for fiscal year 2019, \$424.0 million for fiscal year 2020, and \$212.0 million for fiscal year 2021 for districts affected by Hurricane Harvey. The category also includes federal funding from the Coronavirus Relief Fund of \$1,145.9 million in fiscal year 2020 and \$1,109.2 million in fiscal year 2021 to hold districts harmless for attendance decreases related to the COVID-19 pandemic.
- (4) Amounts for fiscal years 2022 and 2023 are estimated, and amounts for 2024 and 2025 are projected.

SOURCE: Legislative Budget Board.

**FIGURE 155
STATE AND LOCAL FOUNDATION SCHOOL PROGRAM SHARES FOR MAINTENANCE AND OPERATIONS
FISCAL YEARS 2016 TO 2025**

YEAR	LOCAL	RECAPTURE	STATE (3)	TOTAL	PERCENTAGE STATE SHARE
2016	\$20,438.4	\$1,587.5	\$19,138.6	\$41,164.5	46.5%
2017	\$21,499.9	\$1,721.9	\$18,653.6	\$41,875.3	44.5%
2018	\$23,007.7	\$2,004.9	\$18,563.7	\$43,576.3	42.6%
2019	\$24,620.3	\$2,702.8	\$17,934.3	\$45,257.3	39.6%
2020	\$25,229.7	\$2,556.7	\$21,929.4	\$49,715.7	44.1%
2021	\$25,793.0	\$2,967.0	\$22,052.7	\$50,812.7	43.4%
2022	\$26,379.1	\$3,007.4	\$20,755.6	\$50,142.0	41.4%
2023	\$28,261.3	\$4,533.2	\$18,338.4	\$51,132.8	35.9%
2024 (1)	\$25,192.7	\$2,476.0	\$28,240.9	\$55,909.6	50.5%
2025 (1)	\$25,248.7	\$2,533.6	\$28,643.5	\$56,425.8	50.8%

NOTES:

- (1) Amounts for fiscal years 2024 and 2025 include projected decreases to local revenue and recapture from budgeted amounts following the enactment of Senate Bill 2, Eighty-eighth Legislature, Second Called session, 2023.
- (2) Included in amounts shown is \$3,960.0 million appropriated to the Texas Education Agency in the Eighty-eighth Legislature, General Appropriations Act, 2024–25 Biennium, Article IX, Sections 18.78 (d) and (f), contingent on the enactment of legislation by the Eighty-eighth Legislature. Changes to recapture that could result from the contingency appropriation are not included in amounts shown.
- (3) The State category includes appropriations of Other Funds from the Economic Stabilization Fund of \$806.5 million for fiscal year 2019, \$424.0 million for fiscal year 2020, and \$212.0 million for fiscal year 2021 for districts affected by Hurricane Harvey. The category also includes federal funding from the Coronavirus Relief Fund of \$1,145.9 million in fiscal year 2020 and \$1,109.2 million in fiscal year 2021 to hold districts harmless for attendance decreases related to the COVID-19 pandemic.
- (4) Amounts for fiscal years 2022 and 2023 are estimated, and amounts for 2024 and 2025 are projected.

SOURCE: Legislative Budget Board.

The total state share is projected to be 47.8 percent for fiscal year 2024 and 48.1 percent for fiscal year 2025, or 50.5 percent for fiscal year 2024 and 50.8 percent for fiscal year 2025 when only maintenance and operations (M&O) funding is considered, as shown in **Figure 155**.

HOUSE BILL 3 PROPERTY TAX COMPRESSION

School district M&O tax rates are made up of the district's Tier 1 tax rates and, for most districts, an additional Tier 2 tax rate, which is an optional enrichment tax rate. Following the enactment of House Bill 3, Eighty-sixth Legislature, 2019, Tier 1 tax rates are compressed annually based on the amount that a district's property value growth rate or the statewide average property value growth rate exceeds 2.5 percent, whichever is greater. The tax rate based on statewide average property value growth is known as the State Compression Percentage (SCP). For example, if the Comptroller of Public Accounts projected property values to increase by 4.0 percent statewide, the SCP would compress by 1.4 percent (divide the previous SCP by 104.0 percent and multiply by 102.5 percent). If a district's property value growth rate exceeds the statewide average, the Tier 1 tax rate is compressed even further, but compression is limited by the minimum rate for that year, equal to 90.0 percent of the highest district's rate. For most districts, this compression has the effect of limiting the growth of property tax collections to no more than 2.5 percent per year.

In addition to the statutorily required compression based on property value growth, statute requires the Legislature to reduce the SCP further in the General Appropriations Act using the amount of state savings realized during the prior biennium as a result of the 90.0 percent limitation on Tier 1 tax rate compression. For the 2024–25 biennium, appropriations reduce the SCP by an additional 8.25 percentage points each fiscal year.

House Bill 3 also provides for future compression of Tier 2 copper pennies, which are subject to recapture and are currently the last \$0.09 of tax effort per \$100 of property valuation levied by school districts. (See the section on **Maintenance and Operations – Tier 2**.) Pursuant to House Bill 3, increases in the Basic Allotment increase the guaranteed level of state and local funding districts generate per copper penny. This additional funding per penny is used to lower district tax rates so that districts receive the same total amount of copper penny funding.

FOUNDATION SCHOOL PROGRAM STRUCTURE

The FSP includes a two-tiered structure to provide M&O funding for basic program costs and enrichment of the

program, and a separate structure to provide state aid for district debt service, most commonly for facilities construction bonds. The system contains a set of funding formulas by which every school district's total revenue entitlement, local tax revenue, and the resulting state aid is determined. The formulas are established by the Legislature in the Texas Education Code, and certain portions are specified further in the GAA. District information, including property values, level of tax effort, the number and type of students, and certain district characteristics are entered into these formulas to compute entitlement. The portion of this entitlement that is not covered by eligible local revenue is funded with state aid.

MAINTENANCE AND OPERATIONS – TIER 1

Most of the district entitlement for M&O is provided in Tier 1 through the funding formula element called the Basic Allotment, which is an amount of total state and local funding that the state guarantees to districts per student in ADA. The Basic Allotment is further used in other components of the funding formulas that account for student characteristics, such as whether a student is determined to be entitled to bilingual education, compensatory education, or special education services, among other factors. Tier 1 also includes other student-based and non-student-based allotments including funding for school safety, career and technology education, and the Teacher Incentive Allotment. The additional funding earned by the district through these allotments contributes to the calculation of an adjusted student count for each school district, called weighted average daily attendance.

MAINTENANCE AND OPERATIONS – TIER 2

The final major funding formula for M&O entitlement is the enrichment tier, or Tier 2, established during fiscal year 2006 to provide meaningful tax-rate discretion to school districts. Tier 2 provides a guaranteed yield per penny of property tax effort levied greater than the district's Tier 1 tax rate. The first eight pennies of tax effort are called golden pennies because they generate a higher yield and are not subject to recapture; a district is guaranteed \$126.21 in fiscal year 2024 and \$129.52 in fiscal year 2025 per weighted student per penny of tax effort. The remaining pennies are called copper pennies because they have a lower yield and are subject to recapture; a district is guaranteed \$49.28 per weighted student per penny of tax effort.

RECAPTURE REVENUE

To address inequities among school districts in terms of access to revenue for public education, the Texas Education Code,

**FIGURE 156
RECAPTURE REVENUE, FISCAL YEARS 2016 TO 2025**

YEAR	TOTAL RECAPTURE PAID (IN MILLIONS)	RECAPTURE AS A PERCENTAGE OF TOTAL M&O REVENUE	DISTRICTS PAYING RECAPTURE	PERCENTAGE OF TOTAL ADA
2016	\$1,587.5	3.9%	231	14.7%
2017	\$1,721.9	4.1%	234	16.7%
2018	\$2,004.9	4.7%	185	18.2%
2019	\$2,702.8	6.0%	215	26.5%
2020	\$2,556.7	5.2%	150	20.1%
2021	\$2,967.0	5.8%	158	22.0%
2022	\$3,007.4	6.0%	156	22.1%
2023	\$4,533.2	8.9%	227	28.6%
2024	\$2,476.0	4.4%	183	21.5%
2025	\$2,533.6	4.5%	181	21.4%

NOTES:

- (1) Amounts for fiscal years 2024 and 2025 include projected decreases to recapture from budgeted amounts following the enactment of Senate Bill 2, Eighty-eighth Legislature, Second Called Session, 2023.
- (2) Amounts shown for fiscal year 2023 are estimated, and amounts shown for fiscal years 2024 and 2025 are projected.
- (3) Data show Tier 1 and Tier 2 recapture. For fiscal year 2024, 105 districts are anticipated to pay recapture at the Tier 1 level, some of which also pay Tier 2 recapture; and 78 districts are anticipated to pay recapture only at the Tier 2 level. For fiscal year 2025, these amounts are projected at 105 and 76, respectively.
- (4) M&O=maintenance and operations; ADA=average daily attendance.

SOURCES: Legislative Budget Board; Texas Education Agency.

Chapter 49, requires certain school districts in which a calculation of local revenue (based on local property values) exceeds entitlement to exercise one of five options to reduce property tax revenue available to the district. All school districts currently required to exercise an option choose to remit tax revenues associated with property value in excess of entitlement directly to the state through a process called recapture. Recapture revenue is used only as a method of financing the state’s FSP obligations and not for any other non-FSP related appropriation. Revenues associated with Tier 1 and copper pennies are subject to recapture; revenues associated with golden pennies levied in Tier 2 are not subject to recapture, meaning that districts retain 100.0 percent of those tax revenues locally.

For fiscal years 2016 to 2025, **Figure 156** shows the total recapture revenue, the share of recapture as a percentage of total M&O revenue, and the total number of districts paying recapture. Between fiscal years 2016 and 2019, the percentage of total M&O revenue made up by recapture revenue had been increasing an average of 0.7 percentage points each year, from 3.9 percent in 2016 to 6.0 percent in 2019. Following the enactment of House Bill 3, Eighty-sixth Legislature, 2019, the recapture percentage of total M&O revenue decreased to 5.1 percent in fiscal year 2020. However, after historic property value growth in fiscal year 2023, recapture increased by an estimated \$1.5 billion from fiscal year 2022. Through the

enactment of Senate Bill 2, Eighty-eighth Legislature, Second Called Session, 2023, and voter approval of House Joint Resolution 2 (Proposition 4) at the November 2023 election, the Legislature appropriated \$12.3 billion in new property tax relief in the 2024–25 biennium.

PUBLIC SCHOOL FACILITIES

State funding to assist school districts with debt-service costs related to public school facilities is conducted through two programs: the Instructional Facilities Allotment (IFA) and the Existing Debt Allotment (EDA). Both programs provide state aid to equalize interest-and-sinking (I&S) tax effort. IFA equalizes I&S tax effort at \$35.00 per \$0.01 per student in ADA. EDA equalizes I&S tax effort at an estimated \$40.00 per \$0.01 per student in ADA for fiscal year 2024.

Although the basic structure of IFA and EDA is similar, some key differences separate the two programs. IFA funding is limited to instructional facilities, whereas district debt service for any type of facility is potentially eligible for EDA support. IFA is a sum-certain appropriation, and the Legislature makes specific appropriation decisions regarding new grant awards. In contrast, debt service is eligible automatically for EDA funding during a biennium if the district made a payment during the previous biennium. EDA assistance is restricted to \$0.29 of tax effort. The Legislature did not

**FIGURE 157
CHARTER SCHOOL STATE AID AND AVERAGE DAILY ATTENDANCE, FISCAL YEARS 2016 TO 2025**

YEAR	STATE AID (IN MILLIONS)	PERCENTAGE OF TOTAL STATE SHARE	AVERAGE DAILY ATTENDANCE (ADA)	PERCENTAGE OF TOTAL ADA
2016	\$2,030.9	10.2%	226,771	4.6%
2017	\$2,265.0	11.7%	251,917	5.1%
2018	\$2,553.6	13.4%	271,652	5.4%
2019	\$2,858.4	15.5%	289,903	5.8%
2020	\$3,236.5	14.5%	298,717	5.9%
2021	\$3,680.7	16.4%	337,592	6.6%
2022	\$3,782.2	18.0%	343,618	6.9%
2023	\$4,021.1	21.5%	360,293	7.2%
2024	\$4,985.6	16.9%	394,997	7.8%
2025	\$5,295.9	17.7%	414,961	8.1%

NOTES:

- (1) Included in amounts shown are estimated charter school allocations of \$308.4 million for fiscal year 2024 and \$322.5 million for fiscal year 2025 from funds appropriated to the Texas Education Agency in the Eighty-eighth Legislature, General Appropriations Act, 2024–25 Biennium, Article IX, Sections 18.78 (d) and (f), contingent on enactment of legislation by the Eighty-eighth Legislature.
- (2) Amounts shown for fiscal years 2022 and 2023 are estimated; amounts shown for fiscal years 2024 and 2025 are projected.

SOURCES: Texas Education Agency; Legislative Budget Board.

appropriate any funding for new grants through the IFA for the 2024–25 biennium.

The Eighty-fifth Legislature, Regular Session, 2017, first provided \$60.0 million per fiscal year for charter school facilities funding statewide during the 2018–19 biennium. Current law maintains charter school facility funding at the same amount for the 2024–25 biennium.

Total appropriated state aid for facilities programs is \$872.5 million for the 2024–25 biennium.

CHARTER SCHOOL FUNDING

Charter schools are not authorized to levy local property taxes. Therefore, the entire FSP entitlement for a charter school is provided as state aid.

The charter school Tier 1 entitlement is determined by multiplying counts of students enrolled in general and targeted education programs by applicable program weights and the state average of school district adjusted allotments. Enrichment funding provided through Tier 2 for charter schools is calculated using the state average number of enrichment pennies levied by school districts with taxing authority.

Figure 157 shows, from fiscal years 2016 to 2025, charter school state aid, the percentage of total state aid, charter school ADA, and the percentage of total ADA attributed to charter schools. From fiscal years 2016 to 2023, charter school ADA growth averaged approximately 19,000 students per year.

PREKINDERGARTEN

House Bill 3, Eighty-sixth Legislature, 2019, required school districts to provide prekindergarten if they identify more than 15 children that meet statutory eligibility requirements. Each prekindergarten class for children that are at least age four must be operated on a full-day basis and comply with the program standards required for high-quality prekindergarten programs.

Following the enactment of House Bill 3, districts continue to generate only half-day FSP funding for these students. However, the legislation also added the Early Education Allotment, which must be used to fund programs and services intended to improve student performance in reading and mathematics in prekindergarten through grade three, and which may be used to fund the additional half-day of prekindergarten.

TECHNOLOGY AND INSTRUCTIONAL MATERIALS

Aside from the FSP, the largest state-funded public education program appropriation is for technology and instructional materials. For the 2024–25 biennium, appropriations for technology and instructional materials total \$1.1 billion. Of that amount, the Technology and Instructional Materials Allotment provides \$888.3 million to school districts and charter schools through an account in which funding is deposited based on ADA. An additional \$154.4 million is available for other costs

associated with procurement and distribution of instructional materials.

The 2024–25 biennial appropriation represents an increase of \$620.7 million (151.6 percent) from the 2022–23 biennial base level. The 2022–23 biennial base funding for instructional materials was reduced by \$620.7 million by the Eighty-seventh Legislature to fund programs to combat learning loss pursuant to House Bill 1525, Eighty-seventh Legislature, 2019. Therefore, the 2024–25 biennial appropriation restores instructional materials funding to its historical level. TEA reported \$232.2 million in unexpended district and charter balances carried forward from the 2022–23 biennium, in addition to the 2024–25 biennial appropriations.

Figure 158 shows an overview of technology and instructional materials funding from the 2016–17 to the 2024–25 biennia.

DISTRICT PROGRAMS AND GRANTS

TEA awards grants and distributes funds for numerous programs to school districts and charter schools. The 2024–25 biennial appropriation for district programs and grants is \$480.6 million. The following programs are among the most significant.

SUMMER CAREER AND TECHNOLOGY EDUCATION GRANT PROGRAM

House Bill 3, Eighty-sixth Legislature, 2019, established a program to provide funding to school districts for career and technology education courses offered during the summer. The program is appropriated \$8.0 million in General Revenue Funds for the 2024–25 biennium.

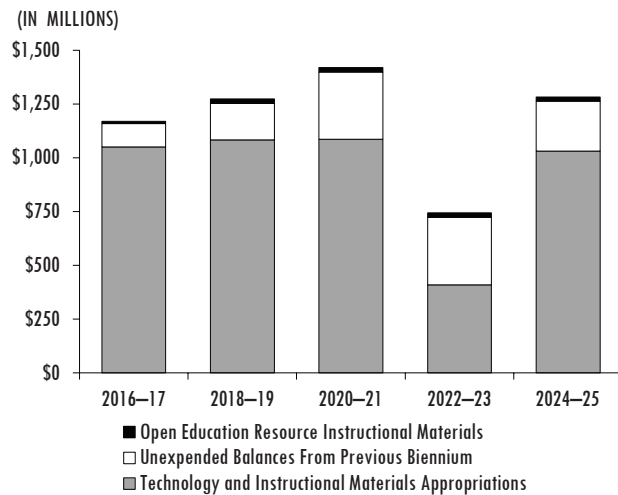
GRANTS FOR STUDENTS WITH AUTISM

House Bill 21, Eighty-fifth Legislature, First Called Session, 2017, established a grant program to provide additional funding for districts and charter schools that provide innovative services to students with autism. The program was appropriated \$20.0 million for the 2024–25 biennium.

PROGRAMS TARGETING HIGH SCHOOL STUDENTS

The Legislature appropriated \$16.2 million in the 2024–25 biennium for several programs funded in the 2022–23 biennium targeted at high school students under a new consolidated program in 2024–25 called the College and Career Readiness School Model (CCRSM). CCRSMs are open-enrollment programs that blend high school and college coursework to help historically underserved and at-

**FIGURE 158
TECHNOLOGY AND INSTRUCTIONAL MATERIALS FUNDING, 2016–17 TO 2024–25 BIENNIA**



SOURCES: Legislative Budget Board; Texas Education Agency.

risk students develop technical skills, earn college credentials and degrees, and pursue in-demand career paths.

TEACHER ACADEMIES

Appropriations for teacher academies total \$22.0 million for the 2024–25 biennium. This amount includes \$7.7 million for Mathematics Achievement Academies and \$14.3 million for Literacy Achievement Academies.

**STUDENT SUCCESS INITIATIVE/
COMMUNITY PARTNERSHIPS**

The Student Success Initiative/Community Partnerships is an instructional intervention program related to student performance on state assessments. Appropriations for the 2024–25 biennium for the program total \$10.5 million. The 2024–25 GAA, Article III, TEA, Rider 41, requires the Commissioner of Education to award grants to schools that have high percentages of students who do not perform satisfactorily on relevant state assessments, and that serve certain neighborhoods to implement a comprehensive support program that increases the number of students performing at grade level by leveraging academic, community, and governmental support.

EDUCATOR QUALITY INITIATIVES

The 2024–25 GAA, Article III, TEA, Rider 39, Educator Quality and Leadership, requires the Commissioner of Education to spend \$29.0 million for the 2024–25

biennium for certain initiatives that systematically transform educator quality and effectiveness statewide and ensure that funds directed by the rider maximize the receipt of federal grant funding for similar purposes. Additionally, Rider 39 directs portions of the appropriation to be used toward funding the following for the 2024–25 biennium: \$5.0 million to implement standards on educator quality; \$2.0 million to support Humanities Texas, a nonprofit organization providing professional development for teachers in their first or second years of service; \$14.5 million for innovative programs that support educator development or increase achievement outcomes, such as Math Innovation Zones and Replicating Great Options; and \$500,000 for the development and implementation of a Digital Teaching Micro-Credential to recognize educator readiness and skill in delivering virtual education with excellence and geared toward student success.

TEXAS GATEWAY AND ONLINE RESOURCES

Texas Gateway and Online Resources is a web-based platform operated by TEA that includes a collection of professional development opportunities for educators and supplemental instruction for students in an interactive learning environment. Texas Gateway uses existing and new professional development resources and builds professional learning communities where educators can collaborate and participate in online learning opportunities. The appropriation to support Texas Gateway for the 2024–25 biennium is \$14.6 million in General Revenue Funds. From this total, the 2024–25 GAA, Article III, TEA, Rider 49, directs the agency's use of funds as follows: \$3.0 million in each fiscal year of the biennium for to host and maintain online educator and student educational resources and provide secure user accounts; \$1.4 million in each fiscal year for the Lesson Study Initiative for teacher development of best-practice lessons and supporting tools; \$2.0 million in each fiscal year to reimburse costs related to students enrolled in OnRamps Dual Enrollment courses; and \$1.0 million in each fiscal year for professional development provided by UTeach, a science, technology, engineering, and mathematics teacher preparation program offered by the University of Texas.

SCHOOL IMPROVEMENT AND GOVERNANCE SUPPORT

Appropriations for School Improvement and Governance Support total \$2.5 million for the 2024–25 biennium. The 2024–25 GAA, Article III, TEA, Rider 42, requires

the Commissioner of Education to direct funding to provide campus, charter, and district intervention; governance and turnaround assistance services to districts and campuses with identified student performance or financial concerns; and technical or governance assistance to charter schools.

GRANTS TO EDUCATION ORGANIZATIONS

In addition to providing funds to school districts and charter schools, TEA provides funds to organizations providing educational services. The 2024–25 biennial appropriation for grants to education organizations is \$251.9 million in All Funds. This amount is a significant decrease in funding from the 2022–23 biennium and is attributable to decreases of onetime funding provided in the 2022–23 biennium, including decreases of \$449.2 million to the Changes in Instructional Practice program, \$100.0 million in grants for Dyslexia and Autism, and \$74.5 million to the Career-Focused High Schools program. This area includes the following other significant programs.

COMMUNITIES IN SCHOOLS

The Communities in Schools (CIS) program is affiliated with a national nonprofit organization and administered at the state level by TEA. The program's goals include improving school attendance, improving academic achievement, and addressing the behavior of students at risk of dropping out of school. Based on a case-management model, local CIS coordinators work with individual students to provide support and services according to an individualized needs assessment. TEA's 2024–25 biennial appropriations include \$61.0 million in General Revenue Funds and \$7.8 million in Federal Funds for Temporary Assistance for Needy Families to support the program.

TEACH FOR AMERICA

Appropriations for Teach for America (TFA) are \$11.0 million for the 2024–25 biennium. Funding is directed to support placing at least 2,100 TFA public school employees in Texas schools, with priority for the employment of mathematics teachers. The 2024–25 GAA, Article III, TEA, Rider 45, also requires TFA to work jointly with TEA and representatives of districts that employ TFA teachers on implementing a plan to improve retention rates of TFA teachers and to provide expenditure and performance data to assess the success of TFA in meeting the rider requirements.

PASS-THROUGH FUNDING

TEA provides pass-through funding to other state entities and governmental organizations for education programs. The 2024–25 biennial appropriation for pass-through funding is \$254.9 million. The following programs are among the more significant.

WINDHAM SCHOOL DISTRICT FUNDING

The Windham School District (WSD) provides educational programming for inmates in the adult correctional system in Texas. The funding to support this function is provided through TEA; however, the agency does not have oversight of WSD operations. The appropriation to support WSD for the 2024–25 biennium is \$133.3 million. Those funds support high school, vocational, and technical education programs in the prison system.

REGIONAL EDUCATION SERVICE CENTERS

The appropriation to support core services at regional Education Service Centers (ESC) is \$23.8 million for the 2024–25 biennium. The 2024–25 GAA, Article III, TEA, Rider 33, directs the Commissioner of Education to determine a formula by which these funds are distributed among the 20 ESCs to favor those serving small and rural school districts.

AGENCY ADMINISTRATION

Appropriations to TEA for agency administration for the 2024–25 biennium total \$449.9 million in All Funds, including \$294.1 million in General Revenue Funds.

METHODS OF FINANCING

PUBLIC EDUCATION

The TEA budget includes General Revenue Funds, Other Funds, and Federal Funds. Among the General Revenue Funds and Other Funds are several methods of financing the public education system with unique qualities or statutory or constitutional dedications.

GENERAL REVENUE FUNDS

AVAILABLE SCHOOL FUND

The Available School Fund (ASF) is a constitutionally dedicated fund for the support of the public education system. It is funded from distributions from returns on investment of the Permanent School Fund (PSF) and also receives 25.0 percent of the state’s motor fuels tax revenue (see the section on **Other Funds**). Before each legislative

session, the State Board of Education (SBOE) sets an assumed rate of total return on all PSF investment assets that determines the amount to be distributed to the ASF. The ASF funds the state’s technology and instructional materials purchases through a transfer to the state Technology and Instructional Materials Fund and also provides an annual per capita distribution to school districts. The per capita distribution is a method of finance for the FSP.

In addition to motor fuels tax revenue and PSF distributions from the portion of the PSF managed by the Texas Permanent School Fund Corporation (TPSFC), the General Land Office (GLO) also is authorized, at its discretion, to transfer up to \$600.0 million per year directly from the PSF to the ASF. Appropriations include an additional transfer of \$600.0 million for fiscal year 2024 and \$600.0 million for fiscal year 2025 from the GLO-controlled portion of the PSF to the ASF.

TECHNOLOGY AND INSTRUCTIONAL MATERIALS FUND

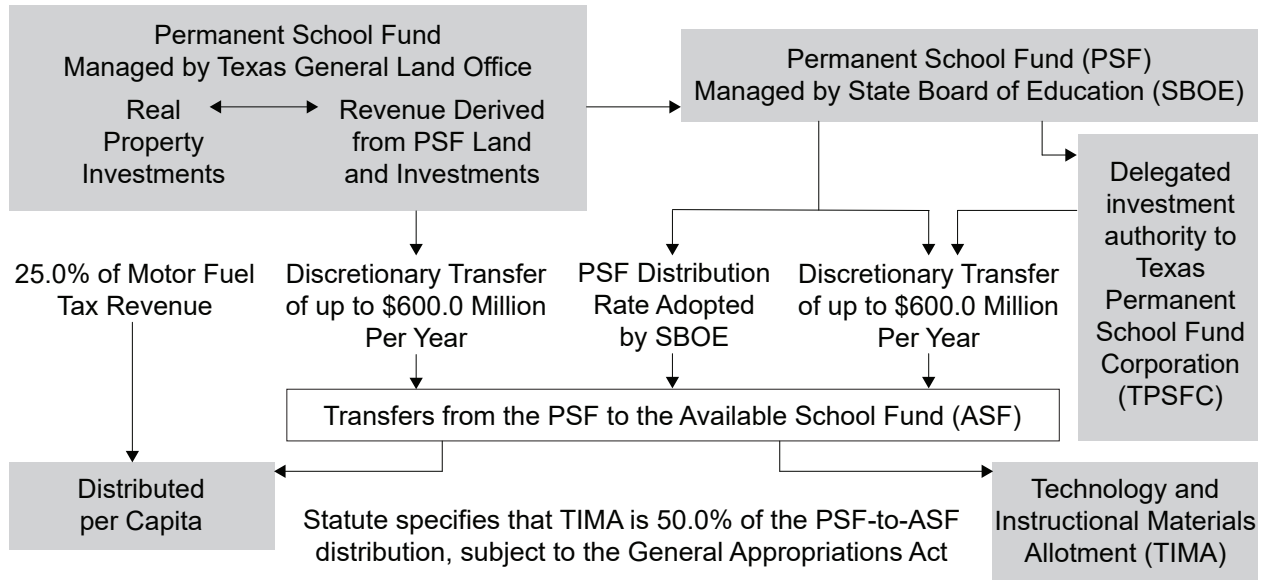
Transfers from the ASF provide funding for the Technology and Instructional Materials Fund, which provides school districts with funding for textbooks and other instructional materials. Statute requires that 50.0 percent, or an alternate amount specified in the General Appropriations Act, of the amount transferred from the PSF to the ASF is deposited into the Technology and Instructional Materials Fund during each biennium.

Figure 159 shows the allocation of PSF-related funds to the ASF for the 2024–25 biennium. The total distribution rate that SBOE adopts each biennium is based on the average market value of the PSF for the preceding 16 fiscal quarters. The rate is set with consideration of a policy of intergenerational equity, whereby the distribution rate cannot jeopardize the probability that the PSF will be able to support the public education of subsequent generations of Texas students at a comparable level. Since the adoption of the total rate of return methodology for determining the distribution, rates have ranged from 4.5 percent for the 2004–05 and 2006–07 biennia to 2.5 percent for the 2010–11 biennium, due to changing market conditions. For the 2024–25 biennium, the adopted rate of 3.32 percent is projected to yield about \$3.1 billion.

LOTTERY PROCEEDS

Since fiscal year 1997, net proceeds from the sale of Texas Lottery games, after paying administration costs and

FIGURE 159
ALLOCATION OF FUNDS FROM THE PERMANENT SCHOOL FUND TO AVAILABLE SCHOOL FUND, 2024–25 BIENNIUM



SOURCE: Legislative Budget Board.

awarding prizes, are dedicated statutorily to funding the FSP and transferring a small portion of net proceeds to the Texas Veterans Commission. For the 2024–25 biennium, lottery proceeds account for \$3.9 billion of the \$65.4 billion in state funds appropriated to fund the FSP, a decrease of \$33.2 million compared to the 2022–23 biennial amount.

FOUNDATION SCHOOL FUND

The Foundation School Fund is an account within the General Revenue Fund that is used exclusively to fund public education. It is appropriated primarily as a method of financing the FSP; however, some appropriations for programs outside the FSP are made from the Foundation School Fund. For the 2024–25 biennium, \$26.6 billion from the Foundation School Fund is appropriated to TEA, of which \$26.2 billion is appropriated for the FSP.

FUND NO. 1

For the 2024–25 biennium, TEA’s appropriations include approximately \$1.2 billion in other General Revenue Funds (Fund No. 1) to support agency administration and certain programs outside of the FSP.

OTHER FUNDS

PERMANENT SCHOOL FUND

A unique aspect of public school funding in Texas is the provision of state funds from the Permanent School Fund, an endowment fund established by the Texas Constitution that consists of fixed income and equity holdings, state lands, mineral rights, and royalty earnings. PSF investments are managed primarily by TPSFC, with a portion of PSF-owned lands and associated mineral rights managed by the General Land Office. (See the **Chapter 6** section on the **Texas Permanent School Fund Corporation** for additional details regarding the PSF.)

PROPERTY TAX RELIEF FUND

The Property Tax Relief Fund (PTRF), established by the Seventy-ninth Legislature, Third Called Session, 2006, is a fund outside of the General Revenue Fund that serves as a method of financing the FSP. The fund was established as part of the effort to compress school district M&O property tax rates by one-third and serves to finance a portion of the state cost of replacing that lost local revenue. PTRF is funded with revenues resulting from a package of legislation that was passed by the Seventy-ninth Legislature, Third Called Session, 2006, which altered the franchise (business margins) tax, motor vehicle sales and use tax, and taxes on tobacco

products. The amounts deposited to PTRF are essentially the amounts generated by the authorized change in those taxes, with the greatest contributions coming from the franchise tax. For the 2024–25 biennium, PTRF contributes \$17.5 billion in state funds appropriated to fund the FSP, including \$12.3 billion transferred to the PTRF from General Revenue Funds that was appropriated for new property tax relief legislation passed by the Eighty-eighth Legislature, a projected increase of \$11.5 billion from the 2022–23 biennial spending level.

TAX REDUCTION AND EXCELLENCE IN EDUCATION FUND

House Bill 3, Eighty-sixth Legislature, 2019, established the Tax Reduction and Excellence in Education (TREE) Fund, which is a fund in the Treasury but outside General Revenue Funds. The TREE Fund may be appropriated only to pay for Tier 1 allotment costs and to decrease school district M&O tax rates.

The legislation established two revenue sources to be deposited into the fund, and an additional potential revenue increase to the ASF that is considered part of the fund. The first source consists of certain revenues previously allocated pursuant to the Texas Constitution, Article III, Section 49-g, which instead are deposited to the TREE Fund. The second source deposits net sales tax revenue collected by marketplace providers during the previous fiscal year. An additional, potential source of revenue consists of amounts in excess of \$300.0 million each year distributed to the ASF, pursuant to the Texas Constitution, Article VII, Section 5(g), which may be appropriated only to pay for the cost of Tier 1 allotments. Appropriations for the FSP for the 2024–25 biennium include a total of \$3.3 billion from the TREE Fund, a projected increase of \$436.9 million from the 2022–23 biennium.

RECAPTURE PAYMENTS – ATTENDANCE CREDITS

The final estimated method of finance supporting FSP is Recapture Payments – Attendance Credits, which consists entirely of revenue from school districts that are subject to wealth-equalization recapture. For the 2024–25 biennium, appropriated recapture receipts contribute \$9.3 billion of the FSP appropriation, a \$1.8 billion increase from the 2022–23 biennium. Following the enactment of legislation modifying the FSP formulas by the Eighty-eighth Legislature, including property tax relief provided by Senate Bill 2, Second Called Session, 2023, recapture payments are estimated to decrease to a total of \$5.0 billion for the 2024–25 biennium. All recapture payments support the FSP; statute prohibits the use of recapture for any other purpose.

**FIGURE 160
TEXAS PUBLIC SCHOOL AVERAGE DAILY ATTENDANCE
FISCAL YEARS 2016 TO 2025**

FISCAL YEAR	SCHOOL YEAR	TOTAL ADA	PERCENTAGE CHANGE
2016	2015–16	4,922,493	1.4%
2017	2016–17	4,972,376	1.0%
2018	2017–18	5,005,005	0.7%
2019	2018–19	5,020,341	0.3%
2020	2019–20	5,061,017	0.8%
2021	2020–21	5,140,653	1.6%
2022	2021–22	4,969,086	(3.3%)
2023	2022–23	4,981,161	0.2%
2024	2023–24	5,071,347	1.8%
2025	2024–25	5,095,452	0.5%

NOTES:

- (1) Amounts for fiscal year 2023 are estimated; amounts for fiscal years 2024 and 2025 are projected.
- (2) Average daily attendance (ADA) counts include charter schools and exclude all state-administered schools.
- (3) ADA data for fiscal years 2020 and 2021 include additional ADA added by the Commissioner of Education to hold districts harmless for attendance decreases resulting from the COVID-19 pandemic. ADA data for fiscal year 2022 includes the Operational Minutes Adjustment to hold districts harmless for decreases in attendance rates due to the pandemic for the first four six-week periods of school year 2021–22.

SOURCES: Texas Education Agency, Legislative Budget Board.

FEDERAL PROGRAMS

Appropriations for Federal Programs for the 2024–25 biennium are estimated to be \$12.5 billion. This \$13.2 million net decrease from appropriations in the 2022–23 biennium includes a decrease of \$239.8 million in special education funding, partially offset by an increase of \$175.0 million in Title I funding and \$56.0 million for the Child Nutrition Programs.

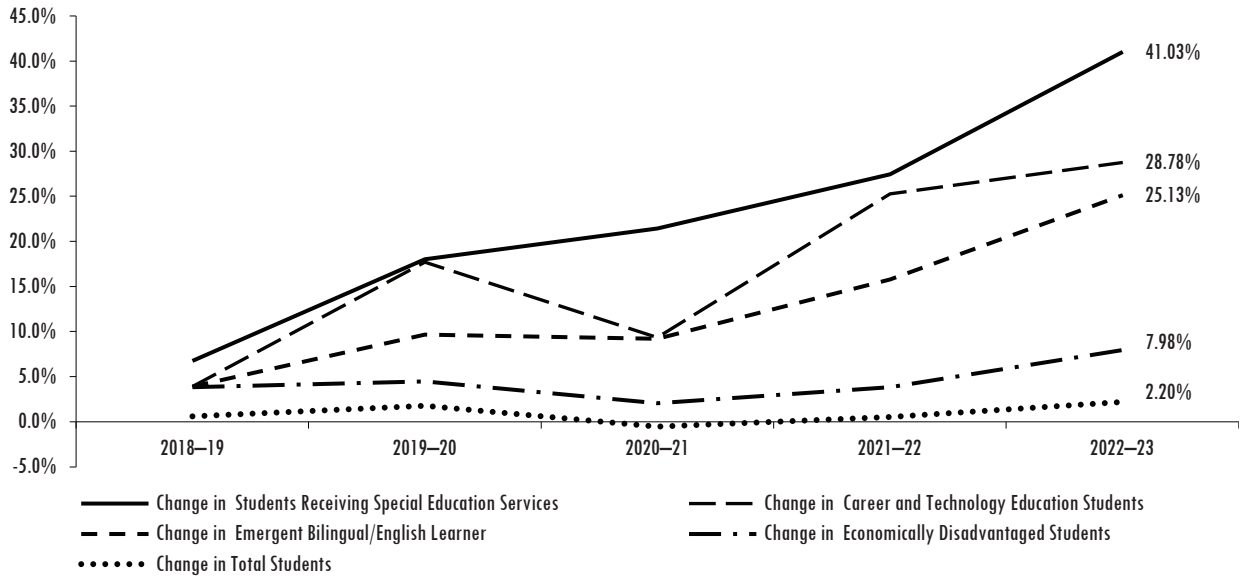
TEXAS STUDENTS AND DISTRICTS

Texas’ public school students and school districts exhibit diversity in various factors that drive funding and policy decisions within the state and result in a unique public education environment relative to other states.

STUDENTS IN AVERAGE DAILY ATTENDANCE

Recent average daily attendance (ADA) trends for Texas and ADA projections for the 2024–25 biennium are shown in **Figure 160**. The 2024–25 biennial projections include a March 2023 update of estimates prepared by TEA for the Eighty–eighth Legislature, Regular

FIGURE 161
ENROLLMENT TRENDS OF CERTAIN TEXAS STUDENT POPULATIONS COMPARED TO SCHOOL YEAR 2017–18,
SCHOOL YEARS 2018–19 TO 2022–23



NOTE: Changes in total students, students receiving special education services, emergent bilingual/English learner students and economically disadvantaged students are based on the number of enrolled students. Change in career and technology education students is based on full-time-equivalent student attendance data.
 SOURCE: Texas Education Agency.

Session, 2023. ADA data for fiscal years 2020 and 2021 include additional ADA added by the Commissioner of Education to hold districts harmless for attendance decreases resulting from the COVID-19 pandemic. ADA data for fiscal year 2022 includes the Operational Minutes Adjustment to hold districts harmless for decreases in attendance rates due to the COVID-19 pandemic for the first four six-week periods of school year 2021–22. Charter school ADA is included in the counts shown in **Figure 160**. For school year 2024–25, charter school ADA is projected to be 414,961.

For the 2024–25 biennium, it is estimated that ADA will increase by 1.8 percent for fiscal year 2024 and increase by 0.5 percent for fiscal year 2025.

The Foundation School Program provides weighted funding for certain student populations. **Figure 161** shows enrollment trends for various student populations that drive FSP funding. The highlighted populations include students participating in career and technology education (CTE) programs, emergent bilingual/English learner (EB/EL) students, economically disadvantaged students, and students receiving special education services. Enrollment growth rates decreased across all categories for school year 2020–21

during the onset of the COVID-19 pandemic. Before the pandemic, total enrollment had been increasing, at an average annual growth rate of 0.9 percent from school years 2017–18 to 2019–20. During this period, the number of EB/EL students, economically disadvantaged students, CTE students, and special education students increased at average annual growth rates of 4.8 percent, 2.2 percent, 8.8 percent, and 9.0 percent, respectively. After the 2020–21 school year, total enrollment has been increasing again at an average annual growth rate of 1.4 percent. During this same period, the number of EB/EL students, economically disadvantaged students, CTE students, and special education students increased at average annual growth rates of 7.3 percent, 2.9 percent, 8.9 percent, and 8.1 percent, respectively. The growth of these populations at a faster rate than total student enrollment increases the cost of the FSP.

TEXAS PUBLIC SCHOOL EMPLOYEES

For school year 2022–23, Texas public schools employed 765,337 full-time-equivalent positions, of which about half were teachers. **Figure 162** shows public school employees by function and subdivides those functions into instructional and noninstructional roles. Instructional roles are defined as functions that primarily serve students in the

FIGURE 162
TEXAS PUBLIC SCHOOL EMPLOYEES BY FUNCTION
SCHOOL YEARS 2013–14, 2017–18, AND 2022–23

FUNCTION	2013–14		2017–18		2022–23	
	FTE POSITIONS (1)	PERCENTAGE OF TOTAL	FTE POSITIONS	PERCENTAGE OF TOTAL	FTE POSITIONS	PERCENTAGE OF TOTAL
Instructional (2)						
Teachers	334,580	50.9%	356,909	50.0%	371,802	48.6%
Classroom support	62,240	9.5%	72,068	10.1%	86,358	11.3%
Total, Instructional	396,820	60.3%	428,977	60.1%	458,160	59.9%
Noninstructional (2)						
Administrative staff	26,118	4.0%	29,649	4.2%	34,912	4.6%
Nonclassroom support (3)	62,029	9.4%	70,570	9.9%	83,890	11.0%
Auxiliary staff (4)	172,954	26.3%	184,124	25.8%	188,375	24.6%
Total, Noninstructional	261,101	39.7%	284,343	39.9%	307,177	40.1%
Total, FTE Positions	657,921		713,320		765,337	
Ratio of Instructional to Noninstructional		1.5		1.5		1.5

NOTES:

- (1) FTE=full-time-equivalent position.
 - (2) The instructional function includes professional staff reported with a Classroom ROLE-ID code in the Public Education Information Management System (PEIMS). The noninstructional function includes professional staff reported with a Non-Classroom ROLE-ID code in PEIMS and auxiliary staff reported without a specific ROLE-ID. The instructional and noninstructional functions shown may differ from other staff groupings included in Texas Education Agency reports. Instructional support includes roles that provide direct services to students in a classroom setting, such as paraprofessional staff and certain therapists.
 - (3) Nonclassroom support includes roles that provide support services primarily outside the classroom such as librarians, counselors, diagnosticians, supervisors, and other professional roles.
 - (4) Auxiliary staff includes roles such as bus drivers, cafeteria staff, janitorial services, and grounds services.
- SOURCE: Texas Education Agency.

classroom. **Figure 162** shows that approximately three-fifths of public education employees are in this instructional category, and those proportions have been similar for at least the past 10 school years.

STATE BOARD FOR EDUCATOR CERTIFICATION

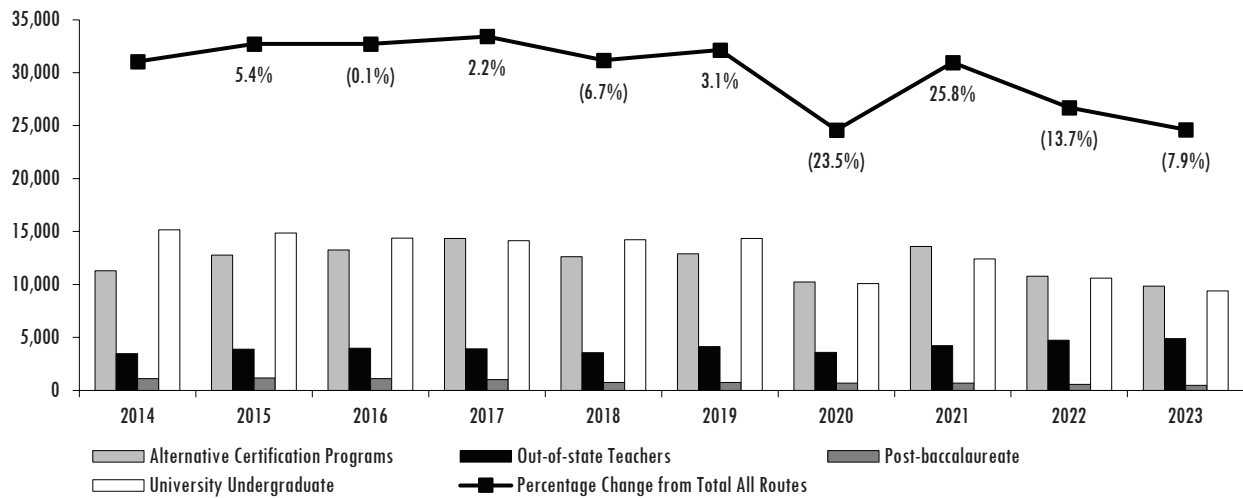
The State Board for Educator Certification (SBEC), an appointed board whose functions are carried out within TEA’s Educator Leadership and Quality Division, oversees a range of teacher credentialing, recruitment and retention, and professional conduct-related activities. This oversight includes the accreditation of more than 122 educator preparation programs. With few exceptions, SBEC functions are self-funded, which means they are paid from fees charged to educators and educator candidates for credentialing-related services.

SBEC specifies the classes of educator certificates to be issued, the period for which a certificate is valid, and rules

relating to initial issuance and renewal. To ensure that educators are certified properly, SBEC manages the development and oversees administration of numerous pedagogy (teaching skills), content knowledge, and professional examinations. The Texas Examinations of Educator Standards and their associated teaching certificates align educator certification standards with the Texas Essential Knowledge and Skills curriculum framework. In addition to the standard examinations, the agency also requires examinations for specific certificates: the Texas Oral Proficiency Test for the education of students with limited English proficiency, and the Texas Assessment of Sign Communication for the education of students with hearing impairment.

Figure 163 shows the number of individuals that were issued initial teaching certificates from fiscal years 2014 to 2023. From fiscal years 2014 to 2019, SBEC issued an annual average of 32,208 initial teaching certificates. However, in fiscal year 2020, the board issued 24,603

FIGURE 163
INITIAL TEACHING CERTIFICATES ISSUED BY CERTIFICATION ROUTE
FISCAL YEARS 2014 TO 2023



NOTE: Number of certificates does not include renewals, temporary credentials, or professional certifications.
 SOURCE: Texas Education Agency.

initial certificates due to effects of the COVID-19 pandemic. The number issued increased in fiscal year 2021 to 30,959, but again fell to 26,717 in fiscal year 2022. Fiscal year 2023 showed an additional 7.9 percent decrease to 24,609 certificates issued.

The most common route to obtaining a teaching certificate for fiscal year 2023 was through Texas Alternative Certification Programs (ACP), followed by educator preparation programs that are offered as part of a four-year University Undergraduate program. ACPs enable individuals that meet certain educational criteria to become certified as educators in approximately one year through course work and fieldwork outside of a traditional undergraduate or graduate program.

PUBLIC SCHOOL ACCOUNTABILITY FOR STUDENT PERFORMANCE

For nearly 50 years, Texas has been a national leader in statewide assessment and accountability for student performance in public education. **Figure 164** shows a timeline of major events in the evolution of testing and accountability in the state.

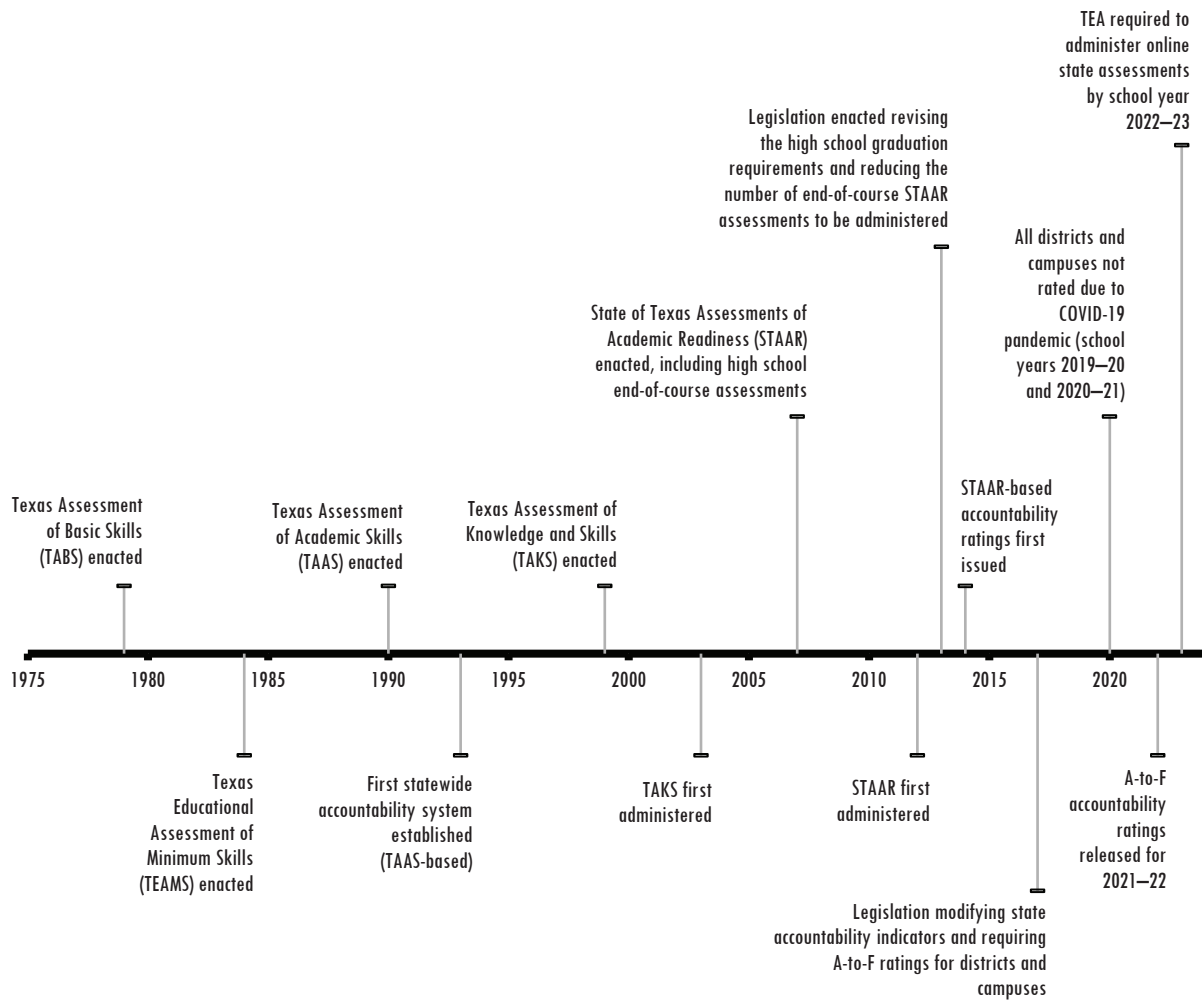
The first iteration of the statewide accountability system for Texas public schools was established by the Seventy-third Legislature, 1993, to hold Texas public schools accountable for student performance. The accountability ratings system was based on an annual

student dropout rate and student performance on a set of assessments called the Texas Assessment of Academic Skills (TAAS). TAAS included tests on reading, writing, math, and social studies. Each school district and campus was rated according to its ability to meet state passing standards on each test for all students and for certain disaggregated student groups—African American, Hispanic, White, and economically disadvantaged—and its ability to meet state dropout standards. Each district and campus received a rating of exemplary, recognized, acceptable, or unacceptable/low-performing.

The system was amended during calendar year 2004 to align with the transition to a new assessments program, the Texas Assessment of Knowledge and Skills (TAKS), and to align with new federal performance standards set in the federal No Child Left Behind Act of 2001. The system was amended to incorporate performance on the alternative assessments for special education students and to use longitudinal completion rates instead of annual dropout rates.

During school year 2011–12, the state again transitioned to a new assessment system, the State of Texas Assessments of Academic Readiness (STAAR), as a result of actions of the Eightieth Legislature, 2007. The STAAR system includes assessments in grades three to eight in reading, mathematics, science, social studies, and writing. STAAR also replaced the exit-level TAKS exam for high school students with 15 subject-specific, end-of-course assessments in foundation

FIGURE 164
TEXAS PUBLIC EDUCATION ASSESSMENT AND ACCOUNTABILITY SYSTEM
CALENDAR YEARS 1979 TO 2023



SOURCE: Legislative Budget Board.

subjects. The Eighty-third Legislature, Regular Session, 2013, amended the number of end-of-course assessments for high school students from 15 to five, including algebra I, biology, English I, English II, and U.S. history.

The Eighty-fifth Legislature, Regular Session, 2017, further modified the state accountability system indicators for districts and campuses. House Bill 22 restructured and reduced the achievement indicators from a five-domain system (student achievement, student progress, closing performance gaps, postsecondary readiness, and community and student engagement) to a three-domain system (student achievement, student progress, and closing the gaps).

Additionally, the legislation changed the way the overall grade for campuses and districts are calculated; delayed the implementation of the letter rating for campuses until school year 2019–20; and established a local accountability plan to enable districts to rate campuses using locally developed domains and accountability measures.

The A-to-F accountability system debuted during the 2018–19 school year. During the first year, districts were awarded accountability scores from 0 to 100 and ratings from A to F. Campuses were assigned scores of 0 to 100 during the first year, and A-to-F scores were added to campus ratings during the 2019–20 school year. **Figure 165** shows the distribution

FIGURE 165
SCHOOL DISTRICT AND CHARTER SCHOOL ACCOUNTABILITY RATINGS, 2019 AND 2022

ACCOUNTABILITY RATING	2019		2022	
	COUNT	PERCENTAGE	COUNT	PERCENTAGE
A	300	25.3%	395	33.1%
B	675	56.9%	644	54.0%
C	153	12.9%	112	9.4%
D	45	3.8%	N/A	
F	13	1.1%	N/A	
Not Rated: Senate Bill 1365	N/A	N/A	41	3.4%
Not Rated	13		12	
Under Review	N/A	N/A	3	
Data Integrity Issues	2		N/A	

NOTES:

(1) Districts and campuses did not receive accountability ratings for 2020 and 2021 due to effects of the COVID-19 pandemic

(2) In 2022, The label Not Rated: Senate Bill 1365 was applied to any domain or overall scaled score less than 70.

SOURCE: Texas Education Agency.

of accountability ratings for Texas school districts during calendar years 2019 and 2022. Districts and campuses did not receive accountability ratings for 2020 and 2021 due to effects of the COVID-19 pandemic.

Senate Bill 1365, Eighty-seventh Legislature, Regular Session, 2021, modified the 2022 Accountability framework to rate all districts and campuses with a label of A, B, C, or Not Rated: Senate Bill 1365. The Not Rated: Senate Bill 1365 label was applied to any domain or overall scaled score less than 70.

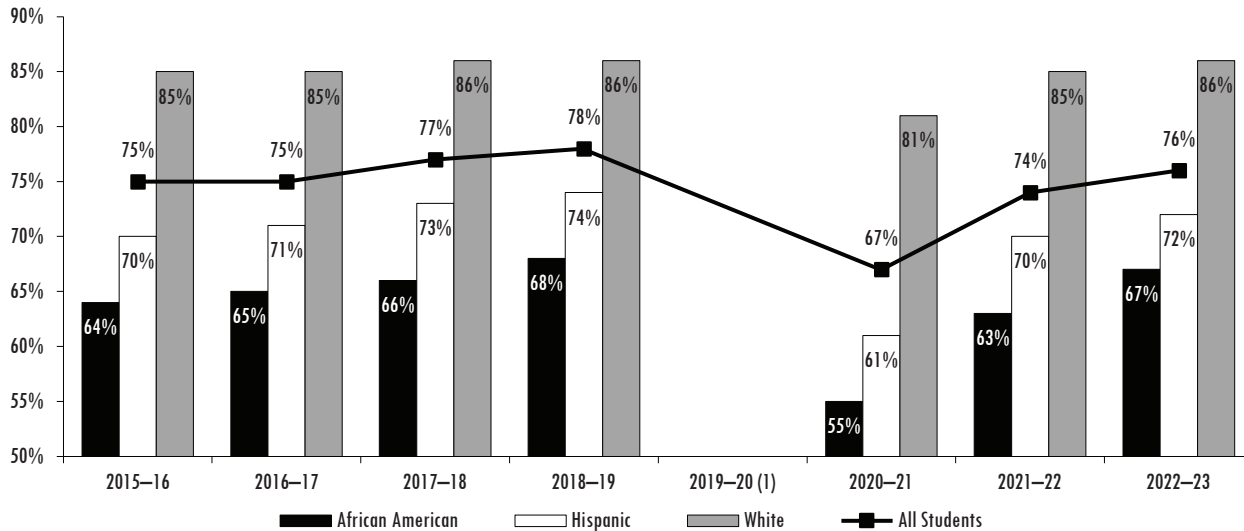
House Bill 3261, Eighty-seventh Legislature, Regular Session, required TEA to administer state assessments online by the 2022–23 school year, except to students taking the STAAR Alternate 2 assessment and students who require accommodations that cannot be provided online.

STUDENT PERFORMANCE ON STATE ASSESSMENTS

In school year 2011–12 the STAAR replaced the TAKS as the method for assessing student performance in Texas. As shown in **Figure 166**, overall performance and the disaggregated performance of White, Hispanic, and African American students all began an upward trend from school year 2015–16 through school year 2018–19. Achievement gaps between African American/White and Hispanic/White achievement gaps also decreased during this period.

STAAR testing in spring 2020 was cancelled due to effects of the COVID-19 pandemic. The school year 2020–21 STAAR results recorded a significant decrease in the number of students passing all tests, from 78.0 percent in school year 2018–19 to 67.0 percent in school year 2020–21. African American and Hispanic students’ performance decreased more precipitously than performance among White students, exacerbating achievement gaps between African American students and White students and between Hispanic students and White students. House Bill 1525, Eighty-seventh Legislature, Regular Session, 2021, established the Texas COVID-19 Learning Acceleration Supports (TCLAS) program to address the effects of the pandemic on learning loss and teacher retention. TEA was appropriated \$1.3 billion in federal funding from the Coronavirus Relief Fund for these purposes. Additionally, House Bill 4545, Eighty-seventh Legislature, Regular Session, 2021, established the Strong Foundations Grant program to provide accelerated instruction for students who fail to achieve satisfactory performance on certain assessments. TEA combined TCLAS and Strong Foundations to establish the TCLAS grant to facilitate strategic planning, rigorous instruction material, high-impact tutoring, innovative school models, and support for teachers. Following the implementation of these programs in school year 2022–23, the percentage of students passing all tests increased to 76.0 percent.

FIGURE 166
TEXAS PUBLIC AND CHARTER SCHOOL STUDENTS PASSING ALL TESTS, BY ETHNICITY
SCHOOL YEARS 2015–16 TO 2022–23



NOTE: (1) Due to effects of the COVID-19 pandemic, the spring 2020 State of Texas Assessments of Academic Readiness were not administered.

SOURCE: Texas Education Agency.

SIGNIFICANT LEGISLATION

Please see the **Funding for Public Education Initiatives** section for information regarding the following bills:

- **House Bill 3**, which relates to public school safety, including purchases and funding for public school safety and security requirements and the provision of safety-related resources;
- **House Bill 1605**, which relates to instructional materials and technology, adoption of curriculum standards, and additional state aid to school districts for the provision of certain instructional materials; and
- **Senate Bill 2, Second Called Session**, which decreases school district M&O property tax rates, increases the amount of the homestead exemption, and intends to protect school districts against the resulting loss in local revenue.

House Bill 8 – Revisions to the administration, coordination, and support of public higher education, including the public junior college state finance program.

The legislation directs TEA and the Texas Higher Education Coordinating Board jointly to establish the Financial Aid for Swift Transfer program to cover the cost of tuition for educationally disadvantaged students enrolled in dual-credit

courses at participating institutions of higher education. (See the **Chapter 6** section on **Public Community/Junior Colleges** for more information regarding House Bill 8.)

House Bill 900 – Regulation of public school library materials. The legislation sets state standards for a public school’s library collection policies and requires public school library material vendors to rate materials sold to schools. House Bill 900 prohibits the sale of materials that are rated sexually explicit to public schools and requires parental consent for a student to reserve or borrow items that are rated sexually relevant.

House Bill 2209 – Establishing the Rural Pathway Excellence Partnership program. The legislation establishes the Rural Pathway Excellence Partnership program and implements an allotment and outcomes bonus under the Foundation School Program to support the program. The Commissioner of Education is required to establish and administer the program to incentivize and support rural college and career pathway partnerships for underserved students while promoting rural economic development.

TEXAS PERMANENT SCHOOL FUND CORPORATION

PURPOSE: Managing and investing the assets of the Texas Permanent School Fund to provide intergenerational equity in public education funding. The corporation also uses its AAA credit rating to guarantee bonds for school districts, including charter schools, through the Bond Guarantee Program.

ESTABLISHED: 2023

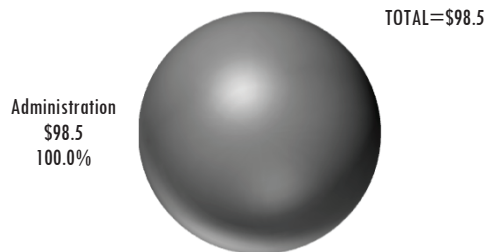
AUTHORIZING STATUTE: The Texas Education Code, Chapter 43, Subchapter B

GOVERNANCE: A board of directors containing five members of the State Board of Education, the Land Commissioner, one Land Commissioner appointee, and two gubernatorial appointees; the three members appointed by the Land Commissioner and Governor must have substantial expertise in investments and asset management

FIGURE 167
TEXAS PERMANENT SCHOOL FUND CORPORATION BY METHOD OF FINANCE

METHOD OF FINANCE	(IN MILLIONS)				APPROPRIATED FULL-TIME-EQUIVALENT POSITIONS				
	ESTIMATED/BUDGETED 2022–23	APPROPRIATED 2024–25	BIENNIAL CHANGE	PERCENTAGE CHANGE					
General Revenue Funds	\$0.0	\$0.0	\$0.0	N/A	<table border="1"> <tr> <td>2024</td> <td>114.5</td> </tr> <tr> <td>2025</td> <td>119.7</td> </tr> </table>	2024	114.5	2025	119.7
2024	114.5								
2025	119.7								
General Revenue–Dedicated Funds	\$0.0	\$0.0	\$0.0	N/A					
Federal Funds	\$0.0	\$0.0	\$0.0	N/A					
Other Funds	\$45.5	\$98.5	\$53.0	116.5%					
Total, All Methods of Finance	\$45.5	\$98.5	\$53.0	116.5%					

AGENCY PROGRAM AREAS BY APPROPRIATION (IN MILLIONS)



SIGNIFICANT DEVELOPMENT

Other Funds appropriations include \$98.5 million, an increase of \$53.0 million from the 2022–23 biennium. This amount includes an increase to Permanent School Fund appropriations related to biennialization of the fiscal year 2023 operating budget and funding for performance incentive pay.

SOURCE: Legislative Budget Board.

MAJOR FUNDING

Funding appropriated to the Texas Permanent School Fund Corporation (TPSFC) for the 2024–25 biennium totals \$98.5 million in Other Funds (Permanent School Fund), an increase of \$53.0 million, or 116.5 percent. This increase is attributable primarily to biennializing fiscal year 2023 operating costs and continued start-up costs of agency operations during the 2024–25 biennium.

PROGRAMS

INVESTMENT MANAGEMENT, SUPPORT, AND ADMINISTRATION

The agency’s program areas include functions related to establishing TPSFC, ongoing operations and administration, and managing investments related to the Permanent School Fund (PSF).

ESTABLISHMENT OF THE TEXAS PERMANENT SCHOOL FUND CORPORATION

A unique aspect of public school funding in Texas is the provision of state funds from the PSF, an endowment fund established by the Texas Constitution that consists of fixed income and equity holdings, state lands, mineral rights, and royalty earnings. Prior to 2023, PSF investments were managed primarily by the State Board of Education (SBOE) through Texas Education Agency (TEA) staff, with a portion of PSF-owned lands and associated mineral rights managed by the General Land Office’s (GLO) School Land Board (SLB). The PSF is managed to be a permanent, perpetual source of funding of public education for Texas.

Senate Bill 1232, Eighty-seventh Legislature, Regular Session, 2021, transitioned the fund’s investment functions from divisions of the TEA and GLO to a single governmental entity managed by an independent board of directors. In 2023, the PSF assets, investment functions, and core operations were transferred to the newly formed TPSFC. The GLO continues to hold and manage the PSF’s nonfinancial real assets.

The Eighty-seventh Legislature, General Appropriations Act, 2022–23 Biennium, required TEA and GLO to submit to the Legislative Budget Board a plan describing the steps required to implement Senate Bill 1232. These steps included the legal establishment of the TPSFC; initial corporation board actions and corporation activities; transfer of assets, investment functions, and core operations; and establishment of administration functions within TPSFC. The transition included executing memoranda of

understanding (MOU) with TEA and GLO related to the separation of assets and operations.

OPERATIONS AND INVESTMENT MANAGEMENT

TPSFC administrative operations and investment management functions are funded by appropriation from the PSF. Funding for the 2024–25 biennium totals \$98.5 million in Other Funds (Permanent School Fund), 114.5 full-time-equivalent positions in fiscal year 2024, and 119.7 positions in fiscal year 2025. The \$55.6 million increase in base funding from the previous biennium is related primarily to biennializing fiscal year 2023 operating costs and the continued ramp up of agency operations during the 2024–25 biennium. The increase also includes additional funding for performance incentive compensation.

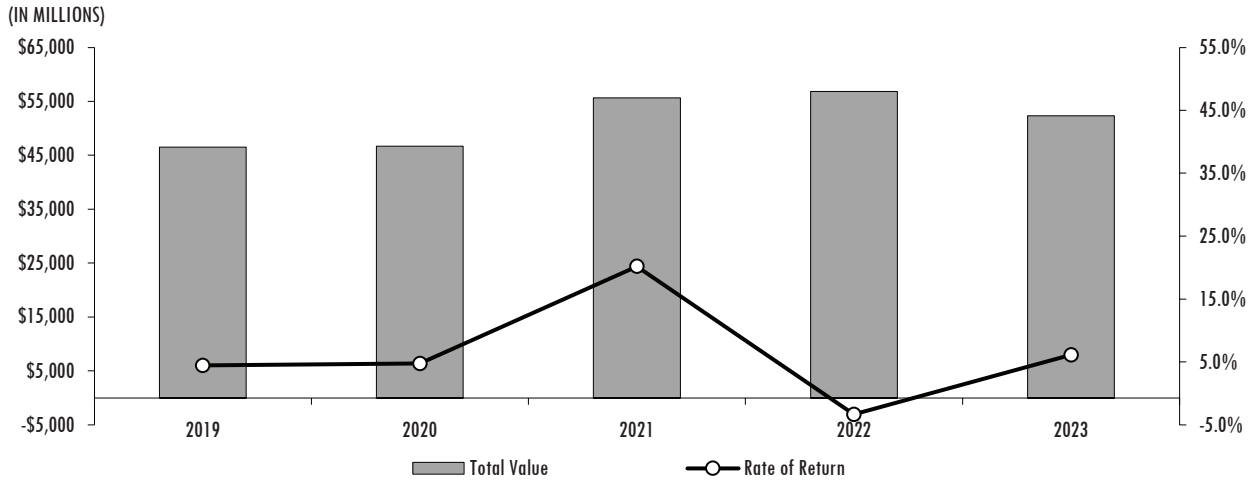
Pursuant to the Texas Education Code, Chapter 43, the SBOE delegates authority to manage and invest PSF assets to TPSFC. The TPSFC board adopts an annual Investment Policy Statement, an outline of investment policies and objectives that guides investment decisions.

TPSFC manages assets across a diversified portfolio allocation. The TPSFC board of directors sets the asset allocation policy for the PSF, including determining the available asset classes for investment and approving target percentages and ranges for allocation to each asset class. The board conducts a formal asset allocation study at least every two years. In February 2024, the TPSFC board of directors adopted target asset class allocations that included 14 classes with weights ranging from 2.0 percent to 20.0 percent, with the heaviest weights for private equity, large-cap domestic equity, real estate, and core bonds. Compared to the previous targets set in June 2022, the board added private credit and decreased weights for public equities. The strategic asset class allocation is designed to increase long-term returns, while reducing risk and portfolio return volatility.

At the end of fiscal year 2023, the market value of assets totaled \$52.3 billion and the annual return on investment for fiscal year 2023 was 6.1 percent. **Figure 168** shows the changes to the total fund value and time-weighted rate of return (net of fees) of the PSF for fiscal years 2019 to 2023. During this period, the TPSFC-calculated rates of return for total PSF assets range from negative 3.3 percent in fiscal year 2022 to 20.2 percent in fiscal year 2021.

A portion of funds from the PSF is allocated to the Available School Fund (ASF) as a method of finance for the Foundation School Program, the primary mechanism for

FIGURE 168
PERMANENT SCHOOL FUND TOTAL VALUE AND TOTAL TIME-WEIGHTED RETURNS (NET OF FEES)
FISCAL YEARS 2019 TO 2023



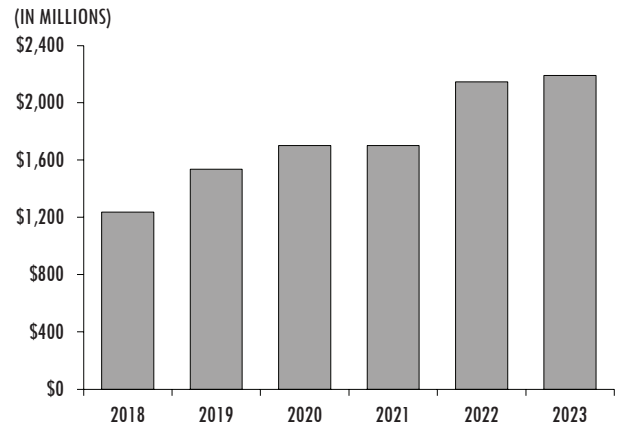
NOTE: Data shown represents the total value of the Permanent School Fund, including assets previously reported separately by the State Board of Education and the School Land Board. The Texas Permanent School Fund Corporation recalculated values, inclusive of all assets previously managed by other entities.
 SOURCE: Texas Permanent School Fund Corporation.

state funding of public schools. The distribution rate is set by SBOE, which follows a policy designed to maintain intergenerational equity whereby the distribution rate cannot jeopardize the probability that the PSF will be able to support the public education of subsequent generations of Texas students at a comparable rate. Since 1960, the PSF has contributed a total of approximately \$37.0 billion to the ASF to fund public education.

Figure 169 shows distributions from the PSF to the ASF from fiscal years 2018 to 2023. These distributions represent total PSF allocations to the ASF, inclusive of allocations made from the PSF by the SLB and the SBOE. For fiscal year 2023, distributions totaled \$2.1 billion, of which \$345.0 million was distributed on behalf of the SLB.

For each fiscal year of the 2024–25 biennium, the PSF will distribute \$1.6 billion to the ASF. As part of the MOU between TPSFC and the GLO, TPSFC also will distribute \$600.0 million in royalty revenue each year of the 2024–25 biennium from the PSF to the ASF in accordance with the SLB’s August 2023, resolution to distribute the maximum discretionary transfers allowed under the Texas Constitution. Beginning in fiscal year 2026, the TPSFC will set minimum discretionary transfer rates for the PSF allocations to the ASF. For further information about the ASF, see the **Chapter 6** section on the **Texas Education Agency**.

FIGURE 169
PERMANENT SCHOOL FUND DISTRIBUTIONS
TO THE AVAILABLE SCHOOL FUND
FISCAL YEARS 2018 TO 2023

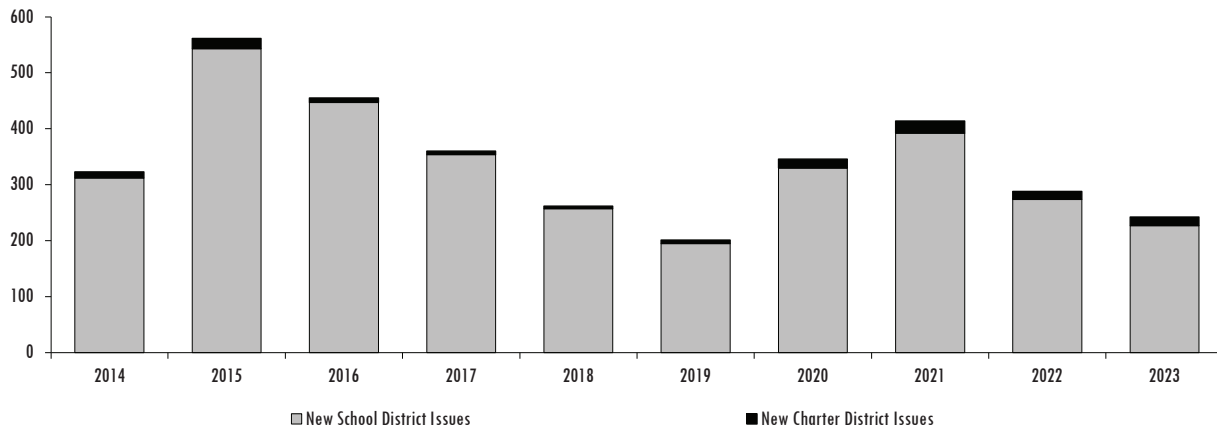


NOTE: Distributions represent cumulative distributions from the State Board of Education, School Land Board, and Texas Permanent School Fund Corporation.
 SOURCES: Legislative Budget Board; Texas Permanent School Fund Corporation.

BOND GUARANTEE PROGRAM

The Bond Guarantee Program (BGP), using the corpus of the PSF, guarantees bonds issued by school districts or charter schools. For school districts with lower than AAA ratings

FIGURE 170
BOND GUARANTEE PROGRAM NEW ISSUES, FISCAL YEARS 2014 TO 2023



SOURCES: Texas Permanent School Fund Corporation; State Auditor's Office.

from the major bond rating services, the PSF guarantee replaces the need for private bond insurance and enables participants to borrow at a lower cost, which could provide cost savings for taxpayers. The program, including evaluation of school and charter district applications, is administered by TEA staff.

As of fiscal year 2023, the balance of outstanding guaranteed bonds was approximately \$111.6 billion in school district bonds for 857 public school districts and \$4.1 billion in charter district bonds for 32 charter districts. The TPSFC estimates that the BGP saves taxpayers approximately \$400.0 million annually. Compared to the previous fiscal year, the total number of outstanding issues decreased by one, and the value of outstanding issues increased by approximately \$12.5 billion, or 12.1 percent.

Figure 170 shows the number of new bond issues by fiscal year for school districts and charters from fiscal years 2014 to 2023 through the BGP. For fiscal year 2023, the BGP guaranteed 227 school district issues totaling approximately \$18.5 billion and 15 charter district issues totaling \$437.2 million.

The maximum capacity of the bond guarantee program is the lesser of two limitations. The first is a limit imposed by the Internal Revenue Service (IRS), which previously was set by private letter ruling restricting the capacity to 500.0 percent of the cost value of the PSF as of 2009, calculated to be \$117.3 billion. A second state capacity limit is set by the SBOE at 350.0 percent of the historical cost value of the assets in the PSF. In addition, the SBOE by statute sets aside a percentage reserve of the maximum

capacity. Charter school participation in the program is subject to additional limitations.

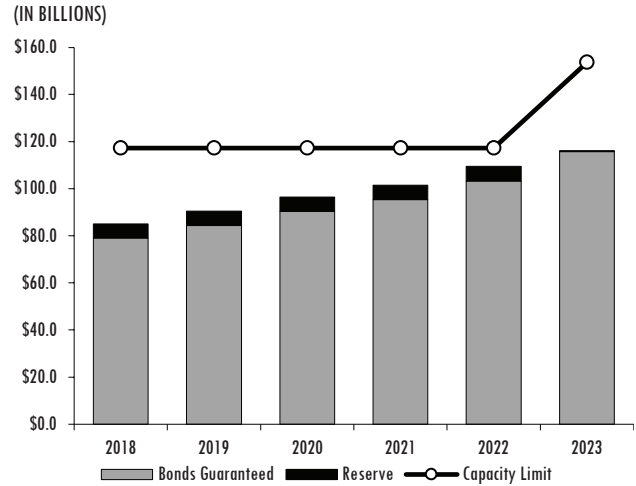
In fiscal year 2023, the BGP began to reach its capacity limits. From November 2022 to January 2023, TEA turned down \$8.4 billion in applications from public school districts. Effective March 2023, the SBOE lowered the program capacity reserve from 5.0 percent to 0.25 percent, freeing up approximately \$6.0 billion in capacity. In May 2023, the IRS published a notice removing the 2009 date limitation for the value of the PSF assets, which increased the IRS limit to \$219.6 billion.

Figure 171 shows the outstanding value of bonds guaranteed, reserves set aside by SBOE, and the capacity limit for BGP from fiscal years 2018 to 2023. For fiscal years 2018 to 2022, the IRS capacity limit of \$117.3 billion was the determining limit for the TPSFC's bond guarantee program limit. In fiscal year 2023, the IRS increased the limit of the program and the state limit determined the program's \$153.7 billion capacity.

Additionally, the Charter District Bond Guarantee Reserve Fund, managed by the TPSFC and administered by TEA, serves as a protective measure to uphold bond commitments. Charter districts involved in the BGP are mandated to submit payments to the Charter Reserve Fund upon each bond issuance. These contributions bolster a reserve pool established to alleviate risks linked to bond defaults or financial instability within charter districts. Through the establishment of this dedicated reserve fund, the program aims to foster investor trust, thereby enabling charter districts to access advantageous financing conditions. The TPSFC

board manages the reserve fund in the same manner as the PSF and may invest money in the fund in accordance with the prudent investor standard described in the Texas Constitution, Article 7, Section 5(f).

FIGURE 171
CAPACITY AND USE OF THE TEXAS PERMANENT SCHOOL FUND CORPORATION'S BOND GUARANTEE PROGRAM
FISCAL YEARS 2018 TO 2023



SOURCES: Legislative Budget Board; State Auditor's Office.

TEXAS SCHOOL FOR THE BLIND AND VISUALLY IMPAIRED

PURPOSE: Serves as a leading center of expertise and support, working in partnership with schools, families, and organizations to improve educational outcomes for students that are blind or visually impaired, including those with deaf-blindness or additional disabilities. The school provides full-time classroom and residential programs during the school year for students whose needs cannot be met at local school districts.

ESTABLISHED: 1856

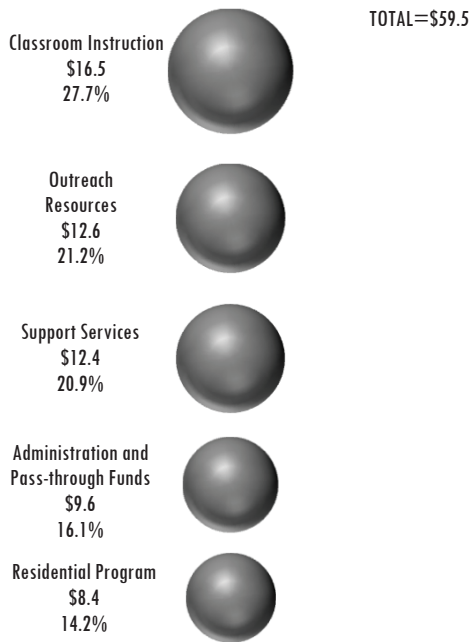
AUTHORIZING STATUTE: The Texas Education Code, Chapter 30, Subchapter B

GOVERNANCE: Board of Trustees—nine members appointed by the Governor and confirmed by the Senate, filling specified positions

FIGURE 172
TEXAS SCHOOL FOR THE BLIND AND VISUALLY IMPAIRED BY METHOD OF FINANCE

METHOD OF FINANCE	(IN MILLIONS)				APPROPRIATED FULL-TIME-EQUIVALENT POSITIONS				
	ESTIMATED/BUDGETED 2022–23	APPROPRIATED 2024–25	BIENNIAL CHANGE	PERCENTAGE CHANGE					
General Revenue Funds	\$42.0	\$43.9	\$1.9	4.5%	<table border="1"> <tr> <td>2024</td> <td>371.2</td> </tr> <tr> <td>2025</td> <td>371.2</td> </tr> </table>	2024	371.2	2025	371.2
2024	371.2								
2025	371.2								
General Revenue–Dedicated Funds	\$0.0	\$0.0	\$0.0	N/A					
Federal Funds	\$7.9	\$4.3	(\$3.6)	(45.7%)					
Other Funds	\$12.6	\$11.3	(\$1.3)	(10.2%)					
Total, All Methods of Finance	\$62.5	\$59.5	(\$3.0)	(4.8%)					

INSTITUTION PROGRAM AREAS BY APPROPRIATION (IN MILLIONS)



SIGNIFICANT DEVELOPMENTS

Appropriations provide a net General Revenue Funds increase of \$1.9 million, or 4.5 percent for salary increases provided during the 2022–23 and 2024–25 biennia and for student transportation.

Senate Bill 30, Eighty-eighth Legislature, Regular Session, 2023, appropriates \$3.2 million in fiscal year 2023 for campus infrastructure and security upgrades.

Appropriations include decreases of \$3.6 million in Federal Funds and \$1.3 million in Other Funds due to the expiration of federal COVID-19 pandemic-related funding.

SOURCE: Legislative Budget Board.

MAJOR FUNDING

Funding appropriated to the Texas School for the Blind and Visually Impaired (TSBVI) for the 2024–25 biennium represents an All Funds decrease of \$3.0 million, or 4.8 percent. Funding decreases are primarily attributable to decreases of \$3.6 million in anticipated Federal Funds and \$1.3 million in Other Funds due to a decrease in federal COVID-19 pandemic-related funding and to the removal of \$3.2 million in onetime General Revenue Funds for campus infrastructure and security upgrades appropriated by the Eighty-eighth Legislature for fiscal year 2023. These decreases are partially offset by increases of \$1.8 million in General Revenue Funds to maintain salary increases provided during the 2022–23 biennium, \$2.6 million in General Revenue Funds for the statewide salary adjustment provided during the 2024–25 biennium, and \$0.7 million in General Revenue Funds for student transportation.

PROGRAMS

TSBVI staff work in conjunction with local school districts and the state's regional Education Service Centers to provide a continuum of services to students with visual impairments. Students receive instruction that prepares them for high school graduation; for return to their local school districts; or for transition to further education, training, or placement in local communities. The school serves these students through five major program areas: (1) Outreach Resources; (2) Classroom Instruction; (3) Student Support Services; (4) Residential Programs; and (5) School Administration.

OUTREACH RESOURCES

The Outreach Resources program, which includes Outreach Development and Training for Schools and Families, provides training services for parents and professionals statewide, including information related to adapted materials, technology, student transition and assessment, and individual consultations for blind and visually impaired students. TSBVI maintains extensive resources that are accessed internationally. Outreach staff offer online and live presentations related to many aspects of visual impairment and deaf-blindness, including assessment, programming, adapted materials, mobility, and assistive technology. Individual consultations support students that are blind and visually impaired in their local communities, and TSBVI staff visit districts across the state upon request. During school year 2021–22, TSBVI conducted or facilitated 237 conferences and workshops for 7,418 participants. TSBVI

indirectly serves most of the state's students that are visually impaired or deaf-blind through collaboration with regional Education Service Centers to support school districts and families across the state.

The TSBVI Curriculum Department provides evaluation and instructional support to classroom teachers and residential instructors on campus. In addition, the department develops and provides instructional materials sold worldwide and used by families and professionals serving students with visual impairments, blindness, and deaf-blindness.

TSBVI Short-term Programs offer three-day to five-day classes on campus and online that emphasize adaptive technology, math tools, social interaction, travel, and independent living. During school year 2021–22, Short-term Programs served 311 students. Summer Programs emphasize real-life skills such as personal care, home care, money management, and travel. The calendar year 2021 summer program served 169 students, and the calendar year 2022 program served 220 students.

In addition, Outreach Resources includes Professional Education in Visual Impairment, a collaborative teacher preparation program among TSBVI and Texas Tech and Stephen F. Austin universities that provides tuition stipends to educate qualified specialists for blind and visually impaired students. Funding appropriated for Outreach Resources totals \$12.6 million in All Funds.

CLASSROOM INSTRUCTION

Classroom Instruction provides comprehensive instructional services for elementary school through high school during the regular school year for students ages six to 21 that are blind, deaf-blind, or visually impaired, that need specialized and intensive services related to their visual impairments, and for whom an appropriate education is not available in their local schools. The school's 45.0-acre campus is located in Austin. The school is accredited by the Texas Education Agency and is established as part of the public education system of Texas to serve as a special school in the continuum of statewide alternative placements for students that have visual impairments.

Local school districts that place students at TSBVI are required by the Texas Education Code to share the cost of educating those students. In accordance with federal law, the local (home) school district is responsible for providing a free appropriate public education (FAPE) that addresses the

intensive or specialized needs of visually impaired children and youth. When local districts are unable to meet FAPE requirements, a referral for admission to TSBVI may be originated by the student’s local school district in collaboration with the student’s parent or guardian. TSBVI cannot accept direct referrals from parents or guardians. **Figure 173** shows the number of students enrolled in Classroom Instruction, Residential, Short-term, and Summer Programs at TSBVI during school year 2021–22.

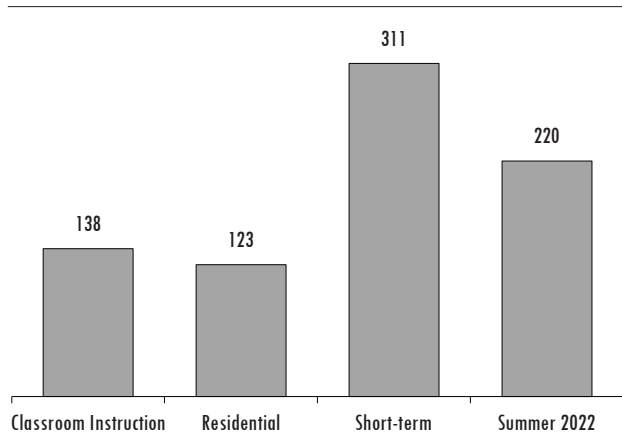
During school year 2021–22, the school’s Classroom Instruction programs served 138 students, including four postsecondary students. Appropriations for the school’s comprehensive special education programs for the 2024–25 biennium total \$16.5 million in All Funds.

Figure 174 shows the number of students with multiple disabilities, including deaf-blindness, autism, cerebral palsy, and other disabilities. During the last five school years, the percentage of students with multiple disabilities typically has ranged from two-thirds to four-fifths of the total student population.

STUDENT SUPPORT SERVICES

Student Support Services provides related services for visually impaired students including orientation and mobility, social work, physical therapy, occupational therapy, and speech therapy. Support Services includes Student Transportation. Funding appropriated for Support Services totals \$12.4 million in All Funds.

FIGURE 173
STUDENTS SERVED BY PROGRAMS AT THE TEXAS SCHOOL FOR THE BLIND AND VISUALLY IMPAIRED
SCHOOL YEAR 2021–22

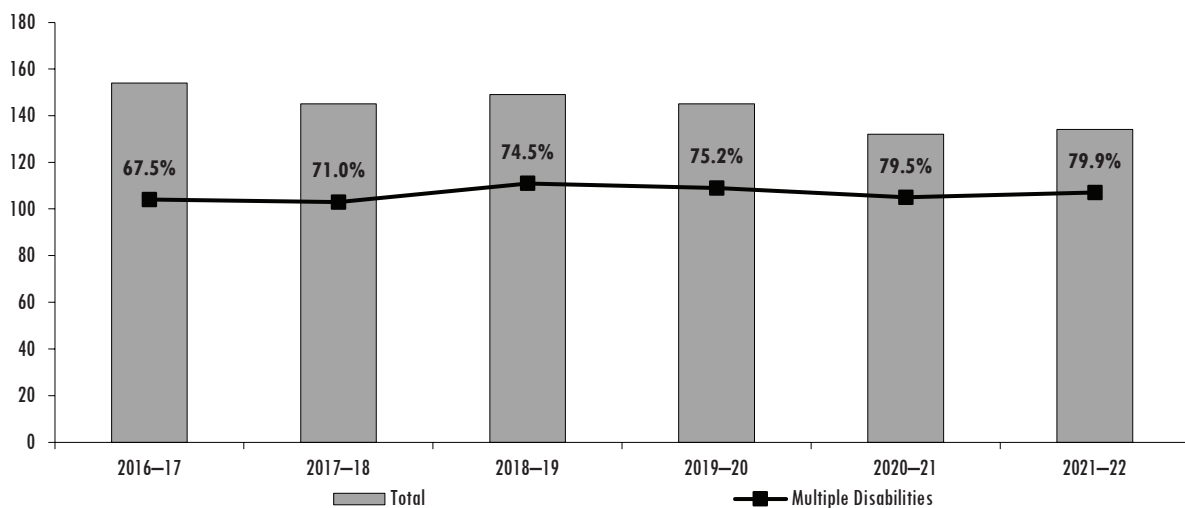


SOURCE: Texas School for the Blind and Visually Impaired.

RESIDENTIAL PROGRAMS

Residential Programs include Residential Housing and Instruction – Independent and Supported Living Curriculum, which provides on-campus housing for residential students and student development programs such as independent living, social and daily living skills, and decision-making skills. Of the 138 students served in the Classroom Instruction program during school year 2021–22, 123 were Residential Program students. Funding appropriated for Residential Programs totals \$8.4 million in All Funds.

FIGURE 174
TEXAS SCHOOL FOR THE BLIND AND VISUALLY IMPAIRED STUDENTS WITH MULTIPLE DISABILITIES COMPARED TO TOTAL STUDENT POPULATION IN THE SCHOOL YEAR CLASSROOM INSTRUCTION PROGRAM, SCHOOL YEARS 2016–17 TO 2021–22



SOURCE: Texas School for the Blind and Visually Impaired.

SCHOOL ADMINISTRATION

School Administration includes Central Administration, which supports administrative functions including the governing board, superintendent's office, internal audit, human resources, business office, and information management. It also includes Campus Support Services for daily operations, including warehouse functions, mail services, data processing and repairs, telephone and utilities, and federal Americans with Disabilities Act accommodations. Funding appropriated for School Administration totals \$9.6 million in All Funds.

TEXAS SCHOOL FOR THE DEAF

PURPOSE: Provides direct educational services to students ages 0 to 22 years, including residential programs, and serves as a statewide educational resource center on deafness by providing various services to deaf students, their families, school districts, and professionals involved in deaf education.

ESTABLISHED: 1856

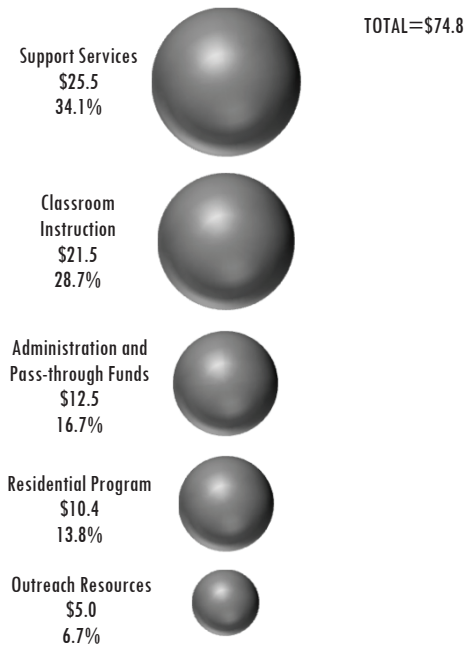
AUTHORIZING STATUTE: The Texas Education Code, Chapter 30, Subchapter C

GOVERNANCE: Board of Trustees—nine members appointed by the Governor and confirmed by the Senate, meeting certain statutory specifications

FIGURE 175
TEXAS SCHOOL FOR THE DEAF BY METHOD OF FINANCE

METHOD OF FINANCE	(IN MILLIONS)				APPROPRIATED FULL-TIME-EQUIVALENT POSITIONS				
	ESTIMATED/BUDGETED 2022–23	APPROPRIATED 2023–24	BIENNIAL CHANGE	PERCENTAGE CHANGE					
General Revenue Funds	\$97.8	\$44.7	(\$53.2)	(54.4%)	<table border="1"> <tr> <td>2024</td> <td>445.1</td> </tr> <tr> <td>2025</td> <td>445.1</td> </tr> </table>	2024	445.1	2025	445.1
2024	445.1								
2025	445.1								
General Revenue–Dedicated Funds	\$0.0	\$0.0	\$0.0	N/A					
Federal Funds	\$3.8	\$2.0	(\$1.8)	(47.5%)					
Other Funds	\$25.8	\$28.1	\$2.4	9.2%					
Total, All Methods of Finance	\$127.4	\$74.8	(\$52.6)	(41.3%)					

INSTITUTION PROGRAM AREAS BY APPROPRIATION (IN MILLIONS)



SIGNIFICANT DEVELOPMENT

Appropriations include a funding decrease of \$52.6 million in All Funds, primarily due to the appropriation of **\$56.8 million in onetime funding for campus building projects**, including new Adult Curriculum for Community, Employment, and Social Skills (ACCESS) dorms, ACCESS classrooms, and a new security entrance in fiscal year 2023 pursuant to Senate Bill 30, Eighty-eighth Legislature, Regular Session, 2023.

SOURCE: Legislative Budget Board.

MAJOR FUNDING

Funding appropriated for the Texas School for the Deaf (TSD) for the 2024–25 biennium represents an All Funds decrease of \$52.6 million, or 41.3 percent. This decrease is attributable primarily to a decrease of \$56.8 million in onetime General Revenue Funds appropriated for campus building projects in fiscal year 2023 by Senate Bill 30, Eighty-eighth Legislature, Regular Session, 2023. This amount includes funding for building new dormitories and classrooms for the Adult Curriculum for Community, Employment, and Social Skills (ACCESS) Program, and a new campus security entrance. This decrease is offset partially by an increase in General Revenue Funds for the statewide salary adjustment and anticipated increases to Other Funds.

PROGRAMS

TSD operates a 67.5-acre campus located in Austin and provides students that are deaf or hard of hearing with early childhood education, academic and career training from kindergarten to high school, and transitional postsecondary services. **Figure 176** shows the number of students enrolled in the school’s Classroom Instruction, Residential, and Career and Transition Programs. A comprehensive program of extracurricular and cocurricular services includes athletics, intramural sports, and Special Olympics training after school hours. Students also are supported by specialized related services including counseling, physical therapy, health services, occupational therapy, and audiological and speech therapy.

In addition to day services and residential educational services, the school is the primary statewide resource center on deafness. TSD provides expertise and technical assistance to students, families, and professionals across Texas.

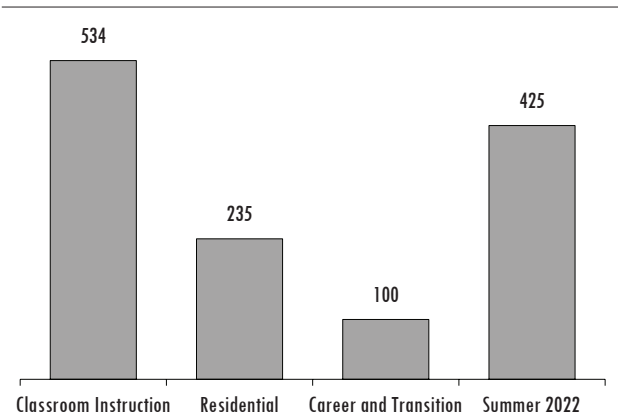
SUPPORT SERVICES

Support Services includes Assessment and Diagnostics, providing the initial evaluation of each child as required by the federal Individuals with Disabilities Education Act and reevaluations of all enrolled students.

Additional student services include counseling, behavioral support, speech therapy, audiology, interpreting services, health services, physical therapy, and occupational therapy.

The number of students with other disabilities in addition to deafness represents approximately 62.2 percent of student enrollment. These students may have visual impairments, physical impairments, cognitive or

FIGURE 176
STUDENT ENROLLMENT AT TEXAS SCHOOL FOR THE DEAF
SCHOOL YEAR 2021–22



SOURCE: Texas School for the Deaf.

developmental impairments, autism spectrum disorders, or other health impairments. Some students may have significant psychological, emotional, or behavioral issues that require intervention plans. **Figure 177** shows the number of students with multiple disabilities compared to total student enrollment.

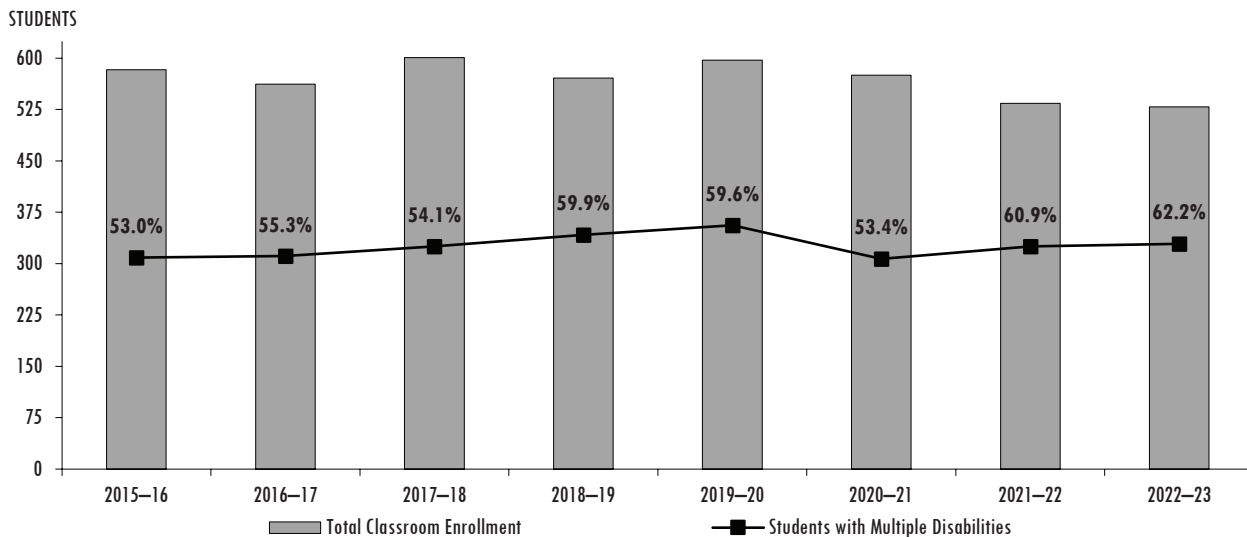
The Career Center and Career Technical Education programs provide hands-on technical training to prepare students with marketable job skills and career center services to help students explore potential career fields. The ACCESS program is an adult transitional program for community living, employment, and social skills. Services are individualized and focus on work training, postsecondary preparation, independent living skills, and social and emotional development.

Student transportation is provided daily for Austin-area students, and weekend home transportation is provided across the state to students that reside on campus during the school week. Funding appropriated for transportation totals \$5.5 million in All Funds.

CLASSROOM INSTRUCTION

Classroom Instruction includes the Instructional Services (Parent/Infant through High School) program, which provides comprehensive educational services during the school year for individuals age 21 or younger that are deaf or hard of hearing and that may have multiple disabilities. Students may be referred to TSD through the admission, review, and dismissal (ARD) process by their local school districts or by their parents. Early childhood intervention

FIGURE 177
TEXAS SCHOOL FOR THE DEAF STUDENTS WITH MULTIPLE DISABILITIES COMPARED TO TOTAL CLASSROOM ENROLLMENT
SCHOOL YEARS 2015–16 TO 2022–23



NOTE: Students that have multiple disabilities include those identified as having learning disability, other health impairment, autism spectrum disorder, emotional disturbance, speech or language impairment, visual impairment, deaf-blindness, intellectual disability, orthopedic impairment, or traumatic brain injury.
 SOURCE: Texas School for the Deaf.

programs may refer children younger than age three, and students ages 18 or older may refer themselves for admission.

The Texas Education Code requires local school districts to share in the cost of educating students attending TSD. When a local school district makes a referral on a student’s behalf, the district conducts an ARD meeting, which includes parents and local school district representatives. When a parent referral is made, TSD staff conducts the ARD meeting, and district staff is encouraged to attend.

Classroom Instruction includes academic, career, life skills, and related services. During school year 2022–23, TSD served 529 students in classroom instruction programs. Funding appropriated for Classroom Instruction for the 2024–25 biennium totals \$21.5 million in All Funds.

RESIDENTIAL PROGRAMS

Residential Programs provide on-campus housing, tutoring, character education, independent living training, and other social and cultural experiences. In addition, after-school programs include athletics, performing arts, a tutor center, American Sign Language, and the student worker program. During the school year, approximately 40.0 percent of TSD students live on campus while attending classes, and the remainder are nonresidential students who attend classes as

day students and live in Austin and surrounding areas. During school year 2021–22, 235 students were enrolled in the school’s residential program. During school year 2022–23, 216 students were enrolled in the school’s residential program. Funding appropriated for Residential Programs for the 2024–25 biennium totals \$10.4 million in All Funds.

SCHOOL ADMINISTRATION

School Administration supports daily operations of the agency, including the superintendent’s office and security and safety. Funding appropriated for School Administration totals \$12.5 million in All Funds.

OUTREACH RESOURCES

Outreach Resources provide multiple programs and resources for students, families, professionals, and school districts such as retreats, distance learning opportunities, sign language instruction, parent mentoring, and summer programs. Funding appropriated for Outreach Resources totals \$5.0 million in All Funds.

CAMPUS CONSTRUCTION PROJECTS

For the 2022–23 biennium, TSD was appropriated \$56.8 million in General Revenue Funds for phase three of the TSD Campus Master Plan, including ACCESS dorms,

ACCESS classrooms, and a new campus security entrance. Including previous phases one and two, Campus Master Plan project appropriations total \$76.5 million from fiscal years 2018 to 2023. Previous projects have included a campus security entrance, a culinary arts kitchen, a central services building, an early learning center, and additional parking space.

TEACHER RETIREMENT SYSTEM OF TEXAS

PURPOSE: Deliver service and disability retirement benefits, death and survivor benefits, and group healthcare coverage for employees of public school districts and institutions of higher education; and manage assets held in trust.

ESTABLISHED: 1937

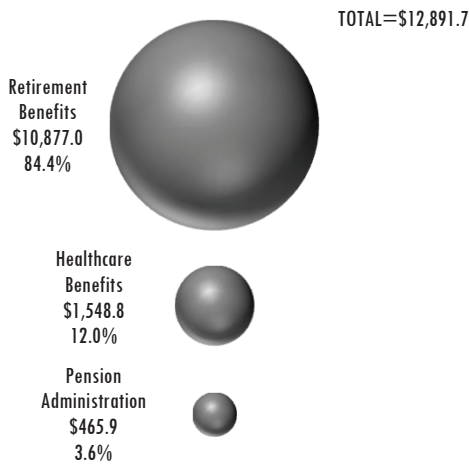
AUTHORIZING STATUTE: The Texas Government Code, Chapters 821–825

GOVERNANCE: Board of Trustees—nine members appointed by the Governor with the advice and consent of the Senate

FIGURE 178
TEACHER RETIREMENT SYSTEM OF TEXAS BY METHOD OF FINANCE

METHOD OF FINANCE	(IN MILLIONS)				APPROPRIATED FULL-TIME-EQUIVALENT POSITIONS
	ESTIMATED/BUDGETED 2022–23	APPROPRIATED 2024–25	BIENNIAL CHANGE	PERCENTAGE CHANGE	
General Revenue Funds	\$6,591.5	\$12,337.8	\$5,746.3	87.2%	2024 1,047.3 2025 1,047.3
General Revenue–Dedicated Funds	\$68.6	\$73.7	\$5.2	7.5%	
Federal Funds	\$721.3	\$0.0	(\$721.3)	(100.0%)	
Other Funds	\$375.1	\$480.1	\$105.0	28.0%	
Total, All Methods of Finance	\$7,756.5	\$12,891.7	\$5,135.2	66.2%	

AGENCY PROGRAM AREAS BY APPROPRIATION (IN MILLIONS)



SIGNIFICANT DEVELOPMENTS

Appropriations include **\$5.0 billion in General Revenue Funds to implement Senate Bill 10 and House Joint Resolution 2**, Eighty-eighth Legislature, Regular Session, 2023, which provide a onetime supplemental payment and a cost-of-living adjustment to eligible retirees.

Funding includes an **increase in the state contribution rate to the retirement fund** from 8.0 percent in fiscal year 2023 to **8.25 percent in the 2024–25 biennium** pursuant to Senate Bill 12, Eighty-sixth Legislature, 2019.

Funding provides a **1.25 percent state contribution to TRS-Care**, the retiree healthcare program. Public education employers and employees also contribute 0.75 percent and 0.65 percent, respectively.

Funding includes **\$588.5 million in General Revenue Funds for active employee health insurance funding** to maintain TRS-ActiveCare premium increases at 10.0 percent per year during the 2024–25 biennium.

NOTES:

- (1) Administrative appropriations represent only expenditures associated with the Teacher Retirement System of Texas (TRS) Trust Account and exclude administrative expenses associated with TRS-Care and TRS-ActiveCare, which are paid from trust funds or accounts associated with those programs and are not part of the appropriations process.
- (2) Included in amounts shown is \$86.1 million appropriated to TRS in the Eighty-eighth Legislature, General Appropriations Act, 2024–25 Biennium, Article IX, Section 18.78 (d), contingent on the enactment of legislation by the Eighty-eighth Legislature.

SOURCE: Legislative Budget Board.

MAJOR FUNDING

Funding appropriated to the Teacher Retirement System (TRS) of Texas for the 2024–25 biennium totals \$12.9 billion in All Funds, an increase of \$5.1 billion, or 66.2 percent. This increase is attributable primarily to the following amounts:

- an increase of \$1.6 billion in General Revenue Funds to provide a onetime supplemental payment and \$3.4 billion in General Revenue Funds to provide a cost-of-living adjustment to certain TRS retirees pursuant to Senate Bill 10 and House Joint Resolution 2, Eighty-eighth Legislature, Regular Session, 2023;
- \$843.8 million in All Funds for additional state retirement contributions attributable to estimated annual payroll growth of 3.6 percent for public education and 6.0 percent for higher education; public education contingency funding; and to fund an increase in the state contribution rate to the retirement fund from 8.0 percent in fiscal year 2023 to 8.25 percent in the 2024–25 biennium pursuant to Senate Bill 12, Eighty-sixth Legislature, 2019;
- \$46.3 million in General Revenue Funds for additional statutorily required state contributions to TRS-Care for the 2024–25 biennium attributable to estimated annual payroll growth of 3.6 percent;
- \$588.5 million in General Revenue Funds for active employee health insurance funding to maintain TRS-ActiveCare premium increases at 10.0 percent per year in the 2024–25 biennium; and
- the removal of onetime funding, including decreases of \$701.1 million in General Revenue Funds to provide an additional annuity payment provided to certain TRS retirees during fiscal year 2022 and \$721.3 million in Federal Funds for TRS-Care and TRS-ActiveCare for fiscal year 2022 to prevent premium increases associated with claims related to the COVID-19 pandemic.

Additionally, funding for pension administration for the 2024–25 biennium includes an increase of \$105.0 million in Other Funds (TRS Trust Account) and maintains an additional 264.0 full-time-equivalent (FTE) positions added by a fiduciary finding of the TRS Board in fiscal year 2023.

PROGRAMS

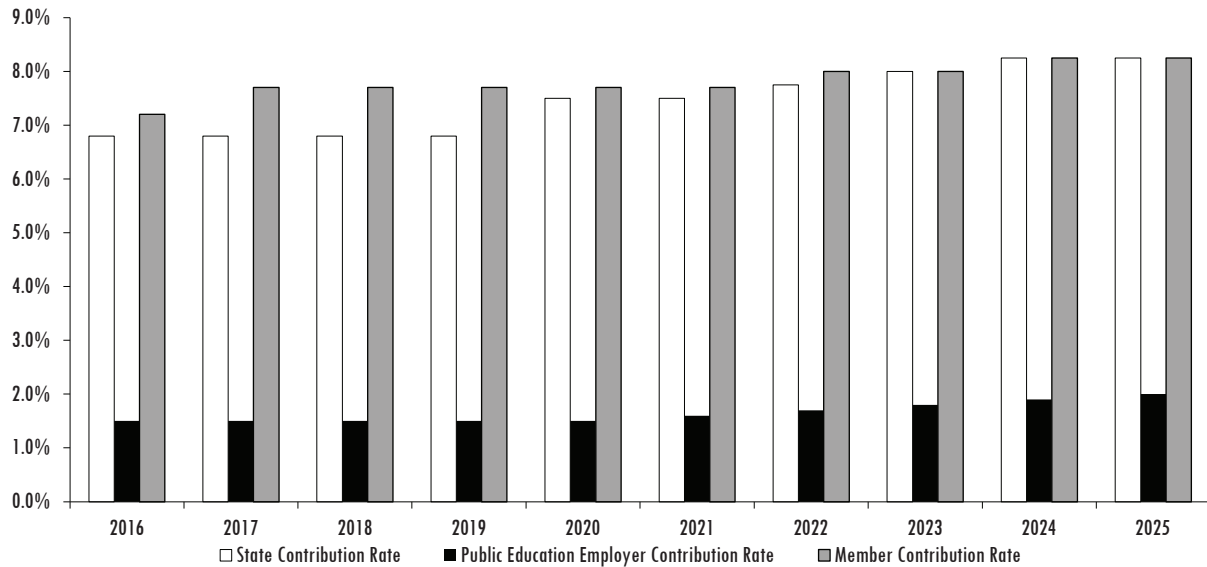
RETIREMENT

TRS administers a traditional, defined-benefit retirement plan that provides service and disability retirement and death and survivor benefits to eligible Texas public education and higher education employees and their beneficiaries. As of August 31, 2023, TRS had approximately 2.0 million members, including 953,295 active members, 489,921 retirement recipients, and 558,758 inactive vested and nonvested members. Benefit calculations are determined by statute and are based on an employee's age and years of creditable service. Certain eligible employees of institutions of higher education may choose instead to participate in the Optional Retirement Program, a defined-contribution plan overseen by the Texas Higher Education Coordinating Board. Funding for TRS retirement for the 2024–25 biennium totals \$10.9 billion in All Funds. This total includes \$5.9 billion for statutorily required state contributions and \$5.0 billion in additional General Revenue Funds for the 2024–25 biennium to fund a onetime supplemental payment and a cost of living adjustment for certain TRS retirees pursuant to Senate Bill 10 and House Joint Resolution 2, Eighty-eighth Legislature, Regular Session, 2023.

Retirement benefits are financed by member, state, and employer contributions based on employee payroll, and by investment earnings of the TRS Trust Account. Senate Bill 12, Eighty-sixth Legislature, 2019, increased the statutorily required state, member, and employer contributions for fiscal years 2020 to 2025 to make the trust account actuarially sound.

Appropriated amounts to pay the state contribution are estimated and based on a state contribution rate of 8.25 percent of eligible compensation for the 2024–25 biennium, an increase from 8.0 percent in fiscal year 2023. In addition to General Revenue Funds and General Revenue–Dedicated Funds, a portion of the state contribution is paid by public and higher education employers, as required by statute. State retirement contributions to TRS for public community and junior colleges are limited to 50.0 percent of the creditable compensation of members whose duties are instructional or administrative. An additional limit to state retirement contributions applies for each community and junior college. The limit is based on the growth in each college's staff size in proportion to changes in student enrollment.

FIGURE 179
TEACHER RETIREMENT SYSTEM OF TEXAS STATE, EMPLOYER, AND MEMBER CONTRIBUTION RATES
FISCAL YEARS 2016 TO 2025



NOTE: For fiscal years 2016 to 2019, only public education employers that did not participate in the federal Social Security program were required to contribute 1.5 percent of payroll. Beginning in fiscal year 2020, all public education employers are required to make this contribution. SOURCE: Teacher Retirement System of Texas.

Pursuant to Senate Bill 12, Eighty-sixth Legislature, 2019, all public education employers are required to contribute an additional percentage of either actual employee pay or the statutorily required minimum salary for employees subject to the Minimum Salary Schedule pursuant to the Texas Education Code, Section 21.402. This contribution rate is 1.9 percent for fiscal year 2024 and 2.0 percent for fiscal year 2025, an increase from 1.7 percent for fiscal year 2022 and 1.8 percent for fiscal year 2023. Before the enactment of Senate Bill 12, only public education employers that did not participate in Social Security were required to make a contribution.

Figure 179 shows the funded contribution rates for fiscal years 2016 to 2025.

The payroll growth rate is another significant factor in determining state funding requirements, because state contributions for retirement and retiree health are based on a percentage of active employee compensation. Estimated annual payroll growth during the 2022–23 biennium was 3.0 percent for public education and higher education, with actual public education payroll growth of 5.1 percent for public education and 7.2 percent for higher education during fiscal year 2022. This growth includes both salary increases for existing public and higher education staff and payroll cost

increases associated with increases in the overall number of employees. The assumed growth rate of public education payroll for the 2024–25 biennium is an average of 3.6 percent for each fiscal year for TRS retirement and TRS-Care programs. Appropriations are predicated on annual higher education payroll growth of 6.0 percent for TRS retirement.

Investment earnings play a major role in determining the health of the TRS Trust Account. TRS manages assets across a diversified portfolio allocation that includes global equity, stable value, and real return. The annual return on investment for fiscal year 2023 was 3.8 percent, increasing the market value of pension assets to \$186.6 billion at the end of fiscal year 2023. The three-year, five-year, and 10-year returns as of June 30, 2023, are 9.0 percent, 7.0 percent, and 7.8 percent, respectively.

The annual actuarial assumed rate of return is 7.0 percent. This assumption is used to assess the long-term health of the retirement trust and determine whether the system will be able to meet obligations. A lower return assumption increases the projected contributions and length of time, or funding period, needed to pay off the unfunded actuarially accrued liability. In fiscal year 2022, the TRS Board of Trustees decreased the return assumption from 7.25 percent to 7.0 percent to provide a more reasonable forecast of current and future financial conditions. As of August 31, 2023, the TRS funding period is

29.0 years. Pursuant to statute, plans with funding periods of less than 31.0 years are considered actuarially sound. **Figure 180** shows the actuarial assumed rate of return and the annual market rate of return on investments since fiscal year 2014.

ADMINISTRATIVE OPERATIONS

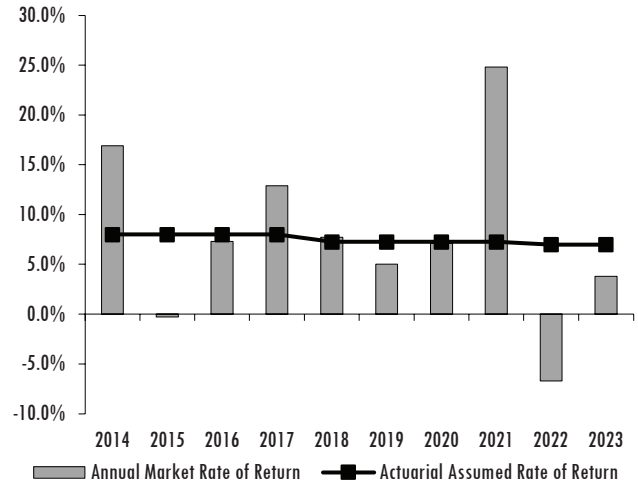
The TRS Trust Account finances administrative operations for the retirement program and investment management. Funding for the 2024–25 biennium totals \$480.1 million in Other Funds (TRS Trust Account) and 1,047.3 FTE positions. This funding level represents an increase of \$105.0 million in Other Funds (TRS Trust Account) during the 2022–23 biennium and maintains an additional 264.0 FTE positions added by a fiduciary finding of the TRS Board in fiscal year 2023. The new FTE positions include 83.0 positions to enable the agency’s Investment Management Division to increase the share of pension assets managed internally, which TRS expects to result in savings to the retirement fund by decreasing fees paid to external managers, and 181.0 FTE positions for an initiative to improve customer service to TRS members.

Amounts appropriated for administrative operations of the agency apply only to expenditures associated with payment of retirement benefits and management of the assets in the TRS Trust Account. Administrative expenses associated with other programs administered by the agency, including TRS-Care and TRS-ActiveCare, are paid from trust funds or accounts associated with those programs and are not part of the appropriations process.

RETIREE HEALTHCARE

Health coverage through TRS-Care is available for eligible retirees and their dependents. As of August 31, 2023, TRS-Care had 215,824 total participants, of which 178,043 are retirees and the balance are dependents, surviving spouses, and surviving dependent children. The TRS-Care program is funded by participant premiums, federal subsidies, and regular payroll contributions from the state, active employees, and school districts. Unlike the retirement plan, which is prefunded, TRS-Care is funded on a pay-as-you-go basis. For the 2024–25 biennium, state, employer, and active employee contribution rates are 1.25 percent, 0.75 percent, and 0.65 percent, respectively. Statutorily required state contributions to TRS-Care for the 2024–25 biennium total \$960.2 million in General Revenue Funds, an increase of \$46.3 million to cover projected payroll growth during the 2024–25 biennium. **Figure 181** shows total funding by source for TRS-Care for fiscal year 2023.

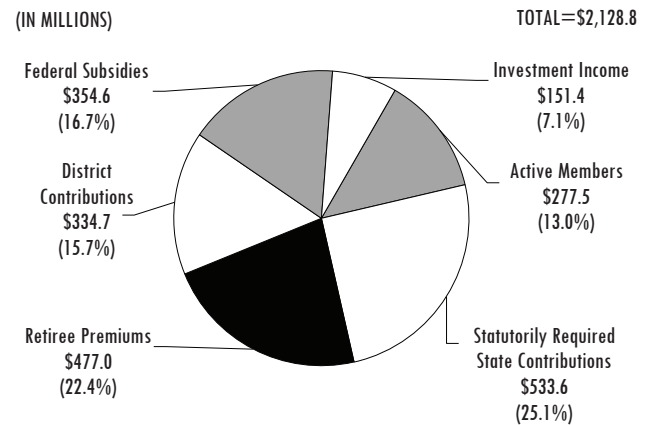
**FIGURE 180
TEACHER RETIREMENT SYSTEM TRUST FUND'S ACTUAL ANNUAL RETURN ON INVESTMENT COMPARED TO ACTUARIAL ASSUMED RATE OF RETURN
FISCAL YEARS 2014 TO 2023**



NOTE: The 10-year average annual return for fiscal years 2014 to 2023 is 7.8 percent.

SOURCE: Teacher Retirement System of Texas.

**FIGURE 181
TRS-CARE CONTRIBUTIONS BY SOURCE
FISCAL YEAR 2023**



NOTE: District contributions include the 0.75 percent employer contribution, amounts paid by districts from federal funding and private grants to fund the 1.25 percent state contribution as required by statute, and district payments to the Teacher Retirement System of Texas (TRS) for a surcharge owed on return-to-work employees.

SOURCE: Teacher Retirement System of Texas.

Before fiscal year 2018, TRS-Care experienced a structural funding shortfall due to the recurring funding gap between the growth of payroll-based contributions and program costs and additional legislative restrictions on member

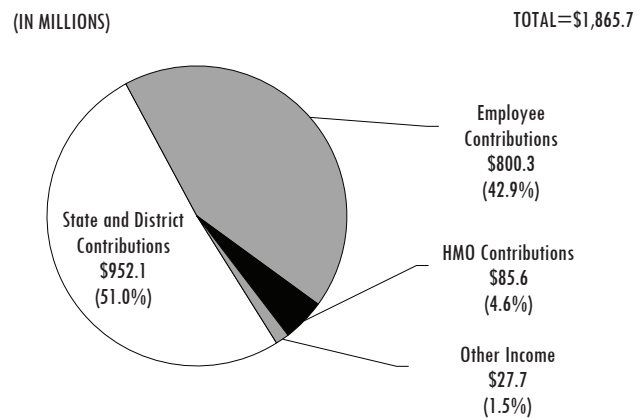
premiums. For several previous biennia, the General Appropriations Act (GAA) directed TRS not to increase retiree premiums, and statute directed TRS to provide a basic health plan at no cost to the retiree. These provisions, intended to keep retiree healthcare affordable while a long-term solution was found, decreased the program’s capacity to generate the level of revenue required to fully fund benefits. House Bill 3976, Eighty-fifth Legislature, Regular Session, 2017, and the Eighty-fifth Legislature, GAA, 2018–19 Biennium, eliminated the structural shortfall by removing the restriction on premiums and eliminating the requirement that TRS offer a basic plan at no cost to retirees. The legislation further decreased the gap between revenues and costs by significantly modifying plan structure and benefits and by providing \$394.6 million in onetime additional General Revenue Funds. Following these changes, the average premium per member increased by 47.0 percent during plan year 2018. Since then, the Legislature has directed TRS not to increase premiums above the plan year 2019 level.

ACTIVE MEMBER HEALTHCARE

TRS administers TRS-ActiveCare, which is a group healthcare program for active employees of local public schools. Currently, 982 school districts, charter schools, and regional Education Service Centers participate. With few exceptions, school districts that have 500 or fewer employees are required to participate in the ActiveCare program, and districts that have more than 500 employees may join the program with proper notification to the TRS trustees. School districts that elect to join the ActiveCare program may not discontinue participation in the program unless the fifth anniversary of that election has passed and with proper notification to the TRS trustees, and school districts may not elect to join again until a five-year period has passed. As of August 31, 2023, TRS served 424,696 participants, consisting of 273,147 employees and 151,549 dependents, in the TRS-ActiveCare program.

TRS-ActiveCare is funded by state and employer contributions and by employee premiums. Statute requires a minimum state contribution of \$75 per employee per month, which is distributed through the Foundation School Program school finance formulas. Districts are required to contribute a minimum of \$150 per employee per month toward the premiums of participating members, for a total of \$225 toward the cost of coverage. Employee premiums cover the remainder of program costs. Minimum state and employer contributions

FIGURE 182
TRS-ACTIVECARE CONTRIBUTIONS BY SOURCE
FISCAL YEAR 2023



NOTES:

- (1) State and District Contributions include required \$75 per employee per month state contributions, \$150 per employee per month required district contributions, and any optional additional contributions provided by districts to reduce required contributions from their employees. State contributions are distributed to districts through the Foundation School Program and districts remit the combined state and district contributions to Teacher Retirement System of Texas (TRS).
- (2) HMO=health maintenance organizations.

SOURCE: Teacher Retirement System of Texas.

have not changed since the program was implemented in fiscal year 2001. **Figure 182** shows total funding by source for TRS-ActiveCare for fiscal year 2023. According to TRS, rising costs for prescription drugs, including specialty drugs, and other medical cost increases contribute significantly to plan costs. To balance costs and revenues, TRS has raised premiums significantly and made several benefit design changes since the program began.

In relation to the COVID-19 pandemic, TRS received federal funding to prevent member premium increases or benefit design changes resulting from pandemic-related claims. For the 2022–23 biennium, appropriations to TRS-ActiveCare included \$638.3 million in Federal Funds to cover the costs associated with the COVID-19 pandemic and to prevent an increase in member premiums. As a result, TRS reported no increases in the total premiums charged at any rate or tier, and several rates decreased for plan year 2023. TRS-ActiveCare is appropriated \$588.5 million for the 2024–25 biennium to offset partially the decrease in pandemic-related Federal Funds and to maintain the average annual premium increase at less than 10.0 percent while compensating for the difference between current premiums and expected costs.

SIGNIFICANT LEGISLATION

Senate Bill 10 and House Joint Resolution 2 – Additional annuity and onetime supplemental payment for certain TRS retirees. As authorized by voter approval of House Joint Resolution 2 (Proposition 9) at the November 2023 election, Senate Bill 10 establishes cost-of-living adjustments for certain retired teachers ranging from 2.0 percent to 6.0 percent, depending on retirement date. Senate Bill 10 provides onetime supplemental payments to eligible annuitants age 70 or older ranging from \$2,400 to \$7,500.

Senate Bill 1246 – Revising TRS investment practices. The legislation removes the 10.0 percent cap on the total value of TRS' portfolio that may be invested in hedge funds and instead allows the board to set the limit. Senate Bill 1246 authorizes TRS to create a title-holding entity to be used for investing the system's assets in real property and creates various requirements for such investments, including confidentiality of certain records.

Senate Bill 1854 – Extending certain benefits to eligible TRS retirees. The legislation requires TRS to establish an optional benefits program for vision and dental care within the existing TRS-Care insurance program for TRS retirees who are eligible for TRS-Care.

OPTIONAL RETIREMENT PROGRAM

PURPOSE: Provide a defined contribution plan for public higher education faculty, librarians, and certain administrators and professionals as an alternative to the defined benefit retirement plan administered by the Teacher Retirement System of Texas.

ESTABLISHED: 1967

AUTHORIZING STATUTE: The Texas Government Code, Chapter 830

GOVERNANCE: Texas Higher Education Coordinating Board oversees applicable rules; each university administers its own program

FIGURE 183
OPTIONAL RETIREMENT PROGRAM BY METHOD OF FINANCE

METHOD OF FINANCE	(IN MILLIONS)				APPROPRIATED FULL-TIME-EQUIVALENT POSITIONS				
	ESTIMATED/BUDGETED 2022–23	APPROPRIATED 2024–25	BIENNIAL CHANGE	PERCENTAGE CHANGE					
General Revenue Funds	\$246.0	\$245.1	(\$1.0)	(0.4%)	<table border="1"> <tr> <td>2024</td> <td>0.0</td> </tr> <tr> <td>2025</td> <td>0.0</td> </tr> </table>	2024	0.0	2025	0.0
2024	0.0								
2025	0.0								
General Revenue–Dedicated Funds	\$48.9	\$49.9	\$1.0	2.0%					
Federal Funds	\$0.0	\$0.0	\$0.0	N/A					
Other Funds	\$0.0	\$0.0	\$0.0	N/A					
Total, All Methods of Finance	\$295.0	\$295.0	\$0.0	0.0%					

AGENCY PROGRAM AREAS BY APPROPRIATION (IN MILLIONS)



SIGNIFICANT DEVELOPMENTS

The **state contribution rate** is **6.6 percent** of employee compensation for the 2024–25 biennium. Schools may contribute additional amounts up to the 8.5 percent statutory cap. The employee contribution rate is 6.65 percent.

State funding for public community and junior college instructional and administrative employees is **limited to 50.0 percent** of qualifying compensation. A further decrease applies to these colleges if employee growth exceeds student enrollment growth.

Appropriations from All Funds for the 2024–25 biennium maintain 2022–23 biennial levels. Funding levels are maintained due to decreases in participation levels, offset by increases in participant payroll.

SOURCE: Legislative Budget Board.

MAJOR FUNDING

Estimated appropriations for the state contribution to the Optional Retirement Program (ORP) total \$295.0 million in All Funds for the 2024–25 biennium, which maintains funding levels from the 2022–23 biennium. This amount is based on an assumed annual decline of 0.2 percent for General Revenue Funds, and an assumed annual growth rate of 1.0 percent for General Revenue–Dedicated Funds, based on the actual average growth rates from fiscal years 2018 to 2022.

PROGRAMS

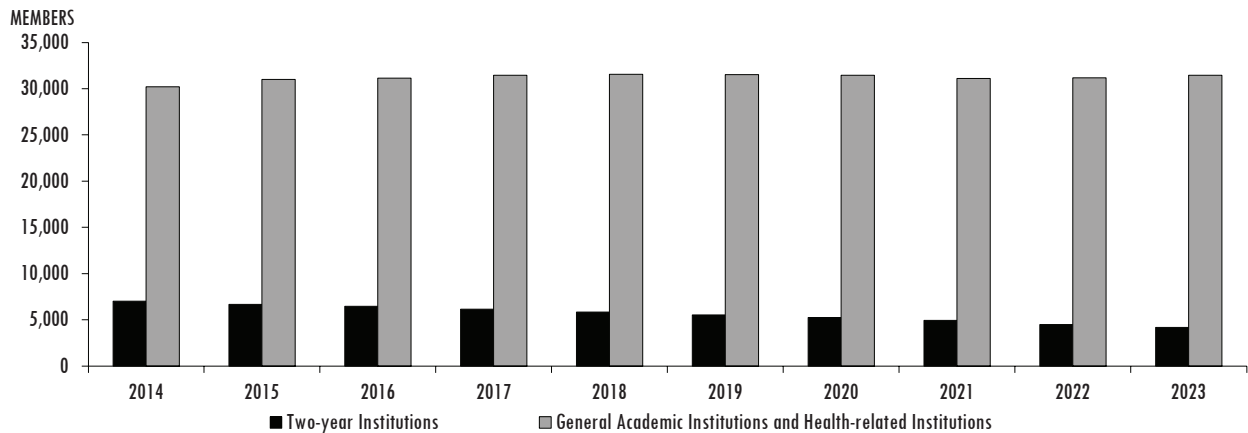
ORP is funded by tax-deferred contributions made by the state and employees. As specified in the Eighty-eighth Legislature, General Appropriations Act, 2024–25 Biennium, Article III, ORP, Rider 2, the state contribution rate is 6.6 percent, funded with General Revenue Funds and General Revenue–Dedicated Funds. As required by statute, payments from institutions of higher education support ORP. Institutions also may provide supplements to the state rate up to 8.5 percent of payroll. State funding for ORP at public community and junior colleges is limited to 50.0 percent of the creditable compensation of members whose duties are instructional or administrative. An additional limit to state retirement contributions applies for each community and junior college based on the growth in its staff size in proportion to changes in student enrollment at the college.

New public higher education employees that are employed in an ORP-eligible position have 90 days from the first date

of eligibility to make a onetime irrevocable choice between participation in ORP or Teacher Retirement System of Texas (TRS) membership. Employees that elect ORP in lieu of TRS membership must continue to participate in ORP for the remainder of their careers in Texas public higher education. As of August 31, 2023, 4,175 employees of two-year institutions and 31,437 university and health-related institution employees participated in the program. **Figure 184** shows a 10-year trend in ORP membership for two-year institutions compared to four-year and health-related institutions.

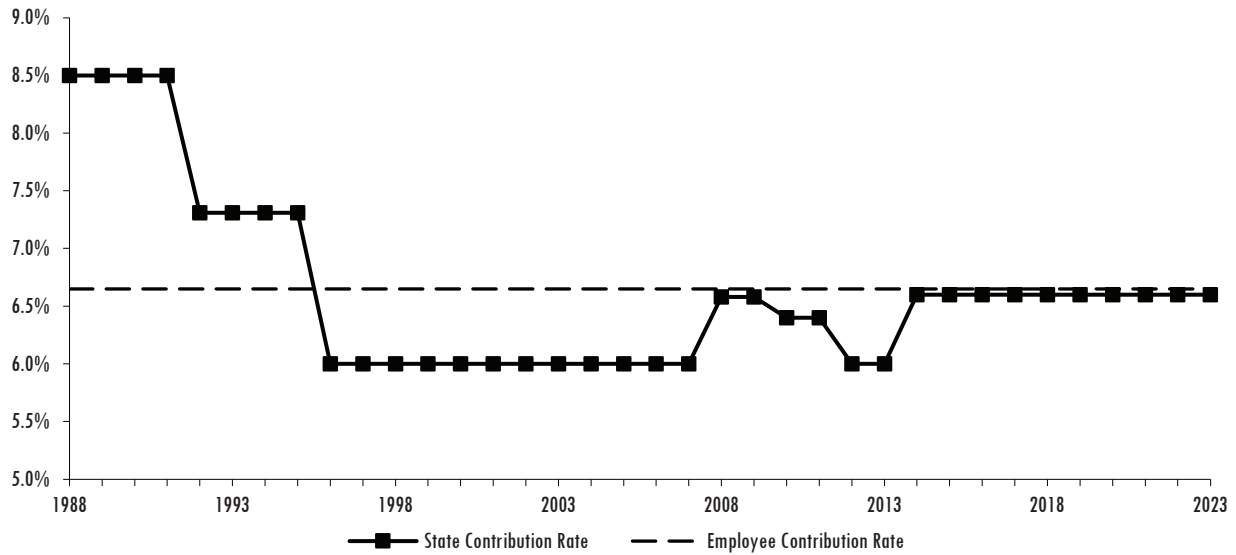
ORP features one-year vesting and is a portable benefit that enables participants to maintain their retirement savings after separation from employment in Texas public higher education. Participants that terminate state employment before meeting the ORP vesting requirement forfeit employer contributions made during that period of employment. Employee contribution amounts are based on a percentage of the employee’s salary, which is 6.65 percent as established by the Legislature. All contributions are invested by the employee through individual investment contracts, pursuant to the U.S. Internal Revenue Code, Section 403(b), purchased from authorized companies. The retirement benefit provided within ORP is based on the accumulated contributions and rate of return earned during the employee’s career and does not include disability retirement benefits or death and survivor benefits. **Figure 185** shows the state and employee contribution rates since fiscal year 1988.

FIGURE 184
OPTIONAL RETIREMENT PROGRAM MEMBERSHIP FROM TWO-YEAR INSTITUTIONS COMPARED TO GENERAL ACADEMIC INSTITUTIONS AND HEALTH-RELATED INSTITUTIONS
FISCAL YEARS 2014 TO 2023



SOURCE: Texas Higher Education Coordinating Board.

FIGURE 185
OPTIONAL RETIREMENT PROGRAM STATE AND EMPLOYEE CONTRIBUTION RATES
FISCAL YEARS 1988 TO 2023



SOURCE: Texas Higher Education Coordinating Board.

Each institution’s governing board administers its ORP, and vendor selections must be made from the employer’s authorized list at the same time that ORP is elected. ORP participants assume full responsibility for monitoring their selected companies and investments. The ORP participant’s benefit amount is dependent directly on the actual amounts contributed. The defined contribution plan enables participants to manage their personal investment accounts; therefore, no state provisions are made for improvement of benefits after termination (e.g., cost-of-living adjustments).

TEXAS HIGHER EDUCATION COORDINATING BOARD

PURPOSE: Coordinate Texas higher education and administer various student financial aid, federal grant, and state-funded trustee programs. The agency establishes a master plan for higher education in Texas; prescribes the role and mission of public higher education institutions; reviews university academic programs, academic and vocational technical programs at the community and technical colleges, and health-related programs; and promotes access to and quality in higher education.

ESTABLISHED: 1965

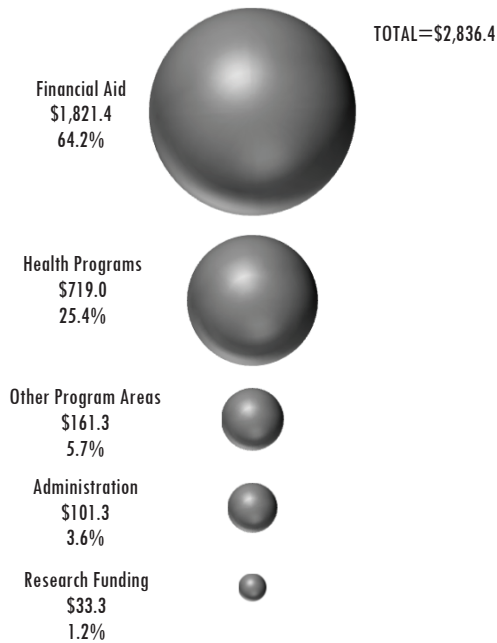
AUTHORIZING STATUTE: The Texas Education Code, §61.021

GOVERNANCE: Texas Higher Education Coordinating Board—nine members appointed by the Governor with the advice and consent of the Senate

FIGURE 186
TEXAS HIGHER EDUCATION COORDINATING BOARD BY METHOD OF FINANCE

METHOD OF FINANCE	(IN MILLIONS)				APPROPRIATED FULL-TIME-EQUIVALENT POSITIONS
	ESTIMATED/BUDGETED 2022–23	APPROPRIATED 2024–25	BIENNIAL CHANGE	PERCENTAGE CHANGE	
General Revenue Funds	\$1,843.8	\$2,519.9	\$676.1	36.7%	2024 336.9
General Revenue–Dedicated Funds	\$34.7	\$179.6	\$144.9	416.9%	
Federal Funds	\$449.1	\$71.8	(\$377.3)	(84.0%)	2025 336.9
Other Funds	\$75.0	\$65.1	(\$9.9)	(13.2%)	
Total, All Methods of Finance	\$2,402.6	\$2,836.4	\$433.8	18.1%	

AGENCY PROGRAM AREAS BY APPROPRIATION (IN MILLIONS)



SIGNIFICANT DEVELOPMENTS

Appropriations for the **Toward Excellence, Access, and Success Grant program**, which supports students attending public universities, total **\$950.3 million**.

Appropriations for the **Tuition Equalization Grant program**, which supports students attending private universities, total **\$195.8 million** in General Revenue Funds.

Appropriations for the **Graduate Medical Education Expansion Program**, which supports residency training, total **\$233.1 million**, an increase of **\$34.1 million**.

Appropriations for the **Texas Child Mental Health Care Consortium**, which supports behavioral health initiatives for children, total **\$280.6 million**, an increase of **\$43.2 million**.

SOURCE: Legislative Budget Board.

MAJOR FUNDING

Funding for the Texas Higher Education Coordinating Board (THECB) for the 2024–25 biennium totals \$2,836.4 million, which is an increase of \$433.8 million from the 2022–23 biennium. This funding includes increases of \$500.0 million in financial aid programs (which includes \$141.5 million in B-On-Time Student Loan account balances), \$247.1 million in health programs, \$54.3 million in Other Programs, and \$18.8 million in administration, which includes initiatives pursuant to House Bill 8, Eighty-eighth Legislature, Regular Session, 2023. These increases are offset by decreases of \$9.1 million in tobacco funds and \$377.3 million in federal funding, primarily due to Governor’s Emergency Education Relief funds and Federal Funds appropriated to the agency in fiscal year 2022 pursuant to Senate Bill 8, Eighty-seventh Legislature, Third Called Session, 2023, that no longer are available.

PROGRAMS

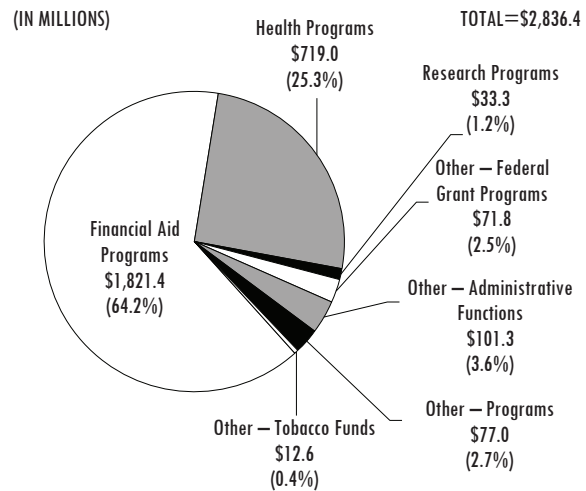
The agency carries out its responsibilities through three major program areas: (1) financial aid, which includes grant and scholarship funding for students attending public and private institutions of higher education; (2) research programs; and (3) health programs, which includes Graduate Medical Education (GME) programs, loan repayment programs for healthcare professional, nursing programs, and funding for Baylor College of Medicine.

The remaining funding includes programs intended to increase student participation and access, federally funded programs, and programs supported by tobacco funds and administrative functions. **Figure 187** shows the agency’s appropriations by program area.

FINANCIAL AID

Financial aid constitutes 64.2 percent of All Funds appropriated to THECB and 67.5 percent of General Revenue Funds and General Revenue–Dedicated Funds. This area includes programs that provide financial assistance to students attending public and private institutions of higher education. **Figure 188** shows the appropriations to these programs. The largest financial aid program is the Toward EXcellence, Access, and Success (TEXAS) Grant Program. Appropriations for this program total \$950.3 million in General Revenue Funds. Appropriations to the Tuition Equalization Grant Program total \$195.8 million in General Revenue Funds.

FIGURE 187
TEXAS HIGHER EDUCATION COORDINATING BOARD
APPROPRIATIONS, 2024–25 BIENNIUM



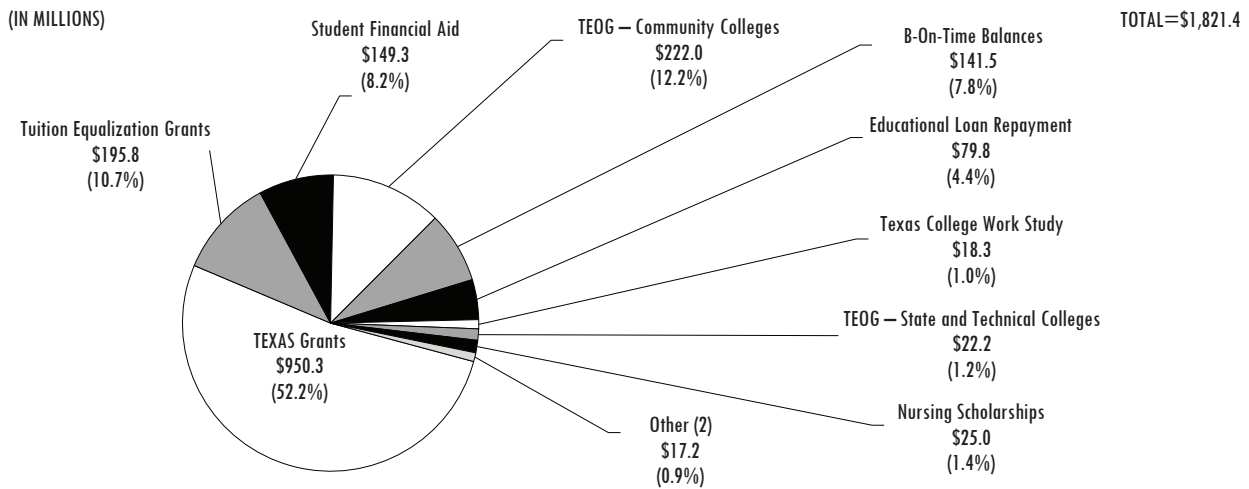
SOURCE: Legislative Budget Board.

Appropriations to the Texas Educational Opportunity Grant (TEOG) Public Community College Program total \$222.0 million, an increase of \$125.0 million. Appropriations to the TEOG State and Technical Colleges Program total \$22.2 million, an increase of \$14.0 million. The TEOG programs received this additional funding pursuant to House Bill 8, Eighty-eighth Legislature, Regular Session, 2023, related to enhancements of the junior college finance system. The TEOG Public Community College Program awards grants to students attending public community colleges. The TEOG State and Technical Colleges Program awards grants to students attending Lamar State College – Orange, Lamar State College – Port Arthur, Lamar Institute of Technology, and the Texas State Technical Colleges. These programs are supported by appropriations from General Revenue Funds. The agency is appropriated an additional \$149.3 million in General Revenue Funds that are allocated to the TEXAS Grant Program, Tuition Equalization Grant Program, Texas Transfer Program and the Texas Leadership Scholar’s Program. Appropriations to the Work Study Program total \$18.3 million, which maintains 2022–23 biennial funding levels.

The agency’s six educational loan repayment programs are consolidated into one strategy, Educational Loan Repayment, and include the following programs:

- Teach for Texas Loan Repayment Program;
- Math and Science Scholars Loan Repayment Program;

FIGURE 188
TEXAS HIGHER EDUCATION COORDINATING BOARD FINANCIAL AID PROGRAMS, 2024–25 BIENNIUM



NOTES:

- (1) TEXAS Grants=Toward EXcellence, Access and Success Grants; TEOG=Texas Educational Opportunity Grant.
- (2) The Other category includes funding for the Texas Armed Services Scholarship Program (\$14.7 million), Educational Aide Program (\$1.0 million), Scholarship Program (\$1.0 million) and License Plate Programs (\$0.5 million).

SOURCE: Legislative Budget Board.

- Peace Officer Loan Repayment Program;
- Physician Education Loan Repayment Program;
- Mental Health Professionals Loan Repayment Program; and
- Nursing Faculty Loan Repayment Program.

The Teach for Texas Loan Repayment Program, which provides loan repayments to qualified teachers at preschool, primary, or secondary levels in Texas public schools, is funded at \$2.6 million in General Revenue Funds, which maintains 2022–23 biennial funding levels. Appropriations for the Math and Science Scholars Loan Repayment Program and Peace Officer Loan Repayment Program total \$2.6 million and \$4.1 million, respectively. Appropriations for the Physician Education Loan Repayment Program total \$35.5 million, an increase of \$6.0 million in General Revenue–Dedicated Funds from Account No. 5144, Physician Education Loan Repayment Program. The program provides loan repayment assistance to qualified physicians that practice in designated health professional shortage areas or provide specified service levels for individuals enrolled in Medicaid or the Children’s Health Insurance Program. Appropriations for the Mental Health Professionals Loan Repayment Program total \$28.0 million, an increase of \$24.8 million. Appropriations for the

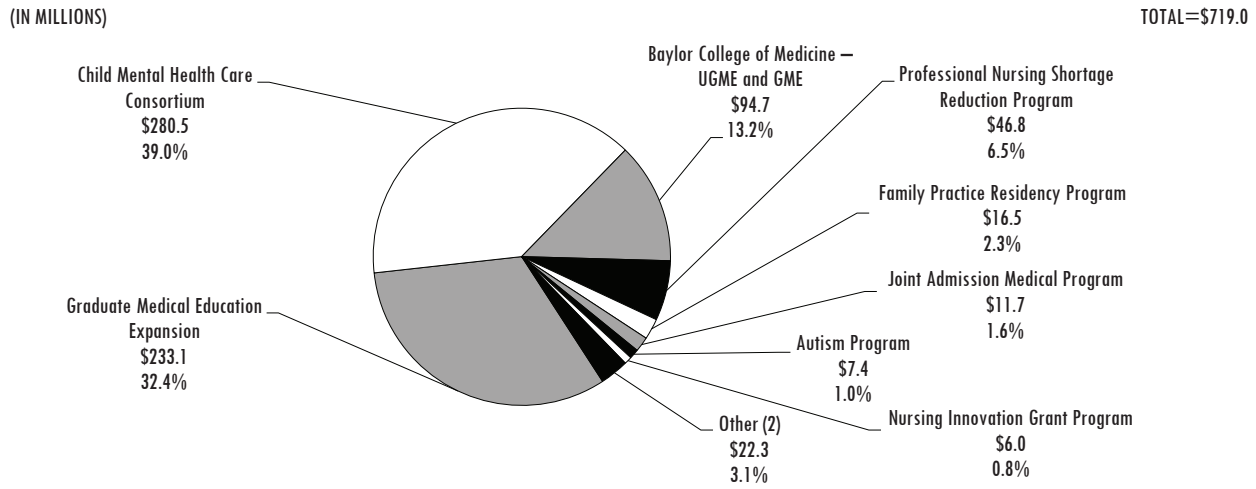
Nursing Faculty Loan Repayment Program total \$7.0 million, an increase of \$4.1 million.

Appropriations for the Texas Armed Services Scholarships Program total \$14.7 million, an increase of \$8.0 million. Appropriations for the Educational Aide Program total \$1.0 million, which maintains 2022–23 biennial funding levels. Appropriations for license plate programs total \$0.5 million, which maintains 2022–23 biennial funding levels.

The agency is appropriated \$1.0 million for the Scholarships Program, which is committed to the Senfronia Thompson Scholarship Program, and \$25.0 million for nursing scholarships.

Senate Bill 30, Eighty-eighth Legislature, Regular Session, 2023, appropriated all unexpended balances remaining as of August 31, 2024, in the General Revenue–Dedicated Account No. 5103, Texas B-On-Time Student Loan, estimated to be \$141.5 million, to eligible institutions based on a formula adopted by THECB. The legislation requires the Comptroller of Public Accounts to transfer money appropriated for this purpose to THECB for eligible institutions of higher education. This appropriation must be made in accordance with a formula, adopted by THECB rule, that the agency determines fairly allocates the appropriated amount to those eligible institutions at which the B-On-Time student loan program was underutilized. An

FIGURE 189
TEXAS HIGHER EDUCATION COORDINATING BOARD HEALTH-RELATED PROGRAMS APPROPRIATIONS, 2024–25 BIENNIUM



NOTES:

- (1) UGME=undergraduate medical education program; GME=graduate medical education program.
- (2) The Other category includes funding for the Physician and Nursing Trauma Care Program (\$5.9 million), Forensic Psychiatry Fellowship Program (\$5.0 million), Preceptorship Program (\$4.9 million), Baylor College of Medicine Hold Harmless (\$3.5 million), and Rural Resident Physician Grant Program (\$3.0 million).

SOURCE: Legislative Budget Board.

eligible institution that receives an appropriation may use the money only to support efforts to increase the number or rate of at-risk students who graduate from the institution.

HEALTH PROGRAMS

Appropriations for the health-related programs, which include funding for Baylor College of Medicine, total \$719.0 million for the 2024–25 biennium, an increase of \$134.1 million. **Figure 189** shows the appropriations to these programs. This increase is due primarily to increased funding for the GME Expansion program, Professional Nursing Shortage Reduction Program, and funding for the Texas Child Mental Health Care Consortium. Total funding for the GME Expansion program is \$233.1 million, which is an increase of \$34.1 million in General Revenue Funds to meet the 1.1-to-1.0 ratio of first-year residency positions for each Texas medical school graduate. Senate Bill 18, Eighty-fourth Legislature, 2015, established the Permanent Fund Supporting Graduate Medical Education, supported by a transfer of funds from the Texas Medical Liability Joint Underwriting Association. GME Expansion supports onetime GME planning and partnership grants, funding to enable new or existing GME programs to increase the number of first-year residency positions, funding for unfilled residency positions, and continuation awards for programs that received grant awards during fiscal year 2015.

Funding for the Professional Nursing Shortage Reduction Program totals \$46.8 million, an increase of \$27.9 million. The Eighty-eighth Legislature, Regular Session, 2023, incorporated new metrics for the program and requires the agency to distribute funding through three different tiers. The Growth Tier requires the agency to distribute funding to institutions with nursing programs based on increases in the numbers of students graduating. The Production Tier requires the agency to distribute funding based on the total number of nursing students graduating from a program each year. The Faculty Tier requires the agency to distribute funding based on the total number of doctoral level and master’s in nursing education students graduating from a program each year.

Senate Bill 11, Eighty-sixth Legislature, 2019, established the Texas Child Mental Health Care Consortium. Total funding for the program is \$280.6 million, an increase of \$156.2 million in General Revenue Funds. This increase in General Revenue Funds was offset by \$133.1 million in Federal Funds the agency was appropriated in Senate Bill 8, Eighty-eighth Legislature, Third Called Session, 2023, for the 2022–23 biennium. Funding is allocated for the following initiatives: (1) Child Psychiatry Access Network, which provides consultation services and training opportunities for pediatricians and primary-care providers; (2) Texas Child Health Access Through Telemedicine for the

establishment or expansion of telemedicine or telehealth programs to identify and assess behavioral health needs and provide access to mental healthcare services; (3) Workforce Expansion to support community psychiatric workforce expansion projects; (4) Child and Adolescent Psychiatry Fellowships, which expands the number of child and adolescent psychiatry fellowship positions in Texas and the number of these training programs at health-related institutions; and (5) research that coordinates mental health research across the state university systems in accordance with the statewide behavioral health strategic plan developed by the Texas Health and Human Services Commission.

THECB was appropriated \$16.5 million for the Family Practice Residency Program for the 2024–25 biennium, an increase of \$7.0 million. THECB allocates the funds based on the certified number of residents training in each approved family practice residency program.

Appropriations for the Preceptorship Program total \$4.9 million in General Revenue Funds, an increase of \$2.0 million. The program provides stipends to medical students that participate in the program as incentive for them to pursue careers in the primary-care field.

Appropriations for the Nurse and Trauma Care Program total \$5.9 million, an increase of \$2.0 million. The program provides funding to support partnerships between hospitals and GME programs that increase the number of emergency medicine and trauma physicians and fellows in the state.

Appropriations for Autism Programs total \$7.4 million, which maintains 2022–23 biennial funding levels. These programs support autism research centers at institutions of higher education that currently provide evidence-based behavioral services and training.

The Sixty-first Legislature, Regular Session, 1969, authorized THECB to contract with the Baylor College of Medicine, a private institution, for the education of undergraduate medical students that are Texas residents. The amount of funding that Baylor College of Medicine receives is based on the average annual state tax support per undergraduate medical student at the University of Texas Medical Branch at Galveston and the University of Texas Southwestern Medical Center at Dallas. The Eighty-eighth Legislature, Regular Session, 2023, provided Baylor College of Medicine with \$76.7 million in General Revenue Funds for the 2024–25 biennium and \$3.5 million in onetime hold harmless funding. Baylor College of Medicine also receives funding

for GME totaling \$18.0 million in General Revenue Funds for the 2024–25 biennium, an increase of \$1.2 million.

Appropriations to the Joint Admission Medical Program (JAMP) total \$11.7 million in General Revenue Funds, an increase of \$2.0 million. The program provides assistance to select economically disadvantaged undergraduates enrolled in Texas general academic institutions. Such designated JAMP students are provided with ongoing educational support in preparation for medical school, including summer experiences on medical school campuses and medical college admissions test preparation. Successful students that progress through the undergraduate curriculum are guaranteed admission to a Texas medical school.

The agency was appropriated funding for three new programs, the Forensic Psychiatry Fellowship Program (\$5.0 million), the Rural Resident Physician Grant Program (\$3.0 million), and the Nursing Innovation Grant Program (\$6.0 million).

RESEARCH PROGRAMS

Appropriations to the Texas Research Incentive Program, which matches certain gifts at emerging research universities, total \$33.3 million in General Revenue Funds, which maintains 2022–23 biennial funding levels.

OTHER PROGRAM AREAS

OTHER PROGRAMS

Appropriations for the OnCourse Program, which was transferred from the University of Texas at Austin to the THECB during the Eighty-seventh Legislature, 2021, total \$8.0 million, which maintains 2022–23 biennial funding levels. The OnCourse Program provides educators, students, and parents access to extensive resources for college and career planning. Funding for the Developmental Education Program and Advise TX program are consolidated into the College Readiness and Success strategy. Appropriations to the Developmental Education Program total \$2.6 million in General Revenue Funds. Appropriations for the Advise TX program total \$3.9 million. This strategy also includes appropriations of \$20.0 million in General Revenue Funds for career and college advising, including funding for MyTexas Future, an advising website.

The agency is appropriated \$20.0 million for Innovation and Collaborations Initiatives, including funding to support programs that use evidence-based modules to increase student success and to increase the availability of open education resources and institutional course-sharing. The

agency is appropriated \$10.0 million to consolidate and streamline computer science education by establishing a statewide Computer Science Pipeline Initiative. Appropriations to the Bilingual Education Program total \$2.2 million, an increase of \$0.7 million. Appropriations for the Open Educational Resources Program total \$0.5 million, which maintains 2022–23 biennial funding levels. The agency was appropriated \$4.3 million for administration of the Texas Innovative Adult Career Education Grant Program. Funding for this program was previously at Austin Community College and was transferred to THECB pursuant to House Bill 8, Eighty-eighth Legislature, Regular Session, 2023.

Senate Bill 8, Eighty-seventh Legislature, Third Called Session, 2021, appropriated \$15.0 million in additional Federal Funds for the Texas Reskilling and Upskilling through Education (TRUE) Program, \$20.0 million for Performance-based Funding for At-risk Students at Comprehensive Regional Universities (CRU) and \$1.0 million for the Rural Veterinarian’s Program.

FEDERAL GRANT PROGRAMS

Other program areas include the Career and Technical Education Program, which receives \$71.8 million in Federal Funds, a decrease of \$0.4 million. The federal Carl D. Perkins Vocational and Technical Education Act funds this program for the improvement of vocational and technical programs at postsecondary institutions. The funding is trustee to THECB through the U.S. Department of Education.

GOVERNOR’S EMERGENCY EDUCATION RELIEF FUND

The agency received two allocations of Federal Funds from the Office of the Governor in fiscal year 2022, including \$94.7 million from Governor’s Emergency Education Relief (GEER) funds Phase II, and \$93.3 million from GEER and Coronavirus Response and Relief Supplemental Act funds. A portion of the first allocation received from the Office of the Governor, \$39.8 million, was transferred from fiscal year 2021 into fiscal year 2022. These funds were used for nursing education, student success initiatives, data modernization activities, and financial aid investments, including the Texas Transfer Grant Program and the Texas Leadership Scholar’s Program.

TOBACCO FUNDS

Other program areas also include several programs that are supported by tobacco-related funds. The Seventy-sixth Legislature, 1999, established several Tobacco Funds,

including the Permanent Health Fund for Higher Education; permanent endowments for each of the individual health-related institutions; the Permanent Fund for Higher Education Nursing, Allied Health, and Other Health-related Programs; and the Permanent Fund for Minority Health Research and Education. THECB provides grants from the Permanent Fund for Higher Education Nursing, Allied Health, and Other Health-related Programs to public institutions that offer upper-level instruction and training in nursing, allied health, or other health-related education. THECB provides grants from the Permanent Fund for Minority Health Research and Education to institutions, including Centers for Teacher Education, that conduct research or educational programs that address minority health issues. These grants also may be awarded to institutions that form partnerships with minority organizations, colleges, or universities to conduct research and educational programs to address minority health issues. The total funding for these two programs is \$5.9 million. Additionally, THECB is trustee Baylor College of Medicine’s endowment fund and Baylor College of Medicine’s share of the Permanent Health Fund. Allocations for these two funds total \$6.7 million for the 2024–25 biennium.

ADMINISTRATIVE FUNCTIONS

THECB has two administrative strategies: Agency Operations and Student Loan Programs. The Agency Operations function includes the Commissioner of Higher Education’s Office, accounting services, and network operations. Student Loan Programs provide funding for the agency’s loan programs, including the Texas Armed Services Scholarship Program. Appropriations for the Agency Operations strategy total \$84.4 million, an increase of \$17.4 million. The agency was appropriated additional funding for several House Bill 8 initiatives, including \$33.0 million to improve institutional innovations and collaborations, which includes grants to institutions to add capacity to meet regional workforce needs; \$4.3 million for administration of the Texas Innovative Adult Career Education Grant Program; and \$0.8 million for administrative funding. These increases are offset by funding unavailable in the 2024–25 biennium that the agency received pursuant to Senate Bill 30, Eighty-eighth Legislature, Regular Session, 2023, for data security modernization (\$15.0 million) and cybersecurity modernization and application modernization (\$5.0 million), and savings associated with the capital complex

move (\$0.7 million) that was completed in 2022. Appropriations for the Student Loan Programs strategy total \$12.7 million, a \$1.6 million decrease due to the dissolution of the B-On-Time Account. The agency was appropriated \$4.2 million for salary adjustments.

SIGNIFICANT LEGISLATION

House Bill 1590 – Texas Leadership Scholars Program.

The legislation establishes the Texas Leadership Scholars Program, which provides scholarship support and academic and leadership development assistance to eligible undergraduate students attending institutions of higher education in Texas and research scholarships to eligible students enrolled in doctoral degree programs at Texas public institutions. The program is administered by the THECB.

House Bill 2100 – Mental Health Professionals Loan Repayment Program. The legislation extends eligibility for the Mental Health Professionals Loan Repayment Program to mental health professionals providing services to patients at state mental hospitals or to those providing services to individuals receiving community-based mental health services from a local mental health authority.

Senate Bill 25 – Nursing scholarships. The legislation modifies existing nursing scholarship and nursing loan repayment programs. Senate Bill 25 extends eligibility for the Nursing Faculty Loan Repayment Program to include part-time faculty.

GENERAL ACADEMIC INSTITUTIONS

PURPOSE: The general academic institutions in Texas consist of 37 public colleges and universities that provide baccalaureate, masters, professional, and doctoral degree programs. Although all general academic institutions have common goals (instruction, research, and public service), each has a unique set of academic offerings and a unique regional or statewide mission.

ESTABLISHED: Various

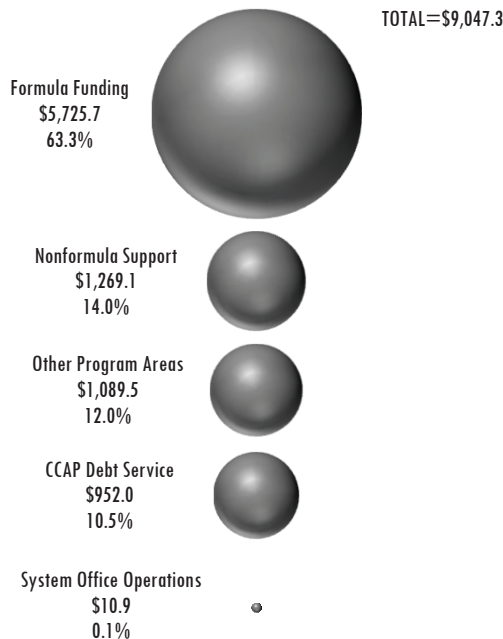
AUTHORIZING STATUTE: The Texas Education Code, Chapters 65–111

GOVERNANCE: Nine-member boards of regents appointed by the Governor with the advice and consent of the Senate

FIGURE 190
GENERAL ACADEMIC INSTITUTIONS BY METHOD OF FINANCE

METHOD OF FINANCE	(IN MILLIONS)				APPROPRIATED FULL-TIME-EQUIVALENT POSITIONS
	ESTIMATED/BUDGETED 2022–23	APPROPRIATED 2024–25	BIENNIAL CHANGE	PERCENTAGE CHANGE	
General Revenue Funds	\$6,642.6	\$6,886.8	\$244.2	3.7%	2024 45,133.2 2025 45,133.2
General Revenue–Dedicated Funds	\$2,221.7	\$2,153.4	(\$68.3)	(3.1%)	
Federal Funds	\$104.4	\$0.0	(\$104.4)	(100.0%)	
Other Funds	\$13.8	\$7.1	(\$6.7)	(48.6%)	
Total, All Methods of Finance	\$8,982.5	\$9,047.3	\$64.8	0.7%	

INSTITUTION PROGRAM AREAS BY APPROPRIATION (IN MILLIONS)



SIGNIFICANT DEVELOPMENTS

Formula funding increased by **\$248.8 million**, 4.7 percent, in All Funds compared to 2022–23 biennial appropriations. Appropriations of formula General Revenue–Dedicated Funds, which is statutory tuition not including Board Authorized Tuition, decreased by \$15.0 million.

Appropriations represent an increase of **\$66.6 million** to annualize the debt service on the **Capital Construction Assistance Project bonds** authorized by the Eighty-fourth Legislature, 2015, and by the Eighty-seventh Legislature, 2021, for the general academic institutions.

Nonformula support increased by **\$458.2 million** in General Revenue Funds and General Revenue–Dedicated Funds compared to 2022–23 biennial appropriations, not including supplemental funding in fiscal year 2023, which totals \$700.3 million in General Revenue Funds.

Research funding increased by **\$84.4 million** for the Texas Research University Fund, the National Research Support Fund (formerly the Core Research Support Fund), and the Comprehensive Research Fund. Additionally, a new fund named the Texas University Fund was established and funded.

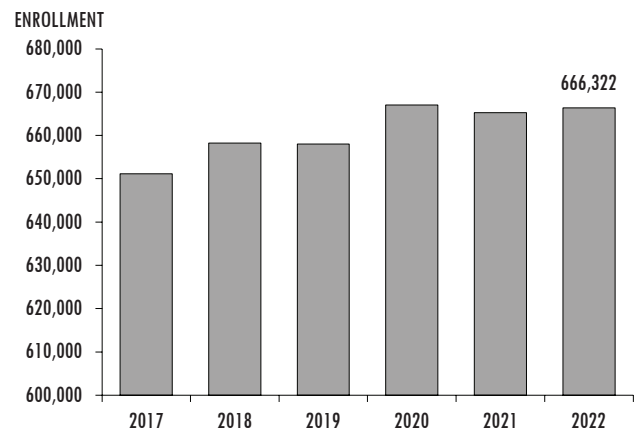
SOURCE: Legislative Budget Board.

MAJOR FUNDING

Appropriations for the 2024–25 biennium for the general academic institutions total \$9,047.3 million in All Funds, an increase of \$1,225.4 million from 2022–23 biennial funding levels not including supplemental appropriations in fiscal year 2023 made by the Eighty-eighth Legislature, Regular Session, 2023. Appropriations of General Revenue Funds for the 2024–25 biennium total \$6,886.8 million, an increase of \$1,219.7 million compared to estimated and budgeted amounts in the 2022–23 biennium not including supplemental appropriations in fiscal year 2023. General Revenue–Dedicated Funds, which primarily include income from tuition and student fees, total \$2,153.4 million for the 2024–25 biennium, a \$7.9 million increase compared to estimated and budgeted amounts in the 2022–23 biennium, primarily related to an increase in Board Authorized Tuition. Appropriations for the general academic institutions also include \$7.1 million in Other Funds, mainly tobacco-settlement funds and license plate receipts. This represents a decrease of \$2.2 million in Other Funds compared to the 2022–23 biennium.

Additionally, general academic institutions are provided state support outside of their bill patterns in other portions of the General Appropriations Act, such as appropriations of \$722.5 million for Higher Education Employees Group Insurance (HEGI), \$3.0 billion for the Available University Fund for the Texas A&M and University of Texas systems, \$787.5 million for the Higher Education Fund, and \$197.9 million for Support for Military and Veterans Exemptions (SMVE). The Eighty-eighth Legislature, Regular Session, 2023, also created the Texas University Fund, appropriating \$3.0 billion from the General Revenue Fund to form the new endowment for certain

FIGURE 191
GENERAL ACADEMIC INSTITUTIONS HEADCOUNT
ACADEMIC YEARS 2017 TO 2022



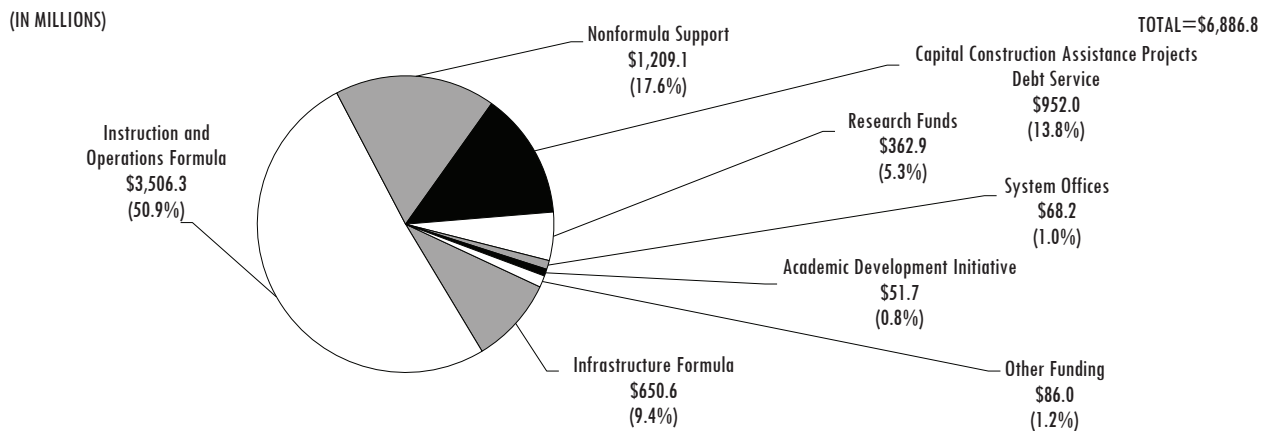
SOURCE: Texas Higher Education Coordinating Board.

institutions; \$136.4 million is appropriated from the General Revenue Fund in fiscal year 2024 to the Available Texas University Fund to support allocations to eligible institutions.

PROGRAMS

The 37 general academic institutions and seven university system offices carry out their responsibilities through five major program areas: (1) formula funding; (2) nonformula support funding; (3) other program areas; (4) Capital Construction Assistance Projects bond debt service; and (5) research funding. **Figure 191** shows the enrollment trend from academic years 2017 to 2022 at the general academic institutions. **Figure 192** shows the appropriations of General Revenue Funds by function for the general academic

FIGURE 192
GENERAL ACADEMIC INSTITUTIONS GENERAL REVENUE FUNDS APPROPRIATIONS BY FUNCTION, 2024–25 BIENNIUM



SOURCE: Legislative Budget Board.

FIGURE 193
ALL FUNDS APPROPRIATIONS FOR GENERAL ACADEMIC INSTITUTIONS AND SYSTEM OFFICES, 2024–25 BIENNIUM

INSTITUTION	APPROPRIATIONS (IN MILLIONS)	INSTITUTION	APPROPRIATIONS (IN MILLIONS)
University of Texas at Arlington	\$455.8	University of Houston – Clear Lake	\$89.7
University of Texas at Austin	\$903.2	University of Houston – Downtown	\$93.2
University of Texas at Dallas	\$463.9	University of Houston – Victoria	\$44.1
University of Texas at El Paso	\$285.4	University of Houston System Office	\$119.7
University of Texas Rio Grande Valley	\$309.3	Subtotal, University of Houston System	\$865.8
University of Texas of the Permian Basin	\$95.0	Texas Woman’s University	\$211.7
University of Texas at San Antonio	\$385.4	Texas Woman’s University System Office	\$0.5
University of Texas at Tyler	\$115.4	Subtotal, Texas Woman’s University System	\$212.3
Stephen F. Austin State University	\$135.4	University of North Texas	\$467.8
University of Texas System Office	\$44.7	University of North Texas at Dallas	\$94.2
Subtotal, University of Texas System	\$3,193.4	University of North Texas System Office	\$11.8
Texas A&M University	\$1,250.6	Subtotal, University of North Texas System	\$573.8
Texas A&M University at Galveston	\$59.9	Texas Tech University	\$564.2
Prairie View A&M University	\$164.9	Angelo State University	\$90.7
Tarleton State University	\$168.6	Midwestern State University	\$64.5
Texas A&M University – Central Texas	\$49.6	Texas Tech University System Office	\$2.6
Texas A&M University – Corpus Christi	\$152.4	Subtotal, Texas Tech University System	\$722.0
Texas A&M University – Kingsville	\$108.0	Lamar University	\$208.3
Texas A&M University – San Antonio	\$87.2	Sam Houston State University	\$219.5
Texas A&M International University	\$111.7	Texas State University	\$371.9
West Texas A&M University	\$109.4	Sul Ross State University	\$27.6
Texas A&M University – Commerce	\$127.9	Sul Ross State University Rio Grande College	\$17.0
Texas A&M University – Texarkana	\$68.5	Texas State University System Office	\$4.6
Texas A&M University System Office	\$10.5	Subtotal, Texas State University System	\$848.9
Subtotal, Texas A&M University System	\$2,469.3	Texas Southern University	\$161.7
University of Houston	\$519.1	Total	\$9,047.3

NOTE: Totals may not sum due to rounding.
 SOURCE: Legislative Budget Board.

institutions and the seven university system offices. **Figure 193** shows the All Funds appropriation level for each of the general academic systems.

FORMULA FUNDING

General academic institutions receive funding through two main formulas and two supplemental formulas. The Instruction and Operations (I&O) formula provides funding based on weighted semester credit hours taught at each institution, which provides for faculty salaries, administration, student services, and other support based on weighted semester credit hours. The Teaching Experience Supplement, which provides additional funding for undergraduate semester credit hours taught by tenured and tenure-track faculty, is a supplemental formula for I&O.

Semester credit hours are weighted according to an expenditure study produced by the Texas Higher Education Coordinating Board (THECB), which evaluates the cost of teaching each course at every level. As adopted by the Eightieth Legislature, 2007, Texas A&M Galveston’s I&O is increased by 50.0 percent to support its mission as the state’s marine and maritime institution. The Eighty-eighth Legislature, Regular Session, 2023, provides I&O formula funding at a rate of \$59.08 per weighted semester credit hour for the 2024–25 biennium for a total of \$4.6 billion in General Revenue Funds and General Revenue–Dedicated Funds, not including Board Authorized Tuition.

The Infrastructure formula provides funding for each institution based on a calculation of the space needed, or its

predicted square feet, to achieve its educational purposes as evaluated by THECB. The Small Institution Supplement, an amount set aside within the Infrastructure formula, provides supplemental funding to institutions with headcounts of fewer than 10,000 students. Institutions with fewer than 5,000 students receive the full supplement of \$2.6 million; the supplement decreases proportionate to headcount until an institution reaches 10,000. The Infrastructure formula includes ship space for Texas A&M University at Galveston and provides Texas A&M and Texas Tech veterinary schools with funds in accordance with the Health-related Institutions Infrastructure formula rate. The Eighty-eighth Legislature, Regular Session, 2023, provides Infrastructure formula funding at a rate of \$5.75 per predicted square foot for a total of \$898.1 million in General Revenue Funds and General Revenue–Dedicated Funds, not including Board Authorized Tuition.

The Eighty-eighth Legislature, Regular Session, 2023, increased formula appropriations by \$263.8 million in General Revenue Funds compared to 2022–23 biennial appropriations. This increase is part of a contingency funding package stipulated in the Eighty-eighth Legislature, General Appropriations Act, Article III, Special Provisions Relating Only to Agencies of Higher Education, Section 58, Higher Education Affordability, in which the Legislature increased funding to formulas, research, HEGI, and SMVE in exchange for institutions holding resident undergraduate tuition constant through the end of fiscal year 2025. **Figure 194** shows the General Revenue Funds formula funding amounts by institution.

NONFORMULA SUPPORT

General academic institutions also receive funding through nonformula support items, which include Institutional Enhancement and direct appropriations to institutions for projects or programs that are identified specifically by the Legislature for support. Appropriations to the general academic institutions and seven university system offices for nonformula support funding total \$1,264.8 million in All Funds for the 2024–25 biennium, an increase of \$380.7 million compared to 2022–23 biennial appropriations, including Federal Funds appropriated in the 2022–23 biennium. This comparison does not include supplemental appropriations in fiscal year 2023, which include \$703.7 million in General Revenue Fund appropriations for nonformula support items at certain institutions.

Other program area funding for the general academic institutions includes staff group insurance, workers’

**FIGURE 194
GENERAL REVENUE FUNDS FORMULA FUNDING FOR
GENERAL ACADEMIC INSTITUTIONS, 2024–25 BIENNIUM**

INSTITUTION	FUNDING (IN MILLIONS)
University of Texas at Arlington	\$214.8
University of Texas at Austin	\$439.2
University of Texas at Dallas	\$228.6
University of Texas at El Paso	\$137.2
University of Texas Rio Grande Valley	\$161.4
University of Texas of the Permian Basin	\$22.1
University of Texas at San Antonio	\$200.2
University of Texas at Tyler	\$49.3
Stephen F. Austin State University	\$60.0
Subtotal, University of Texas System	\$1,512.8
Texas A&M University	\$593.9
Texas A&M University at Galveston	\$24.9
Prairie View A&M University	\$36.8
Tarleton State University	\$78.9
Texas A&M University – Central Texas	\$14.1
Texas A&M University – Corpus Christi	\$61.3
Texas A&M University – Kingsville	\$34.4
Texas A&M University – San Antonio	\$28.1
Texas A&M International University	\$43.9
West Texas A&M University	\$47.1
Texas A&M University – Commerce	\$80.0
Texas A&M University – Texarkana	\$11.8
Subtotal, Texas A&M University System	\$1,055.2
University of Houston	\$287.0
University of Houston – Clear Lake	\$44.7
University of Houston – Downtown	\$48.0
University of Houston – Victoria	\$20.1
Subtotal, University of Houston System	\$399.7
University of North Texas	\$236.1
University of North Texas at Dallas	\$25.0
Subtotal, University of North Texas System	\$261.1
Texas Tech University	\$323.2
Angelo State University	\$40.0
Midwestern State University	\$28.3
Subtotal, Texas Tech University System	\$391.5
Lamar University	\$96.7
Sam Houston State University	\$102.2
Texas State University	\$179.8
Sul Ross State University	\$9.7
Sul Ross State University Rio Grande College	\$5.4
Subtotal, Texas State University System	\$393.8
Texas Woman’s University	\$104.5
Subtotal, Texas Woman’s University System	\$104.5
Texas Southern University	\$38.4
Total, General Academic Institutions	\$4,156.9

NOTE: Totals may not sum due to rounding.
SOURCE: Legislative Budget Board.

compensation insurance, organized activities, academic development initiative, funding for the lease of facilities, system office operations, and Texas Public Education Grants. Institutions receive General Revenue–Dedicated Funds, consisting of other educational and general income, in staff group insurance amounts for staff whose salaries are not paid with General Revenue Funds. Pursuant to the Texas Education Code, Chapter 56, Subchapter C, and the Texas Education Code, Section 54.051, institutions must set aside a portion of tuition revenue for Texas Public Education Grants. Fifteen percent of each resident student’s tuition and 3.0 percent of each nonresident student’s tuition are set aside for financial aid to students at the institution.

Unemployment insurance and workers’ compensation insurance is funded at institution-requested levels. System office operations funding and certain nonformula support item funding is provided at all the system offices. Funding for system offices totals \$191.7 million in General Revenue Funds of which \$11.4 million is appropriated for system office operations, \$123.5 million is appropriated for Capital Construction Assistance Project debt service, and \$37.2 million is appropriated for nonformula support items. The University of Texas System Administration and the Texas A&M University System Administrative and General Offices do not receive direct appropriations for system office operations but receive support through the Available University Fund. Appropriations for the Academic Development Initiative are provided to Prairie View A&M University and Texas Southern University and total \$51.7 million for the 2024–25 biennium, a \$5.0 million increase from the 2022–23 biennium due primarily to the restoration of certain funds at Texas Southern University.

CAPITAL CONSTRUCTION ASSISTANCE PROJECTS BOND DEBT SERVICE

After Capital Construction Assistance Project (CCAP) bonds are authorized by the Legislature and approved by the Texas Bond Review Board, institutions can issue these bonds and make debt payments. Legislative practice has been to use General Revenue Funds to reimburse institutions for the costs related to this debt service. Appropriations for CCAP bond debt service for the general academic institutions, not including Texas State Technical Colleges and the Lamar State Colleges, total \$952.0 million for the 2024–25 biennium, an increase of \$66.7 million from the 2022–23 biennial amounts due to the new CCAP

authorizations made by the Eighty-seventh Legislature, Third Called Session, 2021.

RESEARCH FUNDING

The Legislature provides direct support for research to the institutions through various funding formulas for (1) the Texas Research University Fund; (2) the National Research Support Fund; and (3) the Comprehensive Research Fund. The Eighty-eighth Legislature, Regular Session, 2023, increased funding to these research funds by \$84.4 million from the 2022–23 biennium.

The Texas Research University Fund provides funding to eligible research universities to support faculty and promote excellence in instruction and research. To be eligible for the Texas Research University Fund, the Texas Education Code, Section 62.051, establishes that an institution must be defined as a research university in THECB’s accountability system and have an average of at least \$450.0 million in total annual research expenditures for three consecutive fiscal years. The University of Texas at Austin and Texas A&M University are eligible for the Texas Research University Fund. Total appropriations for the Texas Research University Fund are \$156.9 million in General Revenue Funds for the 2024–25 biennium, increasing appropriations by \$9.9 million from the 2022–23 biennium.

The National Research Support Fund, formerly the Core Research Support Fund, provides funding to promote increased research capacity at certain general academic institutions. The fund name, eligibility, and allocation methodology were amended by the Eighty-eighth Legislature, Regular Session, 2023, through the enactment of House Bill 1595. To be eligible for the National Research Support Fund, the Texas Education Code, Section 62.132, establishes that an institution must be entitled to participate in funding from the Available University Fund, have spent a three-year average of at least \$20.0 million in federal and private research funds, and have awarded a three-year average of at least 45 research doctoral degrees. Funding is allocated accordingly: 85.0 percent of the total amount is allocated based on an institution’s proportionate share of the total three-year average of federal and private research funds for all eligible institutions; and 15.0 percent is allocated based on an institution’s proportionate share of the total three-year average of research doctoral degrees awarded for all eligible institutions. Total appropriations for the National Research Support Fund provide \$175.0 million for the 2024–25 biennium to four eligible institutions, increasing

appropriation levels by \$57.8 million from the 2024–25 biennium, \$50.0 million of which must be matched by institutional funds of the eligible institutions.

The Comprehensive Research Fund provides funding to promote increased research capacity at eligible general academic teaching institutions. The Texas Education Code, Section 62.092, establishes that general academic institutions are eligible to receive funding through the Comprehensive Research Fund if they are not eligible to receive funding from either the Texas Research University Fund or the National Research Support Fund. Funding is allocated based on a three-year average of eligible institutions' total federal and private research funds. Total appropriations for the Comprehensive Research Fund are \$31.0 million in General Revenue Funds for the 2024–25 biennium, an increase of \$16.7 million from the 2022–23 biennium.

State support for research at general academic institutions is not limited solely to appropriations made directly in their bill patterns. For example, a new constitutional fund established by the Eighty-eighth Legislature, Regular Session, 2023, the Texas University Fund, provides research support to certain eligible institutions. See the **Higher Education Funds – Texas University Fund** and the **Texas Higher Education Coordinating Board** sections regarding the Texas Research Incentive Program and **Chapter 4 – General Government, Trusteed Programs within the Office of the Governor** regarding the University Research Initiative.

SIGNIFICANT LEGISLATION

House Bill 1595 and House Joint Resolution 3 – The legislation establishes the Texas University Fund as a research endowment fund for emerging research institutions not eligible to receive Permanent University Fund allocations. It renames the Core Research Support Fund as the National Research Support Fund and amends the allocation methodology to use only federal and private funding for research in calculations. Additionally, it similarly modifies the Comprehensive Research Fund allocation methodology to use only federal and private funding for research in calculations.

House Bill 3447 – The legislation establishes the Texas Space Commission and the Texas Aerospace Research and Space Economy Consortium. The chancellors of the Texas A&M University System and the University of Texas System will serve on the executive committee of the consortium, which is charged with promoting aerospace-related research and economic development in Texas. The

General Appropriations Act provides \$200.0 million in General Revenue Funds to Texas A&M University in fiscal year 2024 to construct facilities in support of the consortium and the commission.

House Bill 5174 – The legislation establishes the Texas Semiconductor Innovation Consortium with the goal of further developing and bolstering semiconductor research, design, commercialization, and manufacturing. The consortium is governed by an executive committee composed of several members, including the chancellors of the Texas A&M University System and University of Texas System, or their designees. The consortium includes representatives from several institutions of higher education.

Senate Bill 17 – The legislation prohibits the establishment or maintenance of a diversity, equity, and inclusion office and prohibits any hiring, enrollment, trainings, or activities that support, maintain, or establish diversity, equity, and inclusion functions on campuses, except in situations that would violate federal law. The legislation requires boards of regents to adopt policies and procedures for appropriate discipline, including by termination, of employees or contractors found to be in violation of the bill's provisions.

Senate Bill 18 – The legislation provides that only the governing board of an institution of higher education may grant tenure, as it is defined in Senate Bill 18. The legislation also requires each board to adopt certain policies regarding tenure, including a policy providing for the dismissal of tenured faculty under certain circumstances. The policies and procedures for summary dismissal must ensure the tenured faculty member receives appropriate due process.

Senate Bill 1055 – The legislation abolishes and reestablishes Stephen F. Austin State University as a member of the University of Texas System.

HEALTH-RELATED INSTITUTIONS

PURPOSE: Health-related institutions’ (HRI) mission is to: (1) educate future health professionals and scientists; (2) engage in basic and applied research; (3) provide compassionate, scientifically based clinical care for the sick; and (4) develop public and community health programs.

ESTABLISHED: 1891–2023

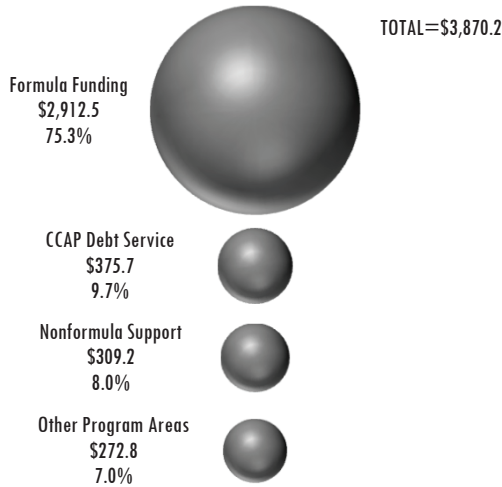
AUTHORIZING STATUTE: The Texas Education Code, Chapters 61, 63, 74, 79, 89, 96, 105, 110, and 111

GOVERNANCE: Board of Regents of each respective university system, appointed by the Governor and confirmed by the Senate

FIGURE 195
HEALTH-RELATED INSTITUTIONS BY METHOD OF FINANCE

METHOD OF FINANCE	(IN MILLIONS)				APPROPRIATED FULL-TIME-EQUIVALENT POSITIONS
	ESTIMATED/BUDGETED 2022–23	APPROPRIATED 2024–25	BIENNIAL CHANGE	PERCENTAGE CHANGE	
General Revenue Funds	\$3,329.9	\$3,494.9	\$165.0	5.0%	2024 13,948.5 2025 13,948.5
General Revenue–Dedicated Funds	\$241.0	\$255.2	\$14.2	5.9%	
Federal Funds	\$23.6	\$4.1	(\$19.5)	(82.7%)	
Other Funds	\$179.2	\$115.9	(\$63.3)	(35.3%)	
Total, All Methods of Finance	\$3,773.8	\$3,870.2	\$96.4	2.6%	

INSTITUTION PROGRAM AREAS BY APPROPRIATION (IN MILLIONS)



SIGNIFICANT DEVELOPMENTS

Funding includes appropriations to **14 institutions**, including funding for the University of Texas (UT) at Austin Dell Medical School and Sam Houston State University College of Osteopathic Medicine, which are included as separate bill patterns from their general academic components.

Funding for the 2022–23 biennium includes supplemental appropriations for **onetime funding to support unfunded growth for the mission-specific formulas at nine of the 14 HRIs** and several nonformula support items at the UT Health Science Center at Houston, the UT Health Science Center at Tyler, and Texas Tech University Health Sciences Center at El Paso.

Formula funding increased by **\$207.7 million** in All Funds across **all HRI funding formulas**.

Funding for **nonformula support** decreased by **\$75.4 million** in General Revenue Funds.

NOTE: CCAP=Capital Construction Assistance Projects.
SOURCE: Legislative Budget Board.

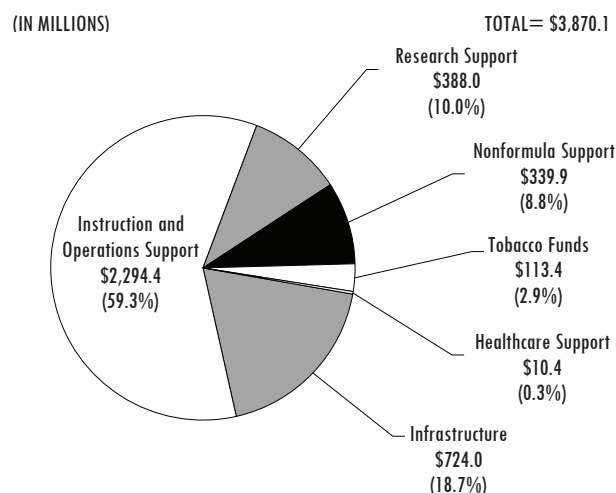
MAJOR FUNDING

Appropriations for the 2024–25 biennium for the health-related institutions total \$3,870.2 million in All Funds, an increase of \$96.4 million from the 2022–23 biennial funding level. Appropriations of General Revenue Funds for the 2024–25 biennium total \$3,494.9 million, an increase of \$165.0 million from the 2022–23 biennial funding level. General Revenue Funds and General Revenue–Dedicated Funds appropriations total \$3,750.1 million, or 96.9 percent of total appropriations for the 2024–25 biennium. General Revenue–Dedicated Funds include income from tuition and student fees. Appropriations for health-related institutions also include \$115.9 million in Other Funds, which are primarily tobacco settlement endowment funds. **Figure 196** shows appropriations for the health-related institutions by goal, and **Figure 197** shows the distribution of funding among the institutions.

Patient income, which is revenue that is generated through the operation of a hospital, clinic, or dental clinic (inpatient and outpatient charges), is not appropriated to the health-related institutions. This revenue is shown in informational riders in the General Appropriations Act for the affected institutions, which continue to receive this funding.

The Texas Higher Education Coordinating Board (THECB) contracts with Baylor College of Medicine (BCM), a private

FIGURE 196
HEALTH-RELATED INSTITUTIONS APPROPRIATIONS BY GOAL AND FROM SPECIAL PROVISIONS IN ALL FUNDS 2024–25 BIENNIUM



SOURCE: Legislative Budget Board.

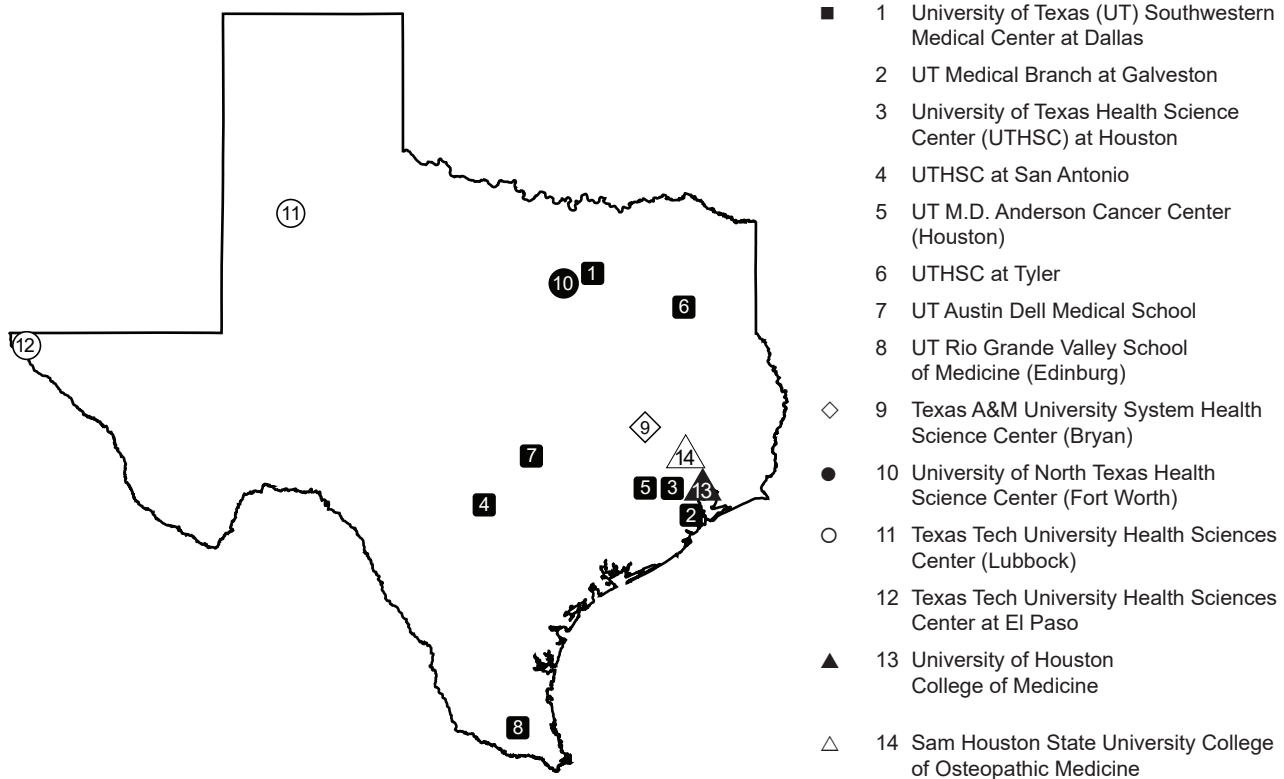
institution, to provide funding for its undergraduate and graduate medical students. BCM receives funding based on the average cost per undergraduate medical student enrolled at the University of Texas Medical Branch at Galveston and the University of Texas Southwestern Medical Center. Appropriations for BCM’s undergraduate medical education

FIGURE 197
COMPARISON OF HEALTH-RELATED INSTITUTIONS APPROPRIATIONS, 2022–23 AND 2024–25 BIENNIA

INSTITUTION	GENERAL REVENUE FUNDS			ALL FUNDS		
	2022–23 BIENNIUM	2024–25 BIENNIUM	PERCENTAGE CHANGE	2022–23 BIENNIUM	2024–25 BIENNIUM	PERCENTAGE CHANGE
UT Southwestern Medical Center	\$377.8	\$378.6	0.2%	\$408.7	\$408.0	(0.2%)
UT Medical Branch at Galveston	\$554.7	\$561.2	1.2%	\$592.7	\$597.1	0.7%
UT Health Science Center at Houston	\$410.0	\$420.5	2.6%	\$496.3	\$484.9	(2.3%)
UT Health Science Center at San Antonio	\$306.5	\$324.1	5.7%	\$391.4	\$399.0	1.9%
UT M.D. Anderson Cancer Center	\$425.9	\$440.7	3.5%	\$450.9	\$461.1	2.3%
UT Health Science Center at Tyler	\$114.4	\$114.8	0.3%	\$121.1	\$121.6	0.4%
UT Austin Dell Medical School	\$28.4	\$30.2	6.3%	\$33.4	\$35.2	5.4%
UT Rio Grande Valley School of Medicine	\$69.2	\$83.8	21.1%	\$74.5	\$88.8	19.2%
Texas A&M University System Health Science Center	\$327.3	\$392.7	20.0%	\$377.3	\$435.8	15.5%
University of North Texas Health Science Center at Fort Worth	\$197.7	\$227.5	15.1%	\$231.9	\$256.6	10.7%
Texas Tech University Health Sciences Center	\$284.5	\$297.0	4.4%	\$335.5	\$336.5	0.3%
Texas Tech University Health Sciences Center at El Paso	\$207.0	\$155.9	(24.7%)	\$228.0	\$168.4	(26.1%)
University of Houston College of Medicine	\$26.5	\$35.5	34.0%	\$30.2	\$40.5	34.1%
Sam Houston State University College of Osteopathic Medicine	\$0.0	\$32.3	100.0%	\$0.0	\$36.7	100.0%
Total	\$3,329.9	\$3,494.9	5.0%	\$3,771.8	\$3,870.2	2.6%

NOTE: UT=the University of Texas System.
SOURCE: Legislative Budget Board.

FIGURE 198
HEALTH-RELATED INSTITUTION LOCATIONS, OCTOBER 2023



NOTE: Locations show the main campus for each health-related institution and do not include any regional campuses operated by the institutions.
 SOURCE: Legislative Budget Board.

total \$80.2 million in General Revenue Funds for the 2024–25 biennium, an increase of \$0.8 million from 2022–23 biennial funding levels, due primarily to onetime hold-harmless funding to account for jointly enrolled medical students. Appropriations of General Revenue Funds for BCM’s graduate medical education total \$18.0 million for the 2024–25 biennium and are funded through the Graduate Medical Education formula.

Figure 198 shows the locations of the health-related institutions’ main campuses.

PROGRAMS

State funding for health-related institutions includes appropriations to 14 public institutions. The University of Texas (UT) at Austin Dell Medical School and Sam Houston State University College of Osteopathic Medicine received their own bill patterns for the 2024–25 biennium. Health-related institutions receive state funding through four major funding areas: (1) formula funding; (2) nonformula support

items; (3) Capital Construction Assistance Projects bond debt service; and (4) other program areas.

FORMULA FUNDING

Formula funding appropriations for the 2024–25 biennium total \$2,946.9 million in All Funds, an increase of \$207.7 million from 2022–23 biennial funding levels. This funding includes General Revenue Funds and General Revenue–Dedicated Funds, including board-authorized tuition, and does not include appropriations to BCM. Approximately 76.7 percent of All Funds appropriations to the institutions for the 2024–25 biennium is included in the formula funding strategies. The formulas are intended to provide for an equitable allocation of funds among the institutions and to establish the level of funding to adequately support higher education. Health-related institutions receive funding through the following formulas:

- Instruction and Operations (I&O) Support formula;
- Infrastructure Support formula;

- Research Enhancement formula; and
- Graduate Medical Education formula.

The method of financing for the I&O Support formula and for the Infrastructure Support formula is based on General Revenue Funds and General Revenue–Dedicated Funds (tuition and fees). The difference between the total formula allocation and an institution’s estimated tuition income is funded with General Revenue Funds. The other formulas are funded primarily with General Revenue Funds. For the 2024–25 biennium, appropriations of General Revenue Funds for the four main health-related institutions’ formulas totaled \$1,764.3 million, an increase of \$88.6 million from 2022–23 biennial funding levels.

INSTRUCTION AND OPERATIONS SUPPORT

The I&O Support formula provides funding for the ongoing academic and administrative programs of the institutions. The Eighty-eighth Legislature, 2023, provides I&O Support formula funding at an annual rate of \$9,689 per weighted full-time student equivalent (FTSE) for the 2024–25 biennium. Appropriations for the I&O Support formula for the 2024–25 biennium total \$1,433.4 million, an increase of \$75.1 million from 2022–23 biennial funding levels. These appropriations are allocated to institutions per FTSE with a funding weight predicated on the student’s instructional program. General Revenue Funds for the 2024–25 biennium contribute 88.4 percent of the formula, or \$1,266.8 million; General Revenue–Dedicated Funds, primarily tuition and fees, contribute 11.6 percent.

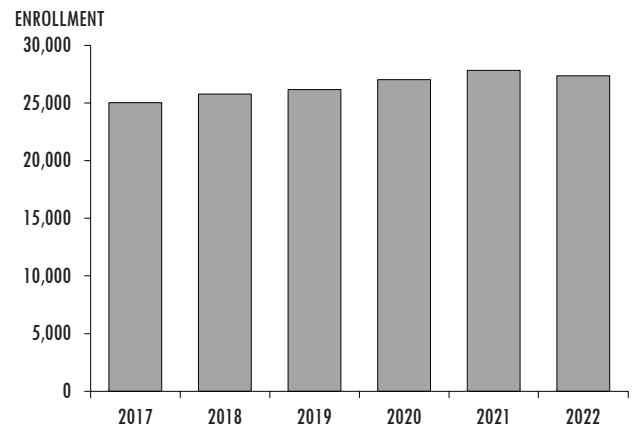
In addition, the main campus at the University of Texas Health Science Center at Tyler and instructional programs with enrollments of fewer than 200 students at remote individual campuses receive a Small Campus Supplement, which is additional funding to compensate for diseconomies of scale. The additional funding is on a sliding scale, and programs that have small enrollments receive more additional funding per student.

Figure 199 shows the total fall headcount at health-related institutions from academic years 2017 to 2022.

INFRASTRUCTURE SUPPORT

All health-related institutions are responsible for maintaining physical facilities and equipment, providing direct support of the institutional educational and research missions, and providing adequate utilities to operate the institutions’ facilities. The Infrastructure Support formula provides

FIGURE 199
HEALTH-RELATED INSTITUTIONS FALL HEADCOUNT
ACADEMIC YEARS 2017 TO 2022



SOURCE: Texas Higher Education Coordinating Board.

funding for the maintenance and operation, including utilities, of the institutions’ physical plants. The Eighty-eighth Legislature, 2023, provided an annual Infrastructure Support rate of \$6.14 per predicted square foot. Appropriations for the Infrastructure Support formula for the 2024–25 biennium total \$315.9 million, an increase of \$9.7 million from 2022–23 biennial funding levels. General Revenue Funds for the 2024–25 biennium contribute 93.1 percent, or \$294.3 million of the formula; General Revenue–Dedicated Funds, primarily statutory tuition and fees, contribute 6.9 percent.

Appropriations for the Infrastructure Support formula are distributed based on the predicted square feet at the institutions multiplied by a rate per square foot, which is estimated by THECB. The THECB Space Projection Model predicts the educational and general space (predicted square feet) required for a public institution to fulfill its missions of teaching, research, and public service. The space model prediction is based on the following factors: (1) the number and level of FTSEs; (2) the number of faculty; (3) single or multiple programs and campuses; (4) actual clinical space; and (5) research and educational and general expenditures.

RESEARCH ENHANCEMENT

All health-related institutions conduct research within the institution and in collaboration with other entities such as community organizations, academic institutions, health professions organizations, and healthcare and managed-care systems. The Research Enhancement formula funds medical and clinical research at health-related institutions. The

FIGURE 200
HEALTH-RELATED INSTITUTIONS EXPENDITURES FOR RESEARCH AND DEVELOPMENT, FISCAL YEARS 2019 TO 2022

(IN MILLIONS)

INSTITUTION	2019	2020	2021	2022	PERCENTAGE CHANGE
UT Southwestern Medical Center	\$489.4	\$524.1	\$554.4	\$640.5	30.9%
UT Medical Branch at Galveston	\$147.7	\$152.6	\$161.6	\$172.0	16.5%
UT Health Science Center at Houston	\$252.1	\$253.1	\$285.8	\$309.6	22.8%
UT Health Science Center at San Antonio	\$180.7	\$195.2	\$203.3	\$221.4	22.5%
UT M.D. Anderson Cancer Center	\$895.8	\$967.7	\$1,021.6	\$1,074.2	19.9%
UT Health Science Center at Tyler	\$17.7	\$21.3	\$25.7	\$27.9	57.6%
UT Austin Dell Medical School	\$34.9	\$35.7	\$37.1	\$45.6	30.7%
UT Rio Grande Valley School of Medicine	\$19.4	\$22.6	\$22.8	\$21.0	8.2%
Texas A&M University System Health Science Center	\$101.9	\$290.8	\$240.4	\$175.4	72.1%
University of North Texas Health Science Center	\$46.8	\$45.2	\$53.3	\$57.3	22.4%
Texas Tech University Health Sciences Center	\$43.9	\$44.1	\$41.5	\$46.3	5.5%
Texas Tech University Health Sciences Center at El Paso	\$11.8	\$10.2	\$11.1	\$13.5	14.4%
University of Houston College of Medicine	\$0.0	\$0.2	\$0.7	\$0.8	100.0%
Sam Houston State University College of Osteopathic Medicine	N/A	N/A	\$0.4	\$0.5	100.0%
Total	\$2,241.9	\$2,562.9	\$2,659.6	\$2,805.9	25.2%

NOTES:
 (1) UT=the University of Texas System.
 (2) Totals may not sum due to rounding.
 (3) Percentage change shows fiscal year 2022 relative to fiscal year 2019.
 SOURCE: Texas Higher Education Coordinating Board.

Eighty-eighth Legislature, Regular Session, 2023, provided an annual Research Enhancement rate of 1.17 percent of research expenditures, plus a base funding amount of \$1.4 million for each institution per year. Appropriations for the Research Enhancement formula for the 2024–25 biennium total \$105.0 million in General Revenue Funds, an increase of \$8.5 million from 2022–23 biennial funding levels.

Combined research and developmental expenditures at health-related institutions totaled \$2,805.9 million for fiscal year 2022. This amount represents an increase of 25.2 percent from fiscal year 2019. **Figure 200** shows the expenditures for research and development at each institution from fiscal years 2019 to 2022.

GRADUATE MEDICAL EDUCATION

In addition to providing undergraduate medical education, the health-related institutions provide residency training, also called Graduate Medical Education (GME), in the form of residency positions,

fellowships, and continuing education for practicing physicians and medical scientists. The GME formula funds the health-related institutions’ residency programs. The Seventy-ninth Legislature, Regular Session, 2005, established the GME formula and directed the institutions to use these funds to increase the total number of residency slots in Texas and to support faculty costs relating to GME. The Eighty-eighth Legislature, Regular Session, 2023, provided an annual rate of \$5,970 per resident for the GME formula for the 2024–25 biennium. Appropriations for the GME formula for the 2024–25 biennium total \$98.2 million in General Revenue Funds, an increase of \$11.5 million from 2022–23 biennial funding levels. In addition to this funding, \$18.0 million in General Revenue Funds is appropriated to Baylor College of Medicine for GME through the THECB bill pattern. Health-related institutions also are eligible to participate in GME expansion programs at THECB to assist in filling vacant residency positions and increasing the number of residency positions.

MISSION-SPECIFIC OPERATIONS FORMULAS

In addition to the four formulas previously discussed, several health-related institutions receive appropriations to support Clinical Mission Specific Operations formulas and Performance Based Research Operations formulas. This funding totals \$994.4 million and includes the following formulas:

- UT M.D. Anderson Cancer Center Operations formula;
- UT Health Science Center at Tyler Chest Disease Operations formula;
- UT Medical Branch at Galveston Health System Operations formula;
- Texas Tech University Health Sciences Center at El Paso Border Health Operations formula;
- UT Southwestern Medical Center Performance Based Research Operations formula;
- UT Health Science Center at Houston Performance Based Research Operation formula;
- UT Health Science Center at San Antonio Performance Based Research Operations formula;
- Texas A&M University System Health Science Center Performance Based Research Operations formula;
- University of North Texas Health Science Center at Fort Worth Performance Based Research Operations formula; and
- Texas Tech University Health Sciences Center Performance Based Research Operations formula.

UT M.D. ANDERSON CANCER CENTER OPERATIONS FORMULA

The Eightieth Legislature, 2007, established the Cancer Center Operations formula for the University of Texas M.D. Anderson Cancer Center. The formula provides funding to support the institution's statutory mission to eliminate cancer through patient care, research, education, and prevention. The Eighty-eighth Legislature, Regular Session, 2023, provided an annual rate of \$1,613 per Texas cancer patient for the Cancer Center Operations formula for the 2024–25 biennium. Appropriations for the Cancer Center Operations formula for the 2024–25 biennium total \$295.0 million in General Revenue Funds. For the 2024–25 biennium, funding is based on the number of Texas cancer patients served during fiscal year 2022.

Funding increases in the Cancer Center Operations formula may not exceed the average growth in funding for health-related institutions in the I&O Support formula for the biennium. Additionally, Senate Bill 30, Eighty-eighth Legislature, Regular Session, 2023, provides \$8.2 million in supplemental appropriations to support unfunded growth in the formula during the 2022–23 biennium.

UT HEALTH SCIENCE CENTER AT TYLER CHEST DISEASE CENTER OPERATIONS FORMULA

The Eighty-first Legislature, Regular Session, 2009, established the Chest Disease Center Operations formula for the University of Texas Health Science Center (UTHSC) at Tyler. The formula provides funding to support the institution's statutory mission to conduct research, develop diagnostic and treatment techniques, provide training and teaching programs, and provide diagnosis and treatment of inpatients and outpatients with respiratory diseases. The Eighty-eighth Legislature, 2023, provided an annual rate of \$101 per Texas chest disease patient for the Chest Disease Center Operations formula for the 2024–25 biennium. Appropriations for the Chest Disease Center Operations formula for the 2024–25 biennium total \$65.3 million in General Revenue Funds. For the 2024–25 biennium, funding is based on the number of chest disease patients served during fiscal year 2022. Funding increases in the Chest Disease Center Operations formula may not exceed the average growth in funding for health-related institutions in the I&O Support formula for the biennium. Additionally, Senate Bill 30, Eighty-eighth Legislature, Regular Session, 2023, provides \$1.8 million in supplemental appropriations to support unfunded growth in the formula during the 2022–23 biennium.

UT MEDICAL BRANCH AT GALVESTON HEALTH SYSTEM OPERATIONS FORMULA AND HOSPITAL FUNDING

The Eighty-sixth Legislature, 2019, established the Health System Operations formula for the University of Texas Medical Branch (UTMB) at Galveston. The formula provides funding to support UTMB hospitals and clinics that provide services to patients and serve as the training ground for medical, nursing, and health profession students. The Eighty-eighth Legislature, 2023, provided a rate of \$150.69 per Texas patient encounter in trauma, primary care, diabetes, heart, psychiatry, and telemedicine. Appropriations for the Health System Operations formula for the 2024–25 biennium total \$322.3 million in All Funds. For the 2024–25 biennium, funding is based on the number

of patient encounters during fiscal year 2022. Funding increases in the Health System Operations formula may not exceed the average growth in funding for health-related institutions in the I&O Support formula for the biennium. Additionally, Senate Bill 30, Eighty-eighth Legislature, Regular Session, 2023, provides \$9.0 million in supplemental appropriations to support unfunded growth in the formula during the 2022–23 biennium.

TEXAS TECH UNIVERSITY HEALTH SCIENCES CENTER AT EL PASO BORDER HEALTH OPERATIONS FORMULA

The Eighty-seventh Legislature, 2021, established the Border Health Operation formula for the Texas Tech University Health Sciences Center at El Paso. The formula provides funding to support border and rural communities through healthcare programs and operations. The Eighty-eighth Legislature, Regular Session, 2023, provided a rate of \$21.31 per patient encounters for Texas residents. Appropriations for the Border Health Operations formula for the 2024–25 biennium total \$28.9 million in General Revenue Funds. For the 2024–25 biennium, funding is based on the number of patient encounters during fiscal year 2022. Funding increases in the Border Health Operations formula may not exceed the average growth in funding for health-related institutions in the I&O Support formula for the biennium. Additionally, Senate Bill 30, Eighty-eighth Legislature, Regular Session, 2023, provides \$0.8 million in supplemental appropriations to support unfunded growth in the formula during the 2022–23 biennium.

PERFORMANCE-BASED RESEARCH OPERATIONS FORMULAS

The Eighty-sixth Legislature, 2019, established Performance Based Research Operations formulas for three health-related institutions: the UT Southwestern Medical Center, the UTHSC at Houston, and the UTHSC at San Antonio. In addition to these three formulas, the Eighty-seventh Legislature, 2021, established three new Performance Based Research Operations formulas for Texas A&M University System Health Sciences Center, the University of North Texas Health Science Center at Fort Worth, and the Texas Tech University Health Sciences Center. The formulas provide funding to enhance research capacity at the institutions, assist each institution in leveraging external research grants and gifts, and support the expansion of the institutions’ research operations. They are similar in structure and design, but each institution’s formula distributes funds based on different rates and drivers. Funding is allocated to

each formula through two mechanisms. The first mechanism is a Base Match set at a specified rate of certain research expenditures during the three-year base period preceding the biennium. The second mechanism is a Tiered Match, which provides funding in three tiers that increase on a sliding scale based on the increase in average annual research expenditures of the same type. All six Performance Based Research Operations formula increases are limited to 5.0 percent of the institution’s total General Revenue Funds appropriations during the prior biennium, excluding Capital Construction Assistance Projects bond debt service.

The Performance Based Research Operations formulas for UT Southwestern Medical Center, UTHSC at Houston, and UTHSC at San Antonio provide a dynamic Base Match rate that is adjusted each biennium in proportion to the increase or decrease of average annual research expenditures from the prior biennium’s three-year base average. The Base Match rates for the three newer Performance Based Research Operations for Texas A&M University System Health Sciences Center, University of North Texas Health Science Center at Fort Worth, and Texas Tech University Health Sciences Center are determined based on available General Revenue Funds and do not use the dynamic Base Match calculation.

Appropriations for the Performance Based Research Operations formula for UT Southwestern Medical Center for the 2024–25 biennium total \$130.8 million in General Revenue Funds with a Base Match rate of 13.35 percent of total research expenditures, excluding state appropriations. Additionally, Senate Bill 30, Eighty-eighth Legislature, Regular Session, 2023, provides \$15.1 million in supplemental appropriations to support unfunded growth in the formula during the 2022–23 biennium.

Appropriations for the Performance Based Research Operations formula for UTHSC at Houston for the 2024–25 biennium total \$42.9 million in General Revenue Funds with a Base Match rate of 6.46 percent of total research expenditures, excluding state appropriations. Additionally, Senate Bill 30 provides \$7.8 million in supplemental appropriations to support unfunded growth in the formula during the 2022–23 biennium.

Appropriations for the Performance Based Research Operations formula for UTHSC at San Antonio for the 2024–25 biennium total \$38.5 million in General Revenue Funds with a Base Match rate of 8.58 percent of total research expenditures, excluding state appropriations. Additionally,

Senate Bill 30 provides \$8.0 million in supplemental appropriations to support unfunded growth in the formula during the 2022–23 biennium.

Appropriations for the Performance Based Research Operations formula for the Texas A&M University System Health Science Center for the 2024–25 biennium total \$37.5 million in General Revenue Funds with a Base Match rate of 12.17 percent of total research expenditures, excluding state appropriations and amounts associated with the Biomedical Advanced Research and Development Authority. Additionally, Senate Bill 30 provides \$12.7 million in supplemental appropriations to support unfunded growth in the formula during the 2022–23 biennium.

Appropriations for the Performance Based Research Operations formula for the University of North Texas Health Science Center at Fort Worth for the 2024–25 biennium total \$29.3 million in General Revenue Funds with a Base Match rate of 28.58 percent of total research expenditures, excluding state appropriations.

Appropriations for the Performance Based Research Operations formula for the Texas Tech University Health Sciences Center for the 2024–25 biennium total \$3.9 million in General Revenue Funds with a Base Match rate of 10.0 percent of total research expenditures from federal and private sources. Additionally, Senate Bill 30 provides \$1.5 million in supplemental appropriations to support unfunded growth in the formula during the 2022–23 biennium.

NONFORMULA SUPPORT

In addition to formula funding, health-related institutions also receive funding through nonformula support items. Nonformula support items are direct appropriations to institutions for projects that the Legislature specifically identified for support. This support includes funding for projects in the areas of public service, research, residency programs, instructions and operations, and healthcare. Nonformula support appropriations for the 2024–25 biennium total \$340.4 million in General Revenue Funds, an increase of \$75.4 million from 2022–23 biennial funding appropriated levels. This increase of nonformula support item funding is attributable to the following items:

- an increase of \$12.0 million for the School of Podiatry at UT Rio Grande Valley School of Medicine;
- an increase of \$2.3 million for research programs at UT M.D. Anderson Cancer Center;

- an increase of \$15.0 million for Texas A&M-Care at Texas A&M University Health Science Center;
- an increase of \$25.0 million for the construction of research facilities at Texas A&M University Health Science Center;
- an increase of \$10.0 million for Healthcare and Workforce Readiness at the University of North Texas Health Science Center at Fort Worth;
- an increase of \$12.5 million for Optometry and Nursing programs at the University of North Texas Health Science Center at Fort Worth; and
- an increase of \$10.0 million for the Institute for Telehealth Technology and Innovation at Texas Tech University Health Sciences Center.

These increases are offset partially by the following: a decrease of \$5.0 million at UT Southwestern Medical Center for the School of Public Health; a decrease of \$0.4 million at UTHSC at San Antonio related to the transfer of funds to UT System Administration for the Multi-Institution Center – Laredo; and a decrease of \$6.0 million for the reallocation from the Woody L. Hunt School of Dental Medicine strategy to a new Dental Clinic Operations strategy at Texas Tech University Health Sciences Center at El Paso.

UTHSC at San Antonio also is appropriated \$18.7 million in General Revenue–Dedicated Funds from Account No. 5189, Opioid Abatement, to support Opioid Abuse Prevention and Treatment.

Additionally, Senate Bill 30, Eighty-eighth Legislature, Regular Session, 2023, provides \$8.0 million in supplemental appropriations to support the Harris County Psychiatric Hospital at UTHSC at Houston, \$7.0 million to support an inpatient facility at UTHSC at Tyler, and \$65.0 million to support a comprehensive cancer center at Texas Tech University Health Sciences Center at El Paso.

CAPITAL CONSTRUCTION ASSISTANCE PROJECTS BOND DEBT SERVICE, AND OTHER DEBT SERVICE

Appropriations for Capital Construction Assistance Projects (CCAP) bond debt service reimburse institutions for debt service that is associated with CCAP bonds. Appropriations for the 2024–25 biennium for CCAP bond debt service to health-related institutions total \$375.7 million in General Revenue Funds for existing projects. CCAP bonds must be authorized in statute, and legislative practice has been to use

**FIGURE 201
TOBACCO SETTLEMENT ENDOWMENTS AND PERMANENT FUNDS FOR HEALTH-RELATED INSTITUTIONS
2024–25 BIENNIUM**

(IN MILLIONS)		
INSTITUTION/FUND	ENDOWMENT	APPROPRIATION
UT Southwestern Medical Center	\$50.0	\$6.9
UT Medical Branch at Galveston	\$25.0	\$3.3
UT Health Science Center at Houston	\$25.0	\$3.4
UT Health Science Center at San Antonio	\$200.0	\$27.6
UT M.D. Anderson Cancer Center	\$100.0	\$13.8
UT Health Science Center at Tyler	\$25.0	\$3.4
Texas A&M University System Health Science Center	\$25.0	\$2.8
University of North Texas Health Science Center at Fort Worth	\$25.0	\$2.3
Texas Tech University Health Sciences Center	\$25.0	\$3.0
Texas Tech University Health Sciences Center El Paso	\$25.0	\$2.8
Subtotal, Individual Endowments	\$525.0	\$69.3
Permanent Health Fund for Higher Education	\$350.0	\$44.1
Total Endowments/Funds	\$875.0	\$113.4

NOTE: UT=the University of Texas System.
SOURCE: Legislative Budget Board.

General Revenue Funds to reimburse institutions for the costs related to this debt service.

In addition to CCAP bond debt service, health-related institutions receive other appropriations for debt service when the Legislature finds, pursuant to the Texas Constitution, Article 7, Section 18(i), a demonstrated need for the support of new facilities at institutions of higher education. Appropriations of non-CCAP bond debt service to health-related institutions for the 2024–25 biennium include \$7.2 million to Texas A&M University Health Science Center to support facilities in Round Rock.

CORRECTIONAL MANAGED HEALTHCARE FUNDING

UTMB and the Texas Tech University Health Sciences Center also provide healthcare for all Texas Department of Criminal Justice (TDCJ) state-managed inmates. Senate Bill 2, Eighty-second Legislature, First Called Session, 2011, authorized TDCJ to contract directly with governmental providers to provide healthcare services, including psychiatric support, pharmacy services, acquired immunodeficiency syndrome (AIDS) care, and hospice care. The institutions provide healthcare services for incarcerated offenders at the TDCJ facilities and at the TDCJ hospital, which is located on the UTMB campus.

The Texas Juvenile Justice Department contracts with UTMB to provide medical care for youth in its care.

OTHER PROGRAM AREAS

TOBACCO FUNDS

Health-related institutions receive appropriations from interest earnings from the Permanent Health Fund for Higher Education and permanent endowments established in statute for each individual institution. **Figure 201** shows the tobacco settlement endowments and related appropriations for the institutions. Estimated appropriations from the endowments to the institutions total \$69.3 million.

The Permanent Health Fund for Higher Education is a \$350.0 million endowment from which distributions are appropriated for programs that benefit medical research, health education, or treatment programs. Appropriations from this fund are distributed to 15 public health-related institutions, including Baylor College of Medicine. Institutions receive distributions from the Permanent Health Fund of 70.0 percent in equal amounts to each institution, and 30.0 percent based on each institution’s proportional expenditures on instruction, research, and charity care.

Individual health-related institutions' endowments total \$525.0 million, from which the estimated distributions are appropriated to the institutions based on the original endowment amount. Funds from the individual endowments may be used only for research and other programs that benefit public health that are conducted by the institution for which the fund was established.

DENTAL CLINIC OPERATIONS

Four institutions receive appropriations to support dental clinic operations: UTHSC at San Antonio, UTHSC at Houston, Texas A&M University Health Science Center, and Texas Tech University Health Sciences Center at El Paso. Appropriations for the 2024–25 biennium total \$10.4 million in General Revenue Funds.

SIGNIFICANT LEGISLATION

House Bill 1211 – Repayment of certain mental health professional education loans. The legislation amends the Joint Admissions Medical Program (JAMP) to clarify that a JAMP scholarship at private or independent institutions is in addition to other scholarships. Additionally, House Bill 1211 adds licensed specialists in school psychology as eligible participants in the Mental Health Professionals Loan Repayment Program.

Senate Bill 1563 – Allowing Sam Houston State University College of Osteopathic Medicine to receive formula funding. The legislation repeals the provision stating that Sam Houston State University College of Osteopathic Medicine is not eligible for state formula funding.

Senate Bill 2123 – Authorizing JAMP participation for the medical program at UT Health Science Center at Tyler. The legislation adds the medical program at UT Health Science Center at Tyler to the list of medical schools authorized to participate in the JAMP.

PUBLIC COMMUNITY/JUNIOR COLLEGES

PURPOSE: The mission of the community colleges is to teach and award certifications or degrees in arts and sciences, vocational programs, and technical courses. Their mission also includes providing continuing education, developmental education consistent with open admission policies, counseling and guidance programs, workforce development training, and adult literacy and basic skills programs.

ESTABLISHED: Various

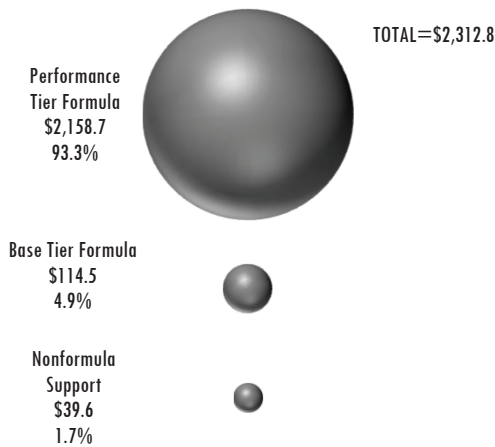
AUTHORIZING STATUTE: The Texas Education Code, Chapters 130–131

GOVERNANCE: Community college board of trustees, elected by local community

FIGURE 202
PUBLIC COMMUNITY/JUNIOR COLLEGES BY METHOD OF FINANCE

METHOD OF FINANCE	(IN MILLIONS)				APPROPRIATED FULL-TIME-EQUIVALENT POSITIONS	
	ESTIMATED/BUDGETED 2022–23	APPROPRIATED 2024–25	BIENNIAL CHANGE	PERCENTAGE CHANGE		
General Revenue Funds	\$1,880.5	\$2,312.8	\$432.3	23.0%	2024 N/A 2025 N/A	
General Revenue–Dedicated Funds	\$0.0	\$0.0	\$0.0	N/A		
Federal Funds	\$0.0	\$0.0	\$0.0	N/A		
Other Funds	\$0.0	\$0.0	\$0.0	N/A		
Total, All Methods of Finance	\$1,880.5	\$2,312.8	\$432.3	23.0%		

INSTITUTION PROGRAM AREAS BY APPROPRIATION (IN MILLIONS)



SIGNIFICANT DEVELOPMENTS

In the **Performance Tier formula**, funding per credential awarded ranges from **\$750 to \$3,500**; funding per student transfer to or co-enrollment with a four-year institution is **\$3,500**; and funding per student dual-credit completion is **\$1,700**.

In the Base Tier Formula, contact hours are funded at an average annual rate of **\$3.12 per contact hour**. The Basic Allotment per full-time student equivalent is **\$1,275**.

The **total number of contact hours** for the 2024–25 biennium **decreased by 2.6 percent** from the 2022–23 biennium.

Twenty-three institutions received Base Tier formula funding to cover the cost of instruction and operations.

SOURCE: Legislative Budget Board.

MAJOR FUNDING

Appropriations for the 2024–25 biennium for Texas public community colleges total \$2,312.8 million in General Revenue Funds, an increase of \$432.3 million, or 23.0 percent, from the 2022–23 biennium. Formula funding totals \$2,273.2 million, an increase of \$428.2 million, or 18.8 percent, from the 2022–23 biennium. Among total appropriations, 98.3 percent are allocated through formula funding. Of the remainder of the appropriations, \$39.6 million provides for nonformula support items at 13 institutions. The funding formulas were revised for the 2024–25 biennium such that the majority of funding is related to student outcomes through a Performance Tier model and the remainder related to enrollment through a Base Tier model. Previously, the majority of formula funding was related to enrollment through contact hours and Bachelor of Applied Technology programs and the remainder related to student outcomes through the Success Point model, an institution’s core operations, and supplemental funding for institutions with the greatest financial need. **Figure 203** shows formula funding changes from the 2022–23 biennium. See the **Formula Funding** section for more detail on the new formulas.

In addition to state appropriations, community colleges are supported primarily by local tax revenue, federal funding, and tuition and fees. **Figure 204** shows the proportion of these revenue sources for fiscal year 2022. Note that federal funding constituted an atypically high proportion due to relief funds provided to the institutions in response to the COVID-19 pandemic; as a comparison, in fiscal year 2019 federal funding constituted 19.9 percent of funding from these sources.

PROGRAMS

Community colleges receive state funding through two major funding areas: (1) formula funding, including the base tier and performance tier formulas; and (2) nonformula support funding.

FORMULA FUNDING – BASE TIER AND PERFORMANCE TIER

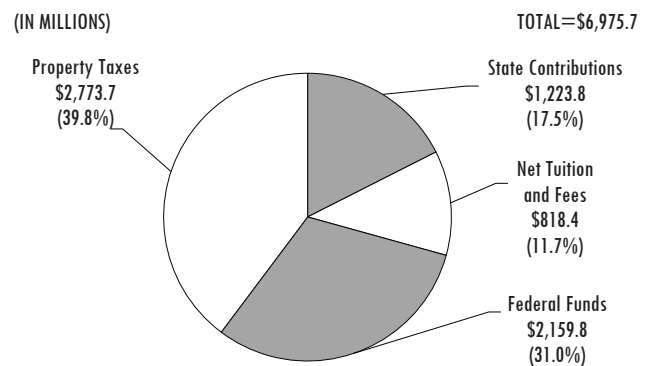
The Base Tier formula funds the difference between hypothetical appropriations necessary to cover basic instruction and operations needs—weighted by cost of instruction in varying disciplines, size of the institution’s student body, and the number of academically disadvantaged, economically disadvantaged, and adult

**FIGURE 203
PUBLIC COMMUNITY COLLEGE FORMULA FUNDING
2022–23 AND 2024–25 BIENNIA**

FORMULA	2022–23	2024–25
Previous Formulas		
Core Operations	\$68.0	\$0.0
Contact Hours	\$1,447.2	\$0.0
Success Points	\$314.8	\$0.0
Bachelor of Applied Technology	\$3.4	\$0.0
Need-based Supplement	\$11.0	\$0.0
New Formulas		
Base Tier	\$0.0	\$114.5
Performance Tier	\$0.0	\$2,158.7
Total	\$1,844.5	\$2,273.2

SOURCE: Legislative Budget Board.

**FIGURE 204
COMMUNITY COLLEGES MAJOR ANNUAL OPERATING
REVENUE SOURCES
FISCAL YEAR 2022**



SOURCE: Texas Higher Education Coordinating Board.

students at the institution—and funding that institutions are able to generate through tuition and local property taxes. Institutions able to generate sufficient revenue through tuition and local property taxes to cover basic instruction and operations needs do not receive Base Tier funding. Base Tier funding totals \$114.5 million.

The Performance Tier formula provides funding for the institution’s award of degrees, certificates, and other credentials from credit and non-credit programs, student completion of 15.0 semester credit hours in a co-enrollment program or before transferring to a general academic institution, and student completion of 15.0 semester credit hours of dual-credit courses that apply toward academic and

workforce program requirements at the postsecondary level. Credentials awarded that receive funding in the formula are defined by the Texas Higher Education Coordinating Board (THECB) as those that provide a positive return on a student’s financial investment to obtain the credential in 10 years such that cumulative earnings exceed the student’s initial investment. Credentials awarded receive additional funding in the formula if they are aligned with occupations that are projected to experience the most growth. Outcomes other than student completion of dual-credit courses and the award of certifications with no credential, institutional credentials leading to licensure, and occupational skills awards receive additional funding if they are obtained by academically disadvantaged, economically disadvantaged, or adult students. Performance Tier formula funding totals \$2,158.7 million.

NONFORMULA SUPPORT

In addition to formula funding, community colleges receive appropriations for nonformula support, which totals \$39.6 million for the 2024–25 biennium, an increase of \$3.6 million from the 2022–23 biennium. This increase is due to the following funding changes:

- House Bill 8, Eighty-eighth Legislature, Regular Session, 2023, transferring \$4.3 million for the Adult Career Education Grant Program from Austin Community College to THECB;
- House Bill 8 eliminating \$0.8 million for the Virtual College of Texas at Austin Community College and appropriated an equal amount to THECB for course sharing;
- \$5.0 million appropriated to Southwest Texas Junior College for Technical Program Expansion;
- \$2.0 million appropriated to Wharton County Junior College for an Economic Development Trade Center;
- \$1.8 million appropriated to Midland College for a Mental Health Workforce program; and
- \$50,000 appropriated to Brazosport College for its existing Catalyst Program.

SIGNIFICANT LEGISLATION

House Bill 8 – Revisions to the administration, coordination, and support of public higher education, including the public junior college state finance program. The legislation includes the following components:

- establishes the Base Tier and Performance Tier formulas;
- expands the types of institutions of higher education eligible to participate in the Texas First Early High School Completion Program and the Texas First Scholarship Program from only those designated as a research or emerging research university to any public institution of higher education, and requires school districts and charter schools to permit early graduation if a student meets certain eligibility requirements in accordance with the Texas First Early High School Completion Program;
- establishes the Opportunity High School Diploma pilot program to enable adult students enrolled in workforce education programs at a public junior college to earn a high school diploma at the college through concurrent enrollment in a competency-based education program;
- requires an early college high school program to authorize a participating student to complete high school and enroll in a program at an institution of higher education that enables the student to receive a high school diploma and an applied associate or academic associate degree that is transferrable toward a baccalaureate at a general academic institution;
- requires the Texas Education Agency (TEA) and THECB to maintain and disseminate information related to postsecondary education and career opportunities;
- authorizes community colleges to utilize Pell Grants to cover the difference between the amount of a Texas Educational Opportunity Grant and the actual amount of tuition and fees; and
- establishes the Financial Aid for Swift Transfer Program to enable students that are or have been eligible in the previous four years for the national free or reduced-price lunch program to enroll at no cost in dual credit courses offered by certain institutions of higher education, including but not limited to community colleges; the Eighty-eighth Legislature, General Appropriations Act (GAA), 2024–25 Biennium, provides \$78.6 million from the Foundation School Program to the Texas Education Agency, to be transferred to THECB, for the program; this amount is estimated—actual funding is dependent on the number of students enrolled in the program. The 2024–25 GAA also

provides \$2.7 million in General Revenue Funds to TEA for administrative and technology costs related to the program.

The 2024–25 GAA provides the following amounts in General Revenue Funds to THECB to implement provisions of the legislation:

- \$125.0 million for Texas Educational Opportunity Grants at community colleges and \$14.0 million for Texas Opportunity Grants at state and technical colleges;
- \$33.0 million to establish an Institutional Collaboration Center to provide information and instruction to community colleges and for grants for community college programs to add capacity to meet regional workforce needs;
- \$4.3 million associated with the transfer of the administration of the Texas Innovative Adult Career Education Grant Program from Austin Community College to THECB;
- \$0.8 million for a course-sharing platform; this funding is associated with an equal funding decrease at Austin Community College for the Virtual College of Texas; and
- \$4.5 million for administrative costs associated with the legislation's implementation.

LAMAR STATE COLLEGES

PURPOSE: The three Lamar State Colleges are lower-division institutions of higher education within the Texas State University System. Lamar State College – Orange and Lamar State College – Port Arthur offer freshman and sophomore courses, and the primary focus of the Lamar Institute of Technology is to teach technical and vocational courses.

ESTABLISHED: 1995

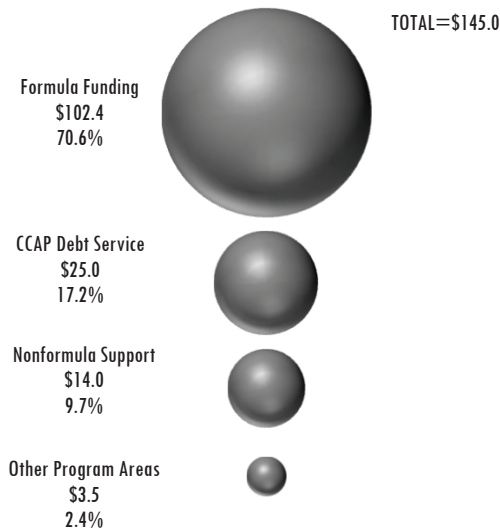
AUTHORIZING STATUTE: The Texas Education Code, §§96.703 and 96.704

GOVERNANCE: Texas State University System—nine-member board of regents appointed by the Governor with the advice and consent of the Senate

**FIGURE 205
LAMAR STATE COLLEGES BY METHOD OF FINANCE**

METHOD OF FINANCE	(IN MILLIONS)				APPROPRIATED FULL-TIME-EQUIVALENT POSITIONS	
	ESTIMATED/BUDGETED 2022–23	APPROPRIATED 2024–25	BIENNIAL CHANGE	PERCENTAGE CHANGE		
General Revenue Funds	\$118.5	\$127.2	\$8.8	7.4%	2024	572.4
General Revenue–Dedicated Funds	\$15.3	\$17.8	\$2.4	15.8%		
Federal Funds	\$0.0	\$0.0	\$0.0	N/A	2025	572.4
Other Funds	\$1.5	\$0.0	(\$1.5)	(100.0%)		
Total, All Methods of Finance	\$135.3	\$145.0	\$9.7	7.2%		

INSTITUTION PROGRAM AREAS BY APPROPRIATION (IN MILLIONS)



SIGNIFICANT DEVELOPMENTS

Formula funding increases by **\$15.7 million** in All Funds and increases the contact hour rate for the Instruction and Administration Formula to \$8.16 from \$7.20 during the 2022–23 biennium.

Nonformula support increases by **\$0.9 million** from the 2022–23 biennium.

Appropriations represent an increase of **\$7.7 million** to annualize the debt service on **Capital Construction Assistance Projects bonds** authorized by the Eighty-fourth Legislature, 2015, and the Eighty-seventh Legislature, 2021.

NOTE: CCAP=Capital Construction Assistance Projects.
SOURCE: Legislative Budget Board.

MAJOR FUNDING

The Lamar State Colleges receive appropriations providing state support, but unlike community colleges, they do not have local taxing authority. Funding for the Lamar State Colleges for the 2024–25 biennium includes an increase of \$35.2 million in General Revenue Funds from biennial estimated and budgeted amounts in 2022–23 primarily due to an increase in formula funding, and an increase of \$0.8 million in statutory tuition compared to biennial estimated and budgeted amounts in 2022–23. The Legislature increased funding for the Lamar State Colleges Instruction and Administration formula by \$14.6 million in General Revenue Funds to maintain per-contact-hour funding parity with the community colleges in the Southeast Texas region.

PROGRAMS

The Lamar State Colleges include Lamar Institute of Technology, Lamar State College – Orange, and Lamar State College – Port Arthur. The three institutions carry out their responsibilities through four major program areas: (1) formula funding; (2) nonformula support funding; (3) other program areas; and (4) Capital Construction Assistance Projects bond debt service. **Figure 206** shows the All Funds appropriation level for each of the Lamar State Colleges.

FORMULA FUNDING

The largest source of funding for the Lamar State Colleges is formula funding, which is allocated across institutions through the Instruction and Administration (I&A) formula based on contact hours, and the Infrastructure formula based on predicted square feet. The Eighty-eighth Legislature, Regular Session, 2023, provided I&A formula funding at a rate of \$8.16 per contact hour for the 2024–25 biennium, which is an increase from the 2022–23 biennial rate of \$7.20. Appropriations for the I&A formula total \$73.1 million in General Revenue Funds across the three institutions.

In addition to I&A formula amounts, the Lamar State Colleges, like the Texas State Technical Colleges, are included in the general academic institutions’ Infrastructure formula and receive a small institution supplement (SIS) consistent with the methodology used for the general academic institutions. The maximum amount received through the SIS for the biennium for schools with a headcount of less than 5,000 students is \$2.6 million. The Eighty-eighth Legislature, Regular Session, 2023, provided funding to support a rate of \$5.75 per predicted square foot, increasing the rate from the 2022–23 biennium by \$0.28 per predicted square foot. Appropriations to the Lamar State Colleges from the Infrastructure formula total \$16.5 million in All Funds for the 2024–25 biennium.

NONFORMULA SUPPORT

Nonformula support includes Institutional Enhancement and direct appropriations to institutions for projects that are identified specifically by the Legislature for support. Appropriations to the Lamar State Colleges for nonformula support funding total \$14.0 million for the 2024–25 biennium, which is an increase of \$0.9 million from 2022–23 biennial amounts.

OTHER PROGRAMS

Other program funding for the Lamar State Colleges includes funding for staff group insurance and Texas Public Education Grants. Institutions are appropriated General Revenue–Dedicated Funds, which consist of other educational and general income, in staff group insurance appropriation amounts for staff whose salaries are not paid with General Revenue Funds. Pursuant to the Texas Education Code, Chapter 56, Subchapter C, and the Texas Education Code, Section 54.051, institutions must set aside a portion of tuition revenue for Texas Public Education Grants. Fifteen percent of each resident student’s tuition and 3.0 percent of

**FIGURE 206
LAMAR STATE COLLEGES ALL FUNDS APPROPRIATIONS, 2022–23 AND 2024–25 BIENNIA**

(IN MILLIONS)

INSTITUTION	2022–23 BIENNium	2024–25 BIENNium	DIFFERENCE	PERCENTAGE CHANGE
Lamar Institute of Technology	\$54.0	\$61.5	\$15.6	33.9%
Lamar State College – Orange	\$40.9	\$40.3	\$9.9	32.8%
Lamar State College – Port Arthur	\$40.4	\$43.2	\$10.4	31.8%
Total	\$135.3	\$145.0	\$36.0	33.0%

NOTE: Totals may not sum due to rounding.
SOURCE: Legislative Budget Board.

each nonresident student's tuition are set aside for financial aid to students at the institution. Appropriations for other program funding at the Lamar State Colleges total \$3.5 million for the 2024–25 biennium.

CAPITAL CONSTRUCTION ASSISTANCE PROJECTS
BOND DEBT SERVICE

After Capital Construction Assistance Project (CCAP) bonds are authorized by the Legislature and approved by the Texas Bond Review Board, institutions can issue these bonds and make debt payments. Legislative practice has been to use General Revenue Funds to reimburse institutions for the costs related to this debt service. Appropriations for CCAP bond debt service for the Lamar State Colleges total \$25.0 million for the 2024–25 biennium, an increase of \$7.7 million from the 2022–23 biennial amounts due to the institutions paying off debt in full or refinancing for lower interest rates.

TEXAS STATE TECHNICAL COLLEGES

PURPOSE: Two-year institutions of higher education that offer courses of study in technical–vocational education offering occupationally oriented programs with supporting academic course work, emphasizing technical and vocational areas for certificates or associate degrees.

ESTABLISHED: 1965–2015

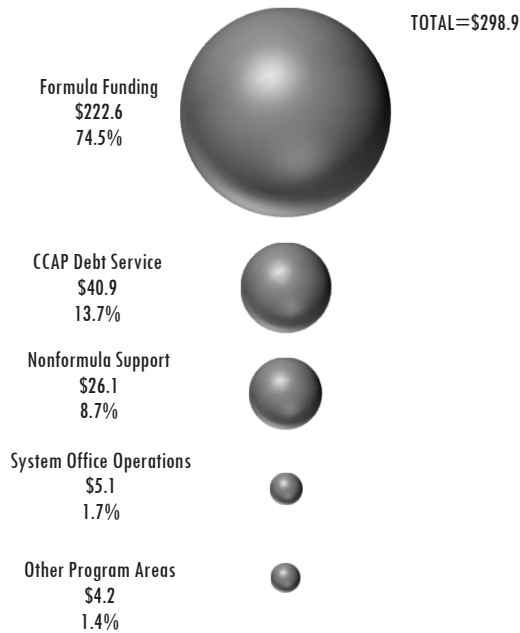
AUTHORIZING STATUTE: The Texas Education Code, §135.01

GOVERNANCE: Texas State Technical College System—nine-member board of regents appointed by the Governor with the advice and consent of the Senate

FIGURE 207
TEXAS STATE TECHNICAL COLLEGES BY METHOD OF FINANCE

METHOD OF FINANCE	(IN MILLIONS)				APPROPRIATED FULL-TIME-EQUIVALENT POSITIONS
	ESTIMATED/BUDGETED 2022–23	APPROPRIATED 2024–25	BIENNIAL CHANGE	PERCENTAGE CHANGE	
General Revenue Funds	\$216.2	\$284.5	\$68.3	31.6%	2024 1,937.3 2025 1,937.3
General Revenue–Dedicated Funds	\$12.3	\$14.4	\$2.1	17.4%	
Federal Funds	\$0.0	\$0.0	\$0.0	N/A	
Other Funds	\$0.0	\$0.0	\$0.0	N/A	
Total, All Methods of Finance	\$228.5	\$298.9	\$70.4	30.8%	

INSTITUTION PROGRAM AREAS BY APPROPRIATION (IN MILLIONS)



SIGNIFICANT DEVELOPMENTS

Instruction and Administration formula funding is based on 35.9 percent of the returned value to the state generated by the Texas State Technical Colleges (TSTC), an increase of \$50.4 million in General Revenue Funds from the 2022–23 biennium.

Infrastructure Formula funding increases by \$4.1 million in All Funds from the 2022–23 biennium. The Eighty-eighth Legislature, Regular Session, 2023, increased the maximum small institution supplement amount for the TSTCs to \$2.6 million from \$1.3 million in the 2022–23 biennium.

Appropriations represent an increase of **\$13.9 million** to annualize debt service on the **Capital Construction Assistance Projects bonds** authorized by the Eighty-fourth Legislature, 2015, and the Eighty-seventh Legislature, 2021.

NOTE: CCAP=Capital Construction Assistance Projects.
SOURCE: Legislative Budget Board.

MAJOR FUNDING

Institutions within the Texas State Technical College System (TSTC) receive appropriations providing state support, but, unlike community colleges, they do not have local taxing authority. Appropriations to TSTCs for the 2024–25 biennium include an \$88.5 million increase in General Revenue Funds from amounts appropriated for the 2022–23 biennium, and an increase of approximately \$2.1 million in General Revenue–Dedicated Funds consisting of statutory tuition.

TSTC System Administration is located in Waco with campuses in Harlingen, Marshall, Waco, Fort Bend County, North Texas, and West Texas. The Eighty-eighth Legislature, Regular Session, 2023, codified three new campus locations for TSTC, including a unified site in Comal and Guadalupe counties, a site in Williamson County, and a site for a future campus in Denton County. **Figure 208** shows the TSTC campus locations in operation as of fiscal year 2023.

PROGRAMS

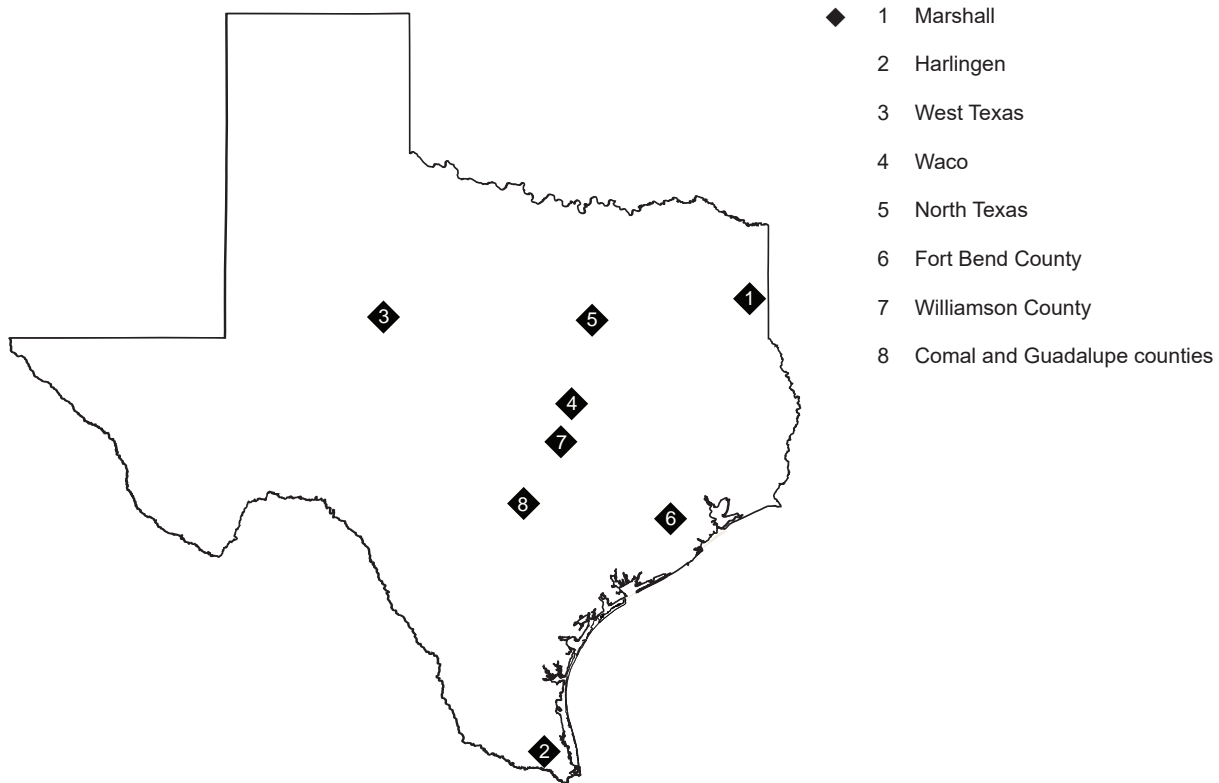
TSTC System Administration and its component institutions carry out their responsibilities through five major program areas: (1) formula funding; (2) nonformula support funding; (3) other program areas; (4) system office operations; and (5) Capital Construction Assistance Projects (CCAP) bond debt service.

Figure 209 shows All Funds appropriation levels from the 2022–23 to the 2024–25 biennia for the system administration and each of the colleges in operation during both biennia.

FORMULA FUNDING

TSTC’s primary source of funding comes from two funding formulas, the Instruction and Administration (I&A) and the Infrastructure formulas. Before the 2014–15 biennium, the institutions received funding through the I&A formula based on contact hours similar to the Lamar State Colleges. The Eighty-third Legislature, Regular Session, 2013,

FIGURE 208
TEXAS STATE TECHNICAL COLLEGES, FISCAL YEAR 2023



NOTE: In addition to the locations shown, the Eighty-eighth Legislature, Regular Session, 2023, codified a new campus site to be located in Denton County, which is not yet operational.
SOURCE: Legislative Budget Board.

FIGURE 209
TEXAS STATE TECHNICAL COLLEGES (TSTC) ALL FUNDS APPROPRIATIONS, 2022–23 AND 2024–25 BIENNIA

(IN MILLIONS)

INSTITUTION	2022–23	2024–25	DIFFERENCE	PERCENTAGE CHANGE
TSTC System Administration	\$6.1	\$11.8	\$5.7	92.4%
TSTC – Harlingen	\$60.9	\$75.0	\$14.1	23.1%
TSTC – Marshall	\$15.2	\$23.8	\$8.6	56.2%
TSTC – Waco	\$73.9	\$109.4	\$35.5	48.0%
TSTC – Fort Bend County	\$12.9	\$23.8	\$10.9	84.8%
TSTC – North Texas	\$7.8	\$14.0	\$6.2	78.9%
TSTC – West Texas	\$31.3	\$41.1	\$9.7	31.1%
Total	\$208.2	\$298.9	\$90.6	43.5%

NOTE: Totals may not sum due to rounding.
 SOURCE: Legislative Budget Board.

modified the calculation of the I&A formula to base it on the returned value to the state generated by the TSTCs. The Eighty-eighth Legislature, Regular Session, 2023, continues providing formula support through the returned value methodology. The formula uses average student wages upon completion of nine semester credit hours or more at a TSTC institution compared to minimum wage to determine the additional estimated direct and indirect values that an individual generates for the state after attending a TSTC institution. For the 2024–25 biennium, the cohort of students that completed at least nine semester credit hours at TSTC during fiscal years 2016 and 2017 generated approximately \$529.8 million in returned value to the state according to the formula calculation. TSTCs are appropriated 35.9 percent of this amount, or \$190.2 million in General Revenue Funds, for I&A funding for the 2024–25 biennium. The Eighty-eighth Legislature, Regular Session, 2023, increased General Revenue Funds appropriations for the returned value formula by \$50.4 million, maintaining the returned value formula rate of 35.9 percent from the 2022–23 biennium.

In addition to I&A formula amounts, TSTCs and Lamar State Colleges are included in the general academic institutions’ Infrastructure formula and receive the small institution supplement, consistent with the methodology used for the general academic institutions. The Eighty-eighth Legislature, Regular Session, 2023, increased the small institution supplement maximum for the TSTCs from \$1.3 million to \$2.6 million, creating parity with the general academic institutions and the Lamar State Colleges. The

Infrastructure formula is based on predicted square feet, and the Eighty-eighth Legislature, Regular Session, 2023, provided a rate of \$5.75 per predicted square foot. Appropriations to TSTCs from the Infrastructure formula total \$27.9 million in All Funds for the 2024–25 biennium.

NONFORMULA SUPPORT

Nonformula support includes Institutional Enhancement and direct appropriations to institutions or the system office for projects that are identified specifically by the Legislature for support. Total appropriations to the TSTC system office and its component institutions for nonformula support funding total \$17.9 million in General Revenue Funds for the 2024–25 biennium, which maintains the 2022–23 appropriation level for nonformula support.

OTHER PROGRAMS

Other program funding for TSTCs includes staff group insurance, workers’ compensation insurance, dual credit, and Texas Public Education Grants. Institutions receive General Revenue–Dedicated Funds, which consist of other educational and general income, in staff group insurance appropriation amounts for staff whose salaries are not paid with General Revenue Funds. Pursuant to the Texas Education Code, Chapter 56, Subchapter C, and the Texas Education Code, Section 54.051, institutions must set aside a portion of tuition revenue for Texas Public Education Grants. Fifteen percent of each resident student’s tuition and 3.0 percent of each nonresident student’s tuition are set aside for financial aid to students at the institution.

Appropriations for other program funding total \$4.2 million for the 2024–25 biennium.

SYSTEM OFFICE OPERATIONS

TSTC institutions are governed by the TSTC System Administration headquartered in Waco. A nine-member board of regents and the TSTC chancellor direct the system. The system office provides coordination and planning across the institutions and processing for financial and reporting requirement duties for all institutions within the TSTC System. Appropriations for system office operations for the 2024–25 biennium total \$5.1 million in General Revenue Funds.

CAPITAL CONSTRUCTION ASSISTANCE PROJECTS BOND DEBT SERVICE

After CCAP bonds are authorized by the Legislature and approved by the Texas Bond Review Board, institutions can issue these bonds and make debt payments. Legislative practice has been to use General Revenue Funds to reimburse institutions for the costs related to this debt service. Appropriations for CCAP bond debt service for TSTC total \$40.9 million for the 2024–25 biennium, an increase of \$13.9 million due to the authorization of new CCAP bonds by the Eighty-seventh Legislature, 2021.

SIGNIFICANT LEGISLATION

House Bill 3287 – Authorizing locations of TSTC campuses. The legislation codifies new campus locations for the TSTC System, including a site in Denton County, a campus operating as a collective unit in Comal and Guadalupe counties, and a campus operating as a collective unit of one or more locations in Williamson County. No funding was provided for the new campus locations for the 2024–25 biennium.

HIGHER EDUCATION FUNDS

PURPOSE: The Available University Fund and Higher Education Fund provide eligible higher education institutions funding support for acquiring land, constructing and equipping buildings, major repair of buildings, acquisition of capital equipment, and other permanent improvements.

The Support for Military and Veterans Exemptions provide public institutions of higher education financial assistance to offset the waived tuition and fee revenue from the federal Hazlewood Legacy Program.

The Available National Research University Fund (ANRUF) provides a dedicated, independent, and equitable source of funding to enable emerging research universities in Texas to achieve prominence as research universities.

The Available Texas University Fund, which replaces the ANRUF in fiscal year 2024, provides a dedicated, independent, and equitable source of funding to enable certain general academic teaching institutions in Texas to achieve national prominence as major research universities and drive the state economy.

ESTABLISHED: Available University Fund (AUF) – 1876; Higher Education Fund (HEF) – 1984; Available National Research University Fund (ANRUF) – 2009; Support for Military Veterans Exemptions (MVE) – 2013; Available Texas University Fund (ATUF) – 2024

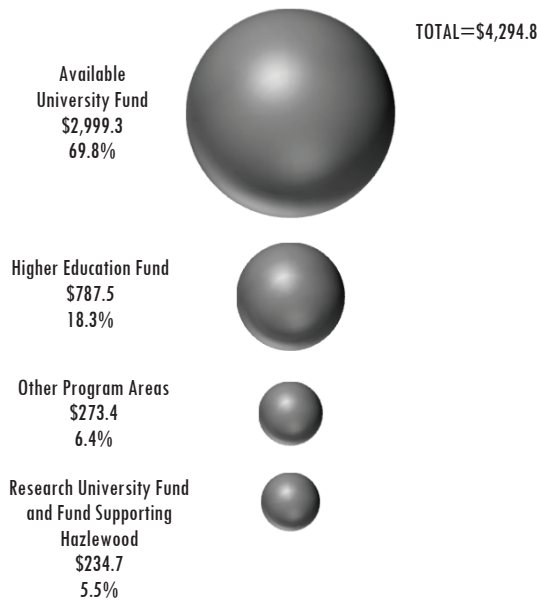
AUTHORIZING STATUTE: AUF – the Texas Constitution, Article VII, §18; HEF – the Texas Constitution, Article VII, §17; ANRUF and ATUF – the Texas Constitution, Article VII, §20; MVE – the Texas Education Code, §54.3411

GOVERNANCE: The Texas Legislature governs these funds; eligible institutions' boards of regents oversee AUF-funded projects, HEF-funded projects, and activities funded through ANRUF or ATUF; the Texas Treasury Safekeeping Trust Company administers the MVE

**FIGURE 210
HIGHER EDUCATION FUNDS BY METHOD OF FINANCE**

METHOD OF FINANCE	(IN MILLIONS)				APPROPRIATED FULL-TIME-EQUIVALENT POSITIONS				
	ESTIMATED/BUDGETED 2022–23	APPROPRIATED 2024–25	BIENNIAL CHANGE	PERCENTAGE CHANGE					
General Revenue Funds	\$816.0	\$1,138.7	\$322.7	39.6%	<table border="1"> <tr> <td>2024</td> <td>0.0</td> </tr> <tr> <td>2025</td> <td>0.0</td> </tr> </table>	2024	0.0	2025	0.0
2024	0.0								
2025	0.0								
General Revenue–Dedicated Funds	\$0.0	\$0.0	\$0.0	N/A					
Federal Funds	\$0.0	\$0.0	\$0.0	N/A					
Other Funds	\$2,682.2	\$3,156.1	\$473.9	17.7%					
Total, All Methods of Finance	\$3,498.2	\$4,294.8	\$796.6	22.8%					

FUND PROGRAM AREAS BY APPROPRIATION (IN MILLIONS)



SIGNIFICANT DEVELOPMENTS

The new Texas University Fund was established with an appropriation of **\$3.0 billion to support research** at qualifying general academic institutions. The Legislature also appropriated **\$136.4 million** in General Revenue Funds in fiscal year 2024 to support those institutions.

Funding for the **Support for Military and Veterans Exemptions** increased by **\$186.4 million** from 2022–23 biennial amounts to reimburse institutions for 72.0 percent of the 2022 Hazlewood Legacy Program costs.

Annual appropriations for HEF-eligible institutions are included in the Texas Education Code, Chapter 62, Subchapter B. Allocations were updated in fiscal year 2024 to represent the **transfer of Stephen F. Austin University to the University of Texas System**.

During fiscal year 2023, the **University of Texas at San Antonio** became eligible to receive a distribution from the final appropriation of ANRUF before it is replaced by the new ATUF in fiscal year 2024.

SOURCE: Legislative Budget Board.

MAJOR FUNDING

Funding for the Higher Education Fund (HEF), Available University Fund (AUF), Available Texas University Fund (ATUF), and Support for Military and Veterans Exemptions for the 2024–25 biennium totals \$4.3 billion in All Funds, which is an increase of \$796.6 million from the 2022–23 biennium.

Funding for the HEF for the 2024–25 biennium totals \$787.5 million in General Revenue Funds, which is equal to 2022–23 biennial appropriations.

Funding for the AUF for the 2024–25 biennium totals an estimated \$3.0 billion in Other Funds, which is an increase of \$393.7 million.

Funding for the new ATUF for the 2024–25 biennium totals an estimated \$273.4 million in All Funds, including \$136.4 million in General Revenue Funds and an estimated \$137.0 million in Other Funds as projected by the Comptroller of Public Accounts. Because the new fund replaced the Available National Research University Fund (ANRUF), funding for the ANRUF was decreased to \$0.0 for the 2024–25 biennium.

Funding for the Support for Military and Veterans Exemptions for the 2024–25 biennium totals an estimated \$234.7 million in All Funds, which includes an increase of \$186.4 million in General Revenue Funds and \$0.6 million in Other Funds due to anticipated growth of the Permanent Fund Supporting Military Veterans Exemptions as projected by the Texas Treasury Safekeeping Trust Company (TTSTC).

HIGHER EDUCATION FUND

The HEF was established by constitutional amendment as a counterpart to the Permanent University Fund (PUF) for Texas public institutions of higher education that are constitutionally ineligible to receive proceeds from the PUF. **Figure 211** shows Texas institutions that are eligible to receive support from the two capital funds and the types of funding they may receive.

The Texas Constitution requires the Legislature to review the HEF's formula allocation every 10 years, and the Legislature may, once every five years, adjust the amount and the allocation of the constitutional appropriation for the subsequent five years. An adjustment requires a two-thirds majority vote, and the reallocation may not impair any debt service obligation established by the issuance of HEF bonds or notes.

From fiscal years 1986 to 1995, the Legislature appropriated \$100.0 million each year to the HEF for distribution to eligible institutions based on a formula allocation incorporating three elements: (1) space deficit, (2) facilities condition, and (3) institutional complexity. The Seventy-third Legislature, 1993, increased the formula allocation to \$175.0 million each year starting in fiscal year 1996. The Seventy-sixth Legislature, 1999, adopted a new allocation for the \$175.0 million distributed to universities as a result of Texas Higher Education Coordinating Board (THECB) recommendations.

The Seventy-ninth Legislature, Regular Session, 2005, maintained the \$175.0 million annual appropriation level for fiscal years 2006 and 2007 and increased the annual appropriation level to \$262.5 million starting in fiscal year 2008. The Legislature also reallocated the appropriations of General Revenue Funds starting in fiscal year 2006 based on THECB's recommendations.

The Eighty-first Legislature, Regular Session, 2009, maintained the \$262.5 million annual HEF appropriation level for fiscal years 2010 and 2011. To ensure the equitable distribution of the HEF appropriation, the legislation corrected the distribution of fiscal years 2009 and 2010 HEF allocations by using revised formula calculations. Based on these revised calculations, the Legislature also factored in updated data elements to generate the annual HEF allocation for the five-year period starting in fiscal year 2011. The Legislature also authorized the University of North Texas at Dallas to participate in the HEF allocation upon the institution's operation as a general academic teaching institution.

The Eighty-fourth Legislature, 2015, maintained the \$262.5 million annual HEF appropriation level for fiscal year 2016, and increased the annual allocation amount to \$393.8 million for fiscal years 2017 to 2020. Beginning in fiscal year 2016, the University of North Texas at Dallas and Texas Tech University Health Sciences Center at El Paso were added for the HEF distribution, and the University of Texas – Pan American and the University of Texas at Brownsville were discontinued from the distribution.

Senate Bill 709, Eighty-sixth Legislature, 2019, reallocated the \$393.8 million for fiscal years 2021 to 2025 among the eligible institutions based on THECB's recommendations. Senate Bill 1055, Eighty-eighth Legislature, Regular Session, 2023, reallocated the \$393.8 million for fiscal

**FIGURE 211
ELIGIBLE CAPITAL FUNDS BY INSTITUTION/SYSTEM OFFICE
2024–25 BIENNIUM**

INSTITUTION/SYSTEM OFFICE	PUF (2)	HEF	INSTITUTION/SYSTEM OFFICE	PUF (2)	HEF
University of Texas System Administration	XX		Texas A&M Transportation Institute	X	
University of Texas at Arlington	X		Texas A&M Engineering Extension Service	X	
University of Texas at Austin	XX		Texas A&M Forest Service	X	
University of Texas at Dallas	X		Texas A&M Veterinary Medical Diagnostic Laboratory (3)	N	N
University of Texas at El Paso	X		Texas Division of Emergency Management (3)	N	N
University of Texas Rio Grande Valley	X		University of Houston System Administration		X
University of Texas of the Permian Basin	X		University of Houston		X
University of Texas at San Antonio	X		University of Houston - Clearlake		X
University of Texas at Tyler	X		University of Houston - Downtown		X
Stephen F. Austin University	X		University of Houston - Victoria		X
University of Texas Southwestern Medical Center	X		University of North Texas System Administration		X
University of Texas Medical Branch at Galveston	X		University of North Texas		X
University of Texas Health Science Center at Houston	X		University of North Texas at Dallas		X
University of Texas Health Science Center at San Antonio	X		University of North Texas Health Science Center at Fort Worth		X
University of Texas M.D. Anderson Cancer Center	X		Texas Southern University		X
University of Texas Health Science Center at Tyler	X		Texas Tech University System Administration		X
Texas A&M University System Administrative and General Offices	XX		Texas Tech University		X
Texas A&M University	XX		Angelo State University		X
Texas A&M University at Galveston	XX		Midwestern State University		X
Prairie View A&M University	XX		Texas Tech University Health Science Center		X
Tarleton State University	X		Texas Tech University Health Science Center El Paso		X
Texas A&M University - Central Texas	X		Texas Woman's University System		X
Texas A&M University - Corpus Christi		X	Texas Woman's University		X
Texas A&M University - Kingsville		X	Texas State University System		X
Texas A&M University - San Antonio	X		Lamar University		X
Texas A&M International University		X	Lamar University Institute of Technology		X
West Texas A&M University		X	Lamar University - Orange		X
Texas A&M University - Commerce		X	Lamar University - Port Arthur		X
Texas A&M University - Texarkana		X	Sam Houston State University		X
Texas A&M University Health Science Center	XX		Texas State University		X
Texas A&M AgriLife Research	X		Sul Ross State University		X
Texas A&M AgriLife Extension Service	X		Sul Ross State University Rio Grande College		X
Texas A&M Engineering Experiment Station	X		Texas State Technical College System		X

NOTES:

- (1) PUF=Permanent University Fund; HEF=Higher Education Fund.
- (2) XX=PUF-eligible institutions that are eligible for support and maintenance funding from the Available University Fund, in addition to debt service funding.
- (3) N=Not eligible for either capital fund.

SOURCE: Legislative Budget Board.

years 2024 to 2025 to account for the transfer of Stephen F. Austin University to the University of Texas System, making the institution eligible for the AUF and ineligible for the HEF. **Figure 212** shows each eligible institution’s annual allocations for fiscal years 2011 to 2025.

AVAILABLE UNIVERSITY FUND

The PUF is a public endowment contributing to the support of all institutions in the University of Texas (UT) System and several institutions in the Texas A&M University (TAMU) System. The Texas Constitution established the PUF in 1876 by appropriating land grants previously given to UT plus 1.0 million acres. In 1883, the PUF received another land grant of an additional 1.0 million acres. The fund contains approximately 2.1 million acres located in 24 West Texas counties.

PUF’s 2.1 million acres produce two lines of income: surface and mineral. The Texas Constitution requires all surface lease income to be deposited to the AUF. Mineral income and income from the sale of PUF lands remain in the PUF and are invested in equity, fixed-income, and derivative securities. Proposition 17, 1999, amended the Texas Constitution to authorize the UT Board of Regents to use a total return on investment assets from the PUF to be distributed to the AUF. Pursuant to the Texas Constitution, the distribution determination must provide the AUF with a stable annual income stream while maintaining the PUF’s purchasing power. The estimated market value of the PUF corpus as of August 31, 2023, was \$33.0 billion, representing growth of approximately 122.3 percent since fiscal year 2013. **Figure 213** shows the annual market value of the PUF corpus since fiscal year 2013.

**FIGURE 212
ANNUAL HIGHER EDUCATION FUND ALLOCATIONS TO ELIGIBLE INSTITUTIONS, FISCAL YEARS 2011 TO 2025**

(IN MILLIONS)	2011 TO 2015	2016	2017 TO 2020	2021 TO 2023	2024 TO 2025
INSTITUTION (BY SYSTEM)					
Lamar University	\$8.3	\$9.4	\$14.1	\$13.1	\$13.5
Lamar Institute of Technology	\$2.3	\$1.7	\$2.6	\$2.6	\$2.6
Lamar State College – Orange	\$1.2	\$1.1	\$1.7	\$1.5	\$1.5
Lamar State College – Port Arthur	\$1.2	\$1.4	\$2.2	\$2.2	\$2.3
Sul Ross State University	\$1.6	\$1.4	\$2.1	\$2.2	\$2.2
Sul Ross State University Rio Grande College	\$0.4	\$0.3	\$0.4	\$0.5	\$0.5
Sam Houston State University	\$11.9	\$11.6	\$17.3	\$18.2	\$18.8
Texas State University	\$21.9	\$24.8	\$37.2	\$37.6	\$38.7
Subtotal, Texas State University System	\$49.0	\$51.7	\$77.6	\$77.9	\$80.2
Texas A&M University – Corpus Christi	\$7.1	\$7.4	\$11.1	\$11.5	\$11.8
Texas A&M International University	\$3.8	\$4.5	\$6.7	\$7.5	\$7.7
Texas A&M University – Kingsville	\$5.0	\$6.0	\$9.0	\$8.9	\$9.1
Texas A&M University – Commerce	\$5.2	\$7.2	\$10.8	\$11.1	\$11.5
Texas A&M University – Texarkana	\$1.3	\$1.2	\$1.8	\$2.1	\$2.1
West Texas A&M University	\$4.7	\$4.8	\$7.2	\$7.4	\$7.7
Subtotal, Texas A&M University System	\$27.1	\$31.1	\$46.6	\$48.4	\$49.9
University of Houston	\$35.9	\$35.2	\$52.8	\$54.5	\$56.2
University of Houston – Clear Lake	\$5.2	\$5.3	\$8.0	\$7.7	\$8.0
University of Houston – Downtown	\$7.4	\$7.8	\$11.8	\$10.8	\$11.2
University of Houston – Victoria	\$2.4	\$2.9	\$4.3	\$3.5	\$3.6
Subtotal, University of Houston System	\$50.9	\$51.2	\$76.8	\$76.6	\$78.9

FIGURE 212 (CONTINUED)
ANNUAL HIGHER EDUCATION FUND ALLOCATIONS TO ELIGIBLE INSTITUTIONS, FISCAL YEARS 2011 TO 2025

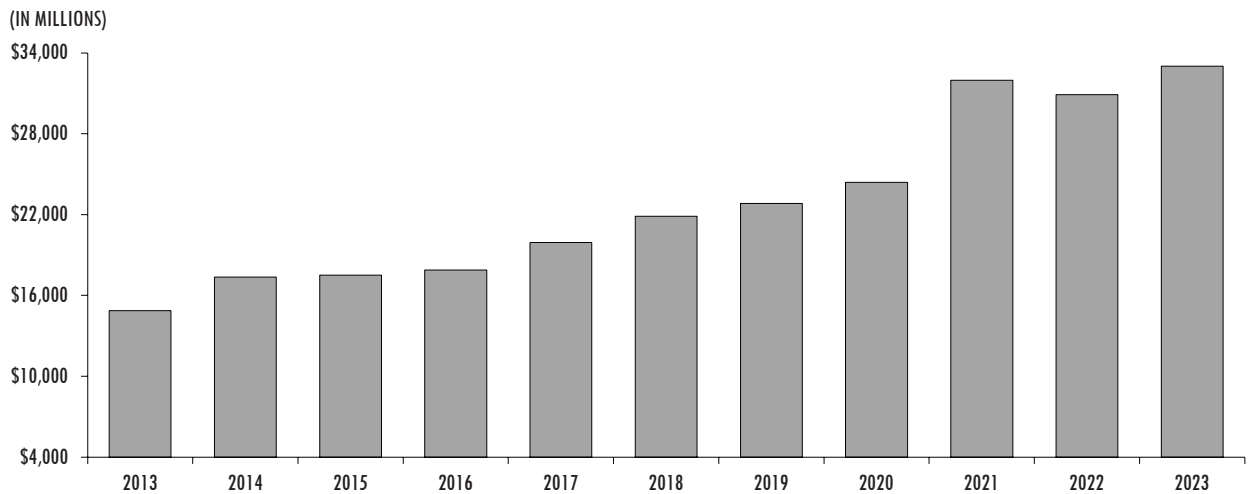
(IN MILLIONS)	2011 TO 2015	2016	2017 TO 2020	2021 TO 2023	2024 TO 2025
INSTITUTION (BY SYSTEM)					
University of Texas – Pan American	\$12.3	\$0.0	\$0.0	\$0.0	\$0.0
University of Texas at Brownsville	\$5.1	\$0.0	\$0.0	\$0.0	\$0.0
Stephen F. Austin State University (1)	\$8.4	\$7.8	\$11.6	\$11.3	\$0.0
Subtotal, University of Texas System	\$25.8	\$7.8	\$11.6	\$11.3	\$0.0
Subtotal, Texas State Technical College System	\$5.8	\$5.8	\$8.7	\$8.7	\$8.7
Subtotal, Texas Southern University	\$8.9	\$7.8	\$11.7	\$11.7	\$12.1
Subtotal, Texas Woman’s University System	\$10.2	\$9.9	\$14.8	\$14.6	\$15.0
Texas Tech University	\$24.0	\$32.8	\$49.2	\$49.9	\$51.4
Texas Tech University Health Sciences Center	\$17.0	\$15.6	\$23.4	\$21.7	\$22.3
Texas Tech University Health Sciences Center at El Paso	\$0.0	\$4.2	\$6.2	\$5.6	\$5.7
Angelo State University	\$3.7	\$3.5	\$5.3	\$6.8	\$7.0
Midwestern State University	\$3.6	\$3.4	\$5.1	\$4.9	\$5.1
Subtotal, Texas Tech University System	\$48.2	\$59.5	\$89.2	\$88.8	\$91.5
University of North Texas	\$27.8	\$25.0	\$37.6	\$37.3	\$38.5
University of North Texas Health Sciences Center	\$8.8	\$11.4	\$17.1	\$15.1	\$15.6
University of North Texas at Dallas	\$0.0	\$1.4	\$2.1	\$3.4	\$3.5
Subtotal, University of North Texas System	\$36.6	\$37.8	\$56.8	\$55.8	\$57.5
Total, All Eligible Institutions	\$262.5	\$262.5	\$393.8	\$393.8	\$393.8

NOTES:

- (1) The Eighty-eighth Legislature, Regular Session, 2023, made Stephen F. Austin State University part of the University of Texas System.
- (2) Totals may not sum due to rounding.

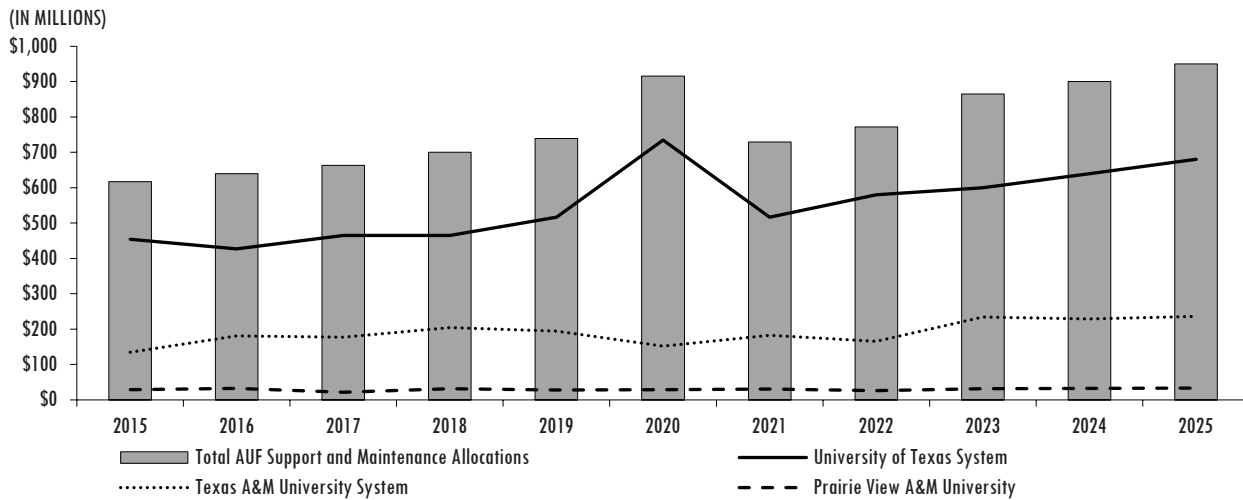
SOURCE: Legislative Budget Board.

FIGURE 213
MARKET VALUE OF THE PERMANENT UNIVERSITY FUND, FISCAL YEARS 2013 TO 2023



SOURCE: University of Texas/Texas A&M Investment Management Company.

FIGURE 214
AVAILABLE UNIVERSITY FUND (AUF) SUPPORT AND MAINTENANCE ALLOCATIONS, FISCAL YEARS 2015 TO 2025



NOTE: Amounts for fiscal years 2023 to 2025 are estimated.
 SOURCES: Legislative Budget Board; the University of Texas System; Texas A&M University System.

Surface and investment income is distributed from the PUF into the AUF for use by the TAMU and UT systems. The constitution designates two-thirds of the AUF for the UT System and one-third for the TAMU System. The first obligation of any income earned by the PUF is to pay the debt service (both principal and interest) on existing PUF bonds.

The residual income, after debt service, is dedicated to support and maintenance at UT at Austin, UT System administration, TAMU System administration, TAMU at College Station, and Prairie View A&M University. Support and maintenance includes special programs, such as library enhancement, specialized equipment purchases for science and engineering, student counseling services, graduate student fellowships, and scholarships. **Figure 214** shows that support and maintenance funding is estimated to total \$900.1 million for fiscal year 2024 and \$949.5 million for fiscal year 2025.

The two systems’ respective governing boards determine the allocation of PUF bond proceeds among their component institutions. The UT System is authorized to issue PUF bonds up to 20.0 percent of the book value of the PUF; the TAMU System is authorized to issue up to 10.0 percent of the book value of the fund.

The Eighty-second Legislature, Regular Session, 2011, amended the composition of the governing board for

the University of Texas/Texas A&M Investment Management Company (UTIMCO) to require two appointees representing the TAMU System. UTIMCO is the firm that invests and manages the PUF and other endowments, most of which are not appropriated through the General Appropriations Act (GAA).

The Eighty-fourth Legislature, GAA, 2016–17 Biennium, established riders requiring certain reporting and notification regarding the uses of the AUF. An annual report due December 1 requires additional information regarding AUF support and maintenance allocations and expenditures for system office operations and initiatives by activity. Each activity must include information regarding purpose, authority, objects of expense, and full-time-equivalent positions, and list other funds outside of AUF used for each activity.

Beginning in fiscal year 2016, AUF appropriations may not be used for system initiatives without written notification to the Legislative Budget Board at least 30 days before the board of regents takes action on the system initiatives. Another rider requirement established during the 2016–17 biennium requires that all AUF expenditures be categorized by one of the following program categories: debt service, system office operations, system initiatives, or support of eligible component institutions.

AVAILABLE NATIONAL RESEARCH UNIVERSITY FUND

The Eighty-first Legislature, Regular Session, 2009, established a new source of funding to enhance research capacity at certain universities and redirected the Permanent Higher Education Fund (PHEF) corpus for that purpose. The redirection of the PHEF corpus was authorized with the voter approval of Proposition 4 in 2009, which amended the Texas Constitution, Article VII, by establishing the National Research University Fund (NRUF). Proposition 4 transferred the balance of the PHEF to the credit of the NRUF as of January 1, 2010, and repealed the PHEF.

The Eighty-second Legislature, Regular Session, 2011, established the specific eligibility and distribution criteria for Available National Research University Fund (ANRUF) appropriations. To be eligible to receive ANRUF appropriations, an institution must have met two mandatory criteria:

- the institution was designated as an emerging research university within the THECB Accountability System; and
- the institution reported at least \$45.0 million in restricted research expenditures during each of the preceding two fiscal years.

Institutions also must have met four of six optional criteria, including possession of an endowment fund of at least \$400.0 million, awarding more than 200 doctor of philosophy degrees per year, and other criteria.

THECB evaluated the criteria to determine whether an institution was eligible to receive ANRUF appropriations. By fiscal year 2018, Texas Tech University, the University of Houston, and the University of Texas at Dallas had become eligible. The University of Texas at Arlington became eligible for ANRUF funding in fiscal year 2021, and the University of Texas at San Antonio was the final institution to become eligible in fiscal year 2023.

The Eighty-eighth Legislature, Regular Session, 2023, replaced the NRUF with a new endowment fund. Accordingly, no funds were appropriated to ANRUF for the 2024–25 biennium.

AVAILABLE TEXAS UNIVERSITY FUND

The Eighty-eighth Legislature, Regular Session, 2023, established the Texas University Fund (TUF) as a permanent endowment to replace the NRUF in fiscal year 2024, pursuant to House Bill 1595 and voter approval of the constitutional amendment proposed by House Joint

Resolution 3 at the November 2023 election. In combination with the existing balance of the NRUF corpus, \$3.0 billion was appropriated to the credit of the new TUF in fiscal year 2023.

Additionally, the constitutional amendment establishes an annual appropriation from the Economic Stabilization Fund (ESF) to the TUF. Each fiscal year, an amount equal to the interest, dividends, and investment earnings attributable to the ESF for the preceding fiscal year, up to \$100.0 million in fiscal year 2024 or an amount adjusted for inflation of up to 2.0 percent, thereafter, is appropriated to the Comptroller of Public Accounts for deposit to the credit of the TUF.

The TTSTC, which administers and invests the fund, determines the amount available for distribution from the fund. The total amount appropriated from the Available Texas University Fund (ATUF) for any fiscal year may not exceed 7.0 percent of the average net market value of the fund. In lieu of a distribution from the permanent fund in fiscal year 2024, \$136.4 million in General Revenue Funds was appropriated to the ATUF for distribution to eligible institutions.

The following general academic teaching institutions are eligible to receive ATUF distributions: Texas State University; Texas Tech University, the University of Houston, and the University of North Texas. Another institution may become eligible if the following criteria are met:

- the institution is not entitled to participate in PUF funding;
- the institution spent on average at least \$20.0 million in federal and private research funds per fiscal year during the preceding three fiscal years for fiscal year 2024, or an amount as adjusted for inflation thereafter;
- the institution awarded on average at least 45 research doctoral degrees per academic year during the preceding three academic years; and
- the Legislature appropriates an amount of money to the ATUF sufficient to ensure as nearly as practicable a stable and predictable stream of annual distributions from the fund to each eligible institution, the formula for which is outlined in statute.

The amount appropriated from the ATUF for distribution to eligible institutions must be allocated as follows: 75.0 percent to permanent endowment for education and

research base funding and 25.0 percent to research performance funding. Of the permanent endowment for education and research base funding portion, each eligible institution is entitled to a fraction based on two tiers of research performance. Of the research performance funding portion, 85.0 percent is allocated to institutions based on federal and private research expenditures and 15.0 percent is allocated to institutions based on research doctoral degrees awarded.

The Legislative Budget Board, in consultation with THECB, determines the amount of each distribution from the ATUF to which each eligible institution is entitled.

SUPPORT FOR MILITARY AND VETERANS EXEMPTIONS

The Eighty-third Legislature, Regular Session, 2013, established the Permanent Fund Supporting Military Veterans Exemptions (MVE) to assist public institutions of higher education to offset the waived tuition and fee revenue from the Hazlewood Legacy Program (HLP). Although no initial funding was appropriated to the MVE by the Eighty-third Legislature, the MVE received a onetime donation of \$248.0 million from the Texas Guaranteed Student Loan Corporation during September 2013. The TTSTC determines the amount available for distribution from MVE in accordance with policy adopted by the Comptroller of Public Accounts. Historically, the Legislature has appropriated General Revenue Funds in addition to the MVE distribution to offset the cost of the HLP to institutions. The MVE distribution and additional General Revenue Funds are allocated to eligible institutions in proportion to each institution’s respective share of the aggregate cost to all institutions of the tuition exemptions pursuant to the HLP.

In accordance with the HLP, a veteran who qualifies for education benefits of the Hazlewood Act pursuant to the Texas Education Code, Section 54.341(a), may assign any unused credit hours to dependents who meet certain statutory eligibility requirements.

To qualify for up to 150.0 credit hours of tuition exemption under the Hazlewood Act, a veteran must:

- at the time of entry into active duty in the U.S. Armed Forces, designate Texas as home of record; enter the service in Texas; or be a Texas resident;
- receive an honorable discharge or separation or a general discharge with honorable conditions as

indicated on the veteran’s Certificate of Release or Discharge from Active Duty;

- serve at least 181.0 days of active-duty service, excluding training;
- have no federal veteran’s education benefits dedicated to the payment of tuition and fees, or have no such federal veterans education benefits that are equal to or exceed the value of Hazlewood Act benefits received during a given semester or other term;
- not be in default on a student loan made or guaranteed by the state of Texas;
- be enrolled in classes for which the college receives tax support (i.e., a course that does not depend solely on student tuition and fees to cover its cost), unless the college’s governing board has ruled to let veterans receive the benefit while enrolled in nonfunded courses;
- meet the grade point average (GPA) requirement of the institution’s satisfactory academic progress policy in a degree or certificate program as determined by the institution’s financial aid policy and, as an undergraduate student, not be considered to have attempted an excessive amount of credit hours; and
- if granted their first Hazlewood Act exemptions beginning fall 2011, reside in Texas during the semester or term for which the exemption is claimed. This requirement does not apply to a veteran that received the exemption before academic year 2011–12, reenlisted into active duty, or resides with a spouse who is on active duty.

To be eligible to receive transferred credit hours from a qualified veteran under HLP, a dependent must:

- be classified by the institution as a Texas resident;
- be the biological child, stepchild, adopted child, or be claimed as a dependent during the current or previous tax year;
- be age 25 or younger on the first day of the semester or term for which the exemption is claimed, unless granted an extension due to a qualifying illness or debilitating condition; and
- meet the GPA requirement of the institution’s satisfactory academic progress policy in a degree or certificate program

as determined by the institution's financial aid policy and, as an undergraduate student, not be considered to have attempted an excessive amount of credit hours.

HLP recipients will receive an exemption for the number of degree-certified hours reported by the institution for that term or semester. Maximum degree-certified hours awarded to the HLP recipient depend on the degree or certificate program and must be consistent with the program length as defined within the school catalog as approved by the regional accreditation commission. If a veteran's dependent to whom hours have been delegated fails to use all of the assigned hours, a veteran may reassign the unused hours to another dependent. Only one dependent can use HLP benefits at a time. The Eighty-third Legislature, Regular Session, 2013, transferred the administrative responsibility for HLP from THECB to the Texas Veterans Commission.

The Eighty-eighth Legislature, Regular Session, 2023, increased funding for HLP reimbursements by \$184.8 million in General Revenue Funds in accordance with 72.0 percent of the 2022 total cost of reimbursement, allocated across institutions according to the statutory methodology. This funding was contingent upon the institutions adopting policies to maintain total resident undergraduate academic costs, including tuition, mandatory academic fees, all academic-related general fees, and college course fees for two academic years.

SIGNIFICANT LEGISLATION

House Bill 1595 and House Joint Resolution 3 – Research funding for certain Texas universities. This legislation, in conjunction with the joint resolution, redesignates the National Research University Fund as the Texas University Fund (TUF) and amends the administration and investment, eligibility criteria, and distribution methodology of the fund to eligible institutions. The legislation also appropriates to the Comptroller of Public Accounts each year, for deposit to the TUF, the interest, dividends, and investment earnings attributable to the Economic Stabilization Fund for the preceding fiscal year, up to \$100.0 million in fiscal year 2024, or an amount adjusted for inflation of up to 2.0 percent thereafter.

TEXAS A&M UNIVERSITY SYSTEM AGENCIES

PURPOSE: Provide and conduct a variety of research, regulatory, workforce development, and emergency management programs. The focus of the system agencies' programs include agriculture, forestry, animal health, public safety, infrastructure, transportation, emergency management, and economic development.

ESTABLISHED: Texas A&M AgriLife Research – 1887; Texas A&M AgriLife Extension Service – 1915; Texas A&M Engineering Experiment Station – 1914; Texas A&M Transportation Institute – 1950; Texas A&M Engineering Extension Service – 1948; Texas A&M Forest Service – 1915; Texas A&M Veterinary Medical Diagnostic Laboratory – 1967; Texas Division of Emergency Management – 1951

AUTHORIZING STATUTE: The Texas Education Code, Chapter 88

GOVERNANCE: Texas A&M University System Board of Regents—nine members appointed by the Governor with the advice and consent of the Senate

FIGURE 215
TEXAS A&M UNIVERSITY SYSTEM AGENCIES BY METHOD OF FINANCE

METHOD OF FINANCE	(IN MILLIONS)				APPROPRIATED FULL-TIME-EQUIVALENT POSITIONS				
	ESTIMATED/BUDGETED 2022–23	APPROPRIATED 2024–25	BIENNIAL CHANGE	PERCENTAGE CHANGE					
General Revenue Funds	\$709.8	\$513.7	(\$196.2)	(27.6%)	<table border="1"> <tr> <td>2024</td> <td>4,959.3</td> </tr> <tr> <td>2025</td> <td>4,960.3</td> </tr> </table>	2024	4,959.3	2025	4,960.3
2024	4,959.3								
2025	4,960.3								
General Revenue–Dedicated Funds	\$125.2	\$99.3	(\$26.0)	(20.7%)					
Federal Funds	\$6,765.5	\$2,686.2	(\$4,079.3)	(60.3%)					
Other Funds	\$502.4	\$417.8	(\$84.7)	(16.9%)					
Total, All Methods of Finance	\$8,103.0	\$3,716.9	(\$4,386.1)	(54.1%)					

SIGNIFICANT DEVELOPMENTS

Appropriations include an **increase of \$62.3 million in All Funds**, including \$57.2 million in General Revenue Funds, across all Texas A&M University System agencies for the **statewide salary adjustment**.

Appropriations include an **increase of \$30.0 million in General Revenue Funds** at Texas A&M Engineering Experiment Station for a **hypersonic wind tunnel** and associated research capacity.

Appropriations include an **increase of \$25.0 million in General Revenue Funds** at Texas A&M AgriLife Research to **increase the agency's research capability**.

Appropriations include an **increase of \$5.0 million in General Revenue Funds** at the Texas Division of Emergency Management to support the **Wilson County Emergency Operations Center**.

SOURCE: Legislative Budget Board.

MAJOR FUNDING

Funding for the Texas A&M University (TAMU) System agencies for the 2024–25 biennium includes the following changes:

- an increase of \$25.0 million in General Revenue Funds and 30.0 full-time-equivalent (FTE) positions at Texas A&M AgriLife Research to increase the agency's research capability;
- an increase of \$1.0 million in General Revenue Funds and 1.0 FTE position at Texas A&M AgriLife Extension Service to support bee pollinator research programs and a statewide apiculture (beekeeping) specialist;
- an increase of \$30.0 million in General Revenue Funds at the Texas A&M Engineering Experiment Station (TEES) for a hypersonic wind tunnel and associated research capacity to advance hypersonic research;
- an increase of \$2.5 million in General Revenue–Dedicated Funds from Account No. 36, Texas Department of Insurance Operating Fund, at the Texas A&M Forest Service (TFS) for aviation suppression support costs. Additionally, an increase of \$1.0 million in General Revenue Funds at TFS to support the Frelsburg Volunteer Fire Department;
- an increase of \$5.0 million in General Revenue Funds at the Texas Division of Emergency Management (TDEM) to support the Wilson County Emergency Operations Center;
- an increase of \$3.0 million in General Revenue Funds across TAMU System agencies receiving Infrastructure Support Inside Brazos County (all but TDEM) due to an increase in predicted square feet, as reported by the Texas Higher Education Coordinating Board, and an increased rate to match the general academic institutions' infrastructure formula rate; and
- an increase of \$62.3 million in All Funds across all of the TAMU System agencies for the statewide salary adjustment.

This funding is in addition to supplemental funding in fiscal year 2023, which provided \$96.7 million in All Funds and 174.8 FTE positions, for various Keeping Texas Prepared program initiatives at AgriLife Extension, Texas A&M Veterinary Medical Diagnostic Laboratory (TVMDL), TDEM, TFS, and Texas A&M Engineering Extension

Service (TEEX). Texas A&M AgriLife Research also received \$15.0 million in General Revenue Funds in onetime supplemental funding in fiscal year 2023 for repairs and renovations to the Research and Extension Center at Vernon after tornado damage.

TEXAS A&M AGRILIFE RESEARCH

Texas A&M AgriLife Research conducts research activities at 13 major research and extension centers throughout the state to address Texas' geographic diversity and corresponding plant and animal variety. The agency integrates its programs with the AgriLife Extension Service's through colocation of staff at research and extension centers, cooperative planning, joint appointments, and joint publications.

The goals of AgriLife Research are to promote agricultural competitiveness, environmental quality, agricultural product quality, and economic development. The agency conducts research on livestock, plants, crops, and processing techniques to ensure that Texas' agriculture system is competitive. AgriLife Research also focuses on conserving natural resources and research that addresses air, soil, and water quality. Additionally, the agency is expanding its research portfolio in the area of human health and nutrition. Central to this effort is the agency's state and federal partnership, Advancing Health through Agriculture. This initiative develops research and information tools to provide reliable information for all levels of the supply chain to aid in better nutrition decision making. A key emphasis of this program is to enhance public health and reduce instances of preventable disease through better nutrition.

AgriLife Research also administers two regulatory services. The Texas Apiary Inspection Service (TAIS) is charged with regulating the honeybee industry in the state. The service has a 2024–25 biennial operating budget of approximately \$0.5 million, which is supported partially by fees. TAIS regulates honeybees to maintain a population of bees that benefits pollination needs and honey production. TAIS issues permits and certifications, conducts inspection operations, and limits honeybee migration through quarantine procedures. TAMU's Department of Entomology provides the testing services for TAIS.

The second regulatory service AgriLife Research administers involves the Office of the Texas State Chemist (OTSC) and includes the Feed and Fertilizer Control Service (FFCS) and the Agriculture Analytical Service (AAS). FFCS regulates the distribution of feed and fertilizer to ensure that the products conform to state commercial feed and fertilizer codes. FFCS

licenses distributors of feed and registers all fertilizer distributors and manufacturers and distributors of ammonium nitrate materials. The FFCS operating budget is generated by fee revenue, including contracts with the U.S. Food and Drug Administration (FDA) and the U.S. Department of Agriculture (USDA). OTSC supports field investigators commissioned by the FDA who conduct facility audits, investigate animal deaths associated with feed, review product labels, and collect investigatory samples for AAS analysis. OTSC's 2024–25 biennial operating budget is approximately \$10.6 million.

TEXAS A&M AGRILIFE EXTENSION SERVICE

The agency conveys scientific information and technology transfer programs to the public, developed through the TAMU System, USDA, and private and public research organizations. The extension service's programs address areas in agriculture and natural resources; youth, community, and leadership development; environmental quality; and food safety. The Texas 4-H program is one of the youth programs the agency administers, which prepares participants to learn leadership, citizenship, and life skills.

A statewide network of approximately 510 county extension agents, along with program specialists located in research and extension centers, delivers educational programs to all 254 Texas counties. District extension administrators, which supervise personnel and programs, are located in 13 research and extension centers across the state. The extension service has more than 240 program specialists located on and off campus that support 13 academic departments on TAMU campuses. The program specialists provide direct program support for district and county activities. Salaries for county extension agents are paid from county, state, and federal sources. General Revenue Funds contribute approximately one-half the cost of agent salaries, with counties providing approximately 35.0 percent, and the federal government providing the remaining portion. The extension service works in partnership with county courts across the state to provide educational resources to its clients.

In response to damages caused by Hurricane Harvey, the Eighty-sixth Legislature, 2019, increased funding for the extension service to support six regional Disaster Assessment and Recovery Teams (DART) consisting of extension professionals with expertise in community resiliency planning, hazard mitigation education, emergency preparedness, and long-term recovery processes. DART also

played a significant role in the state's response to the COVID-19 pandemic.

TEXAS A&M ENGINEERING EXPERIMENT STATION

The agency's goal is to conduct basic and applied research in engineering and related fields. TEES accomplishes this goal through engineering and technology-oriented research and educational collaborations. The agency provides programs for students in engineering research and education at the secondary, undergraduate, and graduate levels. TEES also forms collaborations among industries, communities, and academic institutions that position Texas to be competitive for federal grant funding and provides technical assistance for licensing and the commercialization of products. TEES research is focused on six strategic areas: energy systems and services, healthcare, information systems and sensors, materials and manufacturing, infrastructure, and national security safety. TEES also operates the George H.W. Bush Combat Development Complex; Center for Infrastructure Renewal; Offshore Technology Research Center; Nuclear Engineering and Science Center; National Center for Therapeutics Manufacturing; Aerospace Laboratory for Lasers, ElectroMagnetics and Optics; AggieFab Nanofabrication Facility; Center for Autonomous Vehicles and Sensor Systems; National Corrosion and Materials Reliability Laboratory; and other research facilities.

TEES has partnerships with elementary and secondary schools, community colleges, universities, and industries to offer short courses, certificate programs, and distance education. TEES participates in education partnerships that enhance science, technology, engineering, and mathematics (STEM) education to increase the number of engineers and scientists in the state. The Energy System Laboratory within TEES assists in energy efficiency and renewable energy research, along with emissions reduction calculations for the Texas Emissions Reduction Plan, administered by the Texas Commission on Environmental Quality.

TEES also generates external research funds, most of which are contributed from federal sponsors, including the U.S. Department of Energy, National Science Foundation, U.S. Department of Defense, U.S. Department of Health and Human Services, National Institutes of Health, and the National Aeronautics and Space Administration (NASA).

The Eighty-sixth Legislature, 2019, transferred a NASA cooperative education and technology outreach program for students to TEES from the University of Houston System. This program provides research and education

partnerships with the goal of increasing the number of students pursuing STEM degrees and careers by providing interactive, online-learning experiences, and trips to NASA's Johnson Space Center in Houston. The Eighty-eighth Legislature, 2023, expanded funding for this program by \$5.0 million.

Building on funding provided by the Eighty-sixth Legislature, 2019, to support a partnership with the U.S. Army Futures Command, TEES continues to engage the state's public institutions of higher education with private-sector industries to operate and equip a proving ground site and to commercialize and manufacture critical emerging technologies for infrastructure networks, public safety, and national defense. The work conducted in this initiative is primarily driven by the Army's Modernization Priorities.

The Eighty-seventh Legislature, 2021, provided \$10.0 million of an anticipated total \$15.0 million investment to support the establishment and operation of the Rio Grande Valley Advanced Manufacturing Innovation Hub (RAMI Hub). The RAMI Hub supports a regional partnership led by TEES in concert with the Texas A&M Engineering Extension Service, the Brownsville Navigation District, and regional educational and commercial partners. The objective of this collaboration is to provide trainings and credentials to the regional workforce in the areas of advanced manufacturing and manufacturing security, among others. The Eighty-eighth Legislature, 2023, provided the final investment of \$5.0 million to the RAMI Hub for the 2024–25 biennium.

TEXAS A&M TRANSPORTATION INSTITUTE

Texas A&M Transportation Institute's (TTI) goals are to anticipate, identify, and solve transportation problems; disseminate the results of research to improve the overall transportation system; and enhance the quality of transportation education in Texas. The agency researches all transportation modes, including air, water, surface, rail, and pipeline. The agency also researches ways to develop effective and efficient multimodal transportation systems. TTI conducts more than 700 research projects with more than 200 public and private sponsors annually. In addition to the agency's office in College Station and its research annex at the Texas A&M System RELLIS Campus in Brazos County, TTI maintains field offices in Austin, Dallas, El Paso, Fort Worth, Houston, Laredo, San Antonio, and Waco. TTI conducts much of its research through its 12 state and national centers, which include the Center for Transportation

Safety and the Center for Ports and Waterways (CPW). CPW addresses issues such as trade movements and trends, intermodal concerns, landside access, economic and environmental effects, international commerce, port development, and security. CPW provides maritime interests with research, development, technology transfer, and education programs.

TTI has a Center for International Intelligent Transportation Research located in El Paso, which seeks to improve mobility, border-crossing efficiency, and security. TTI conducts full-scale crash tests of safety designs at the agency's Proving Grounds Research Facility, which tests roadside devices, crash cushions, and barrier systems. TTI also operates the state's full-scale evaluation facility for performance testing of erosion control materials used by the Texas Department of Transportation (TxDOT) and a drive-in Environmental and Emissions Research Facility capable of accommodating tractor-trailers and buses.

The majority of the agency's funding is provided through sponsored research grants and contracts with private and governmental entities. Approximately 36.4 percent of TTI's funding is contributed from Interagency Contracts, and TxDOT provides the majority of those contracts.

TEXAS A&M ENGINEERING EXTENSION SERVICE

The Texas A&M Engineering Extension Service (TEEX) provides public-sector and private-sector training, technology-transfer assistance, and emergency response. Public service programs fulfill training requirements for certification in structural fire protection, emergency medical services, law enforcement, water, and wastewater treatment. Industrial-sector training includes programs in occupational safety, heavy equipment operation, power distribution, job safety, telecommunications, electronics, and workforce and economic development.

In addition to facilities in College Station and Bryan, TEEX maintains regional training centers in Galveston, Mesquite, and San Antonio. Galveston is home to the Center for Marine Training and Safety, which offers training for maritime, oil exploration, and drilling industries. The Mesquite office is the site of the Occupational Safety and Health Administration's Training Institute Education Center, which provides occupational, construction, and industrial safety training. The San Antonio office focuses on technical training courses, including water and wastewater, electric power, occupational safety and health, and other areas of infrastructure training and assistance.

Additionally, TEEEX is the designated state fire training provider. The agency's Brayton Fire Training Field includes full-scale buildings, towers, tanks, industrial plant structures, and a ship superstructure that are used during liquid-fueled, live-fire training simulations. Adjacent to the fire field are TEEEX's Emergency Operations Training Center, a simulation and computer-based technologies training facility, and Disaster City, a search and rescue training facility.

TEEX is the sponsoring agency for Texas A&M Task Force 1 (TX-TF1), which functions as part of the Federal Emergency Management Agency's (FEMA) National Urban Search and Rescue System and as Texas' only statewide search-and-rescue team, working with the Texas Division of Emergency Management. TX-TF1 includes more than 600 emergency response personnel from approximately 60 organizations and departments across the state. State and federal deployments of TX-TF1 have included emergency responder activities at the World Trade Center following the September 11, 2001, attacks; recovery efforts during the Columbia space shuttle disaster; and rescue missions after hurricanes Katrina, Rita, Ike, and Harvey. TX-TF1 typically is reimbursed for costs associated with each deployment from the state and the federal governments following each response activation. In addition to funding for TX-TF1, the Eighty-eighth Legislature, Regular Session, 2023, continued the appropriation of \$2.0 million in General Revenue Funds for Texas Task Force 2's (TX-TF2) operational readiness. TX-TF2 is primarily a regional urban search-and-rescue response team for all hazardous disasters in the North Central Texas area. TX-TF2 provides coordinated efforts including necessary personnel and equipment to locate, extricate, rescue, and provide immediate medical treatment to victims trapped as a result of a natural or human-caused disaster; and assist first responders when their capabilities are exceeded.

TEEX also operates the National Emergency Response and Recovery Training Center, part of the National Domestic Preparedness Consortium, to provide homeland security training in incident management and unified command to elected officials and emergency response personnel, covering various areas including all-hazard events, terrorist acts, cybersecurity, and natural disasters.

TEXAS A&M FOREST SERVICE

The Texas A&M Forest Service (TFS) delivers wildfire response and protection on 156.0 million acres across Texas through its Texas Wildfire Protection Plan (TWPP). TWPP is an emergency response model emphasizing ongoing

analysis, mitigation, prevention, and preparation, followed by a coordinated response through TFS locations across the state. TWPP includes the Rural Volunteer Fire Department Assistance Program, which provides grants to local volunteer fire departments to help rural areas establish their own firefighting capabilities by sharing the cost of firefighting equipment and training. TWPP also includes the Texas Intrastate Fire Mutual Aid System program, which provides reimbursement grants to fire departments that are not eligible for grant assistance from the Rural Volunteer Fire Department Assistance Program.

Historically, the Texas Legislature appropriates funding as needed to TFS for wildfire costs incurred by the state. These supplemental appropriations are used as state matching funds to receive FEMA funds and to cover costs that are not paid for by FEMA reimbursements. FEMA typically reimburses Texas for eligible costs, whether as part of a presidential disaster declaration or through the Fire Management Assistance Grant Program, and the state reimburses any responding agencies that assisted in fighting the wildfires. Cost sharing between federal and state governments for fighting wildfires varies depending on the severity of a fire season and the resources deployed. For fiscal year 2023, TFS received a supplemental appropriation of \$146.1 million from the General Revenue Fund for the purpose of paying for, or reimbursing payments made for, costs incurred by TFS associated with responding to various weather-related emergencies.

As requested by the Texas Division of Emergency Management, TFS helps coordinate other response efforts for hurricanes, floods, tornadoes, and other disasters. In addition to response efforts, TFS conducts applied research in the field of forest insects and diseases and disseminates information to landowners. The agency dedicates time to reforestation efforts, urban forestry programs, resource development assistance, windbreak development, ecosystem services, and community assistance. TFS maintains statistics on annual forest growth, harvest trends, and forest industry production levels. The agency also operates a nursery and a seed orchard for the production of tree seedlings.

TEXAS A&M VETERINARY MEDICAL DIAGNOSTIC LABORATORY

The Texas A&M Veterinary Medical Diagnostic Laboratory (TVMDL) performs veterinary diagnostic services, export testing, and disease surveillance. The agency also works to detect, report, and respond to potential disease outbreaks

among Texas' animal populations, including foot-and-mouth disease and avian influenza. TVMDL conducts laboratory tests on specimens from live or deceased animals and their environments. In addition, the agency's four laboratories facilitate commerce of Texas livestock by providing tests required for international, intrastate, and interstate movement of animals. TVMDL also provides laboratory data necessary to identify disease outbreaks, including emerging, reemerging, and zoonotic diseases, and provides appropriate warnings to individuals and governmental agencies.

The agency works with many partners, including the Texas Animal Health Commission, the Texas Parks and Wildlife Department, the Texas Department of State Health Services, the National Center for Foreign Animal and Zoonotic Disease Defense, and the USDA Veterinary Services. TVMDL is one of 12 core labs composing the National Animal Health Laboratory Network, a group of state and regional diagnostic laboratories. The two full-service labs in Amarillo and College Station perform diagnostic testing and disease surveillance services ranging from toxicology and necropsy to basic veterinary services. The agency also serves as the state regulatory testing laboratory, pursuant to Sunset Advisory Commission recommendations adopted by the Eighty-seventh Legislature, Regular Session, 2021.

TEXAS DIVISION OF EMERGENCY MANAGEMENT

House Bill 2794, Eighty-sixth Legislature, 2019, transferred administration of TDEM from the Department of Public Safety to the TAMU System and established the entity as an agency of higher education. This transfer was made in response to recommendations from the Office of the Governor's Commission to Rebuild Texas following Hurricane Harvey to unify certain emergency management functions. The Governor appoints the chief of TDEM.

TDEM is the state's primary emergency response division and is charged with executing a statewide, comprehensive, all-hazard emergency management program. This program includes pre-disaster and post-disaster mitigation of known hazards; emergency planning, training, and other preparedness activity exercises; provisions for effective response to emergency situations; and recovery programs for major disasters. TDEM also is charged with assisting local and state agencies to plan and implement emergency management programs.

TDEM's purpose is to enhance emergency preparedness at the state and local levels, effectively administer homeland

security and emergency management grant programs, and ensure a prompt, effective response to and recovery from natural and human-made disasters. TDEM assists local jurisdictions in responding to major emergencies and disasters, including hurricanes, tornadoes, floods, wildfires, and hazardous material spills. TDEM maintains state emergency plans, reviews local emergency plans, and conducts emergency management training for local officials and for state and local emergency responders. It coordinates state disaster-response operations with local governments, federal agencies, volunteer groups, and private-sector partners. TDEM administers federal and state disaster recovery and hazard mitigation grants to local governments, school districts, and state agencies.

TDEM manages the State Operations Center, which serves as the focal point for state weather and health warning systems and is the control facility for emergency operations. In a typical year, the State Operations Center coordinates from 3,000 to 4,000 local incidents.

The majority of funding for TDEM consists of federal grants from FEMA and the U.S. Department of Homeland Security, including Emergency Management Performance Grants, Public Assistance Grants, and Hazard Mitigation Grants. These Federal Funds pass through TDEM to individuals, cities, counties, school districts, state agencies, and other public entities for disaster response, recovery, and mitigation.

HIGHER EDUCATION EMPLOYEES GROUP INSURANCE

PURPOSE: Higher Education Employees Group Insurance encompasses appropriations of state funds to individual institutions within three systems that provide health benefits coverage to higher education employees: the University of Texas (UT) System, the Texas A&M University (TAMU) System, and the Employees Retirement System of Texas (ERS).

ESTABLISHED: Various

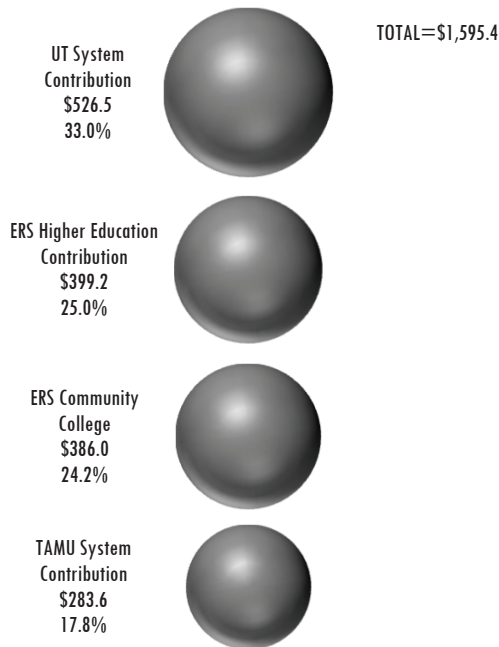
AUTHORIZING STATUTE: The Texas Insurance Code, Chapter 1601 (UT and TAMU systems) and Chapter 1551 (ERS institutions)

GOVERNANCE: ERS, UT System, and TAMU System

FIGURE 216
HIGHER EDUCATION EMPLOYEES GROUP INSURANCE BY METHOD OF FINANCE

METHOD OF FINANCE	(IN MILLIONS)				APPROPRIATED FULL-TIME-EQUIVALENT POSITIONS				
	ESTIMATED/BUDGETED 2022–23	APPROPRIATED 2024–25	BIENNIAL CHANGE	PERCENTAGE CHANGE					
General Revenue Funds	\$1,423.1	\$1,589.2	\$166.1	11.7%	<table border="1"> <tr> <td>2024</td> <td>0.0</td> </tr> <tr> <td>2025</td> <td>0.0</td> </tr> </table>	2024	0.0	2025	0.0
2024	0.0								
2025	0.0								
General Revenue–Dedicated Funds	\$5.5	\$6.2	\$0.7	11.9%					
Federal Funds	\$0.0	\$0.0	\$0.0	N/A					
Other Funds	\$0.0	\$0.0	\$0.0	N/A					
Total, All Methods of Finance	\$1,428.6	\$1,595.4	\$166.7	11.7%					

AGENCY PROGRAM AREAS BY APPROPRIATION (IN MILLIONS)



SIGNIFICANT DEVELOPMENTS

State institutions of higher education are funded at **88.6 percent** of full ERS premium rates.

Community college districts are funded at **50.0 percent** of full ERS premium rates.

The number of **participants** (active employees, retirees, and dependents) in the **group insurance programs** for the UT System, TAMU System, and ERS **totaled 506,023** for fiscal year 2023.

Due to decreases in enrollment, **24 community colleges received employee-level hold harmless funding** through the benefits petition process.

SOURCE: Legislative Budget Board.

MAJOR FUNDING

Appropriations for Higher Education Employees Group Insurance (HEGI) for the 2024–25 biennium total \$1,589.2 million in General Revenue Funds and \$6.2 million in General Revenue–Dedicated Funds, increases of \$166.1 million and \$0.7 million from the 2022–23 biennium, respectively. The increase in funding is due mainly to the provision of \$165.0 million in General Revenue Funds and General Revenue–Dedicated Funds, along with other funding related to addressing higher education affordability. Appropriations for group health insurance are based on the number of eligible enrollees multiplied by premium contribution rates, which then are multiplied by annual rate increases. Contribution rates vary by insuring system and type of institution. State contributions for general state employees are funded at 100.0 percent of the Employees Retirement System of Texas (ERS) premium rates, whereas state contributions for employees of state institutions of higher education are funded at 88.6 percent of full ERS premium rates, and contributions at local community college districts are funded at 50.0 percent of full ERS premium rates.

For the 2024–25 biennium, an institution’s allocation of General Revenue Funds is based on the number of employees at the institution enrolled in the health insurance program as of December 1, 2022. Funding is based on a sum-certain appropriation methodology in which state contributions to individual institutions are capped at the respective

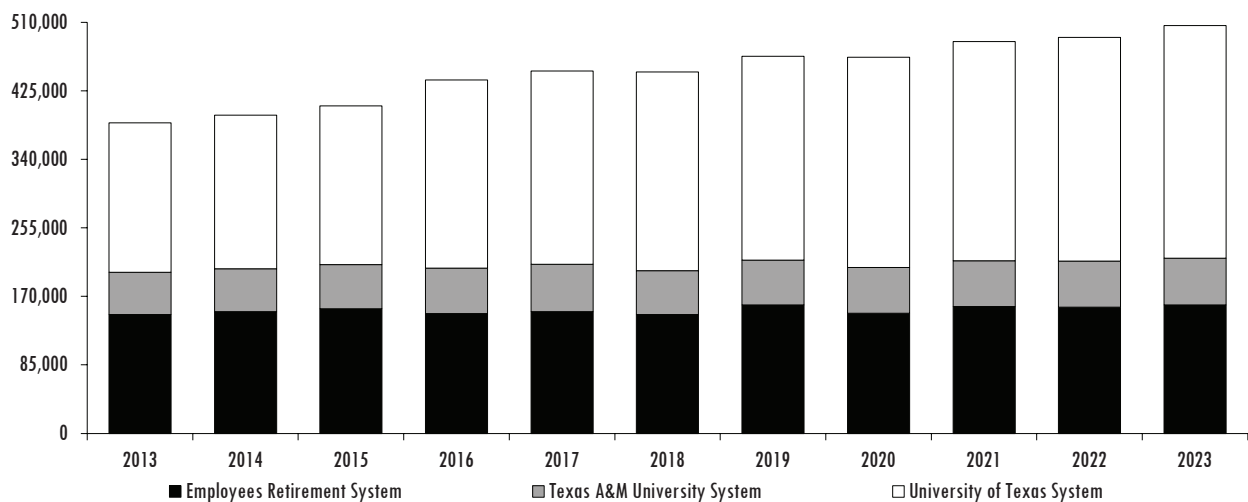
institution’s line-item amount and additional costs, if any, must be borne by individual institutions out of other appropriated or local funds. However, ERS and the University of Texas (UT) and Texas A&M University (TAMU) systems are authorized to transfer HEGI appropriations among institutions within their respective group insurance programs to address needs related to General Revenue Funds group insurance premiums.

PROGRAMS

HEGI encompasses appropriations of state funds to individual institutions that participate in one of three systems providing health benefits coverage to higher education employees: UT System, TAMU System, and ERS. The ERS Group Benefits Program serves all institutions of higher education, except components of the UT System and TAMU System. **Figure 217** shows each system’s participants, including active employees, retirees, and dependents, from fiscal years 2013 to 2023.

The insurance contribution policy for ERS-covered institutions is the same as for general state employees. For full-time employees, the state and the institution of higher education pay the employee-only premium in full and half the difference between the employee-only premium and the premium for dependent coverage. For full-time employees of the UT and TAMU systems, the state and university systems also pay the employee-only premium in full and half the difference between the employee-only premium and the

**FIGURE 217
HIGHER EDUCATION EMPLOYEE HEALTH INSURANCE TOTAL PARTICIPATION, FISCAL YEARS 2013 TO 2023**



NOTE: Amounts for fiscal years 2022 and 2023 are estimated.
SOURCES: Employees Retirement System; Texas A&M University System; the University of Texas System.

premium for dependent coverage. Employees of the UT System and TAMU System receive benefits similar to those offered to general state employees by ERS.

For all institutions of higher education except public community colleges, appropriations for HEGI are intended to provide state contributions to individual institutions' costs of health insurance premiums in a manner prescribed by proportional cost-sharing requirements. As such, institutions are required to pay all the health benefit costs for those employees whose salaries are paid from sources other than the General Revenue Fund.

Unlike other institutions of higher education, state contributions for group health insurance for community colleges are based on the costs associated with eligible instructional or administrative employees whose salaries may be fully paid from funds appropriated in the General Appropriations Act, regardless of whether such salaries are paid from appropriated funds. Contributions may not be adjusted in a proportion greater than the change in student enrollment, with the exception that a college experiencing a decrease in student enrollment may petition the Legislative Budget Board to maintain the number of eligible employees up to 98.0 percent of the previous biennium. **Figure 218** shows employee hold harmless levels corresponding to each range of enrollment decrease in contact hours. For example, a community college that experienced an 8.0 percent decrease in contact hours received a 95.0 percent employee level of hold harmless funding. Similarly, a community college that experienced a 4.0 percent decrease in contact hours received a 98.0 percent employee level of hold harmless funding.

**FIGURE 218
COMMUNITY COLLEGE STEPPED
EMPLOYEE HOLD HARMLESS LEVELS**

PERCENTAGE DECREASE IN CONTACT HOURS	HOLD HARMLESS LEVEL
2.0% to 5.0%	98.0%
5.0% to 10.0%	95.0%
10.0% to 15.0%	90.0%
More than 15.0%	85.0%

SOURCE: Legislative Budget Board.

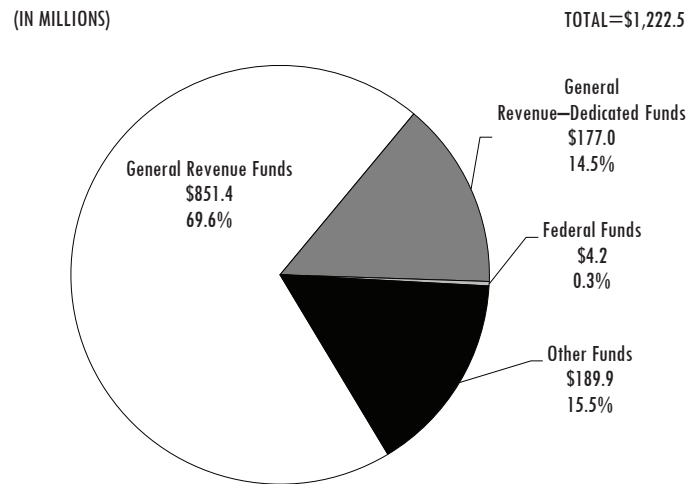
7. JUDICIARY

The Judiciary is the third branch of state government. Appropriations for the Judiciary support operation and administration of the state’s court system, which includes the Supreme Court of Texas, the Court of Criminal Appeals, 15 Courts of Appeals, and 2,783 trial courts. Appropriations for the courts and six judicial branch agencies include funding for access to the courts for low-income Texans, judicial education, e-filing, fair defense for indigent defendants, review of allegations of judicial misconduct or disability, publicly available legal resources, prosecutor pay and expenses, juror pay, and nonresident witness expenses.

FIGURE 219
ARTICLE IV – JUDICIARY, BY METHOD OF FINANCE

METHOD OF FINANCE	(IN MILLIONS)			
	ESTIMATED/BUDGETED 2022–23	APPROPRIATED 2024–25	BIENNIAL CHANGE	PERCENTAGE CHANGE
General Revenue Funds	\$597.7	\$851.4	\$253.7	42.4%
General Revenue–Dedicated Funds	\$197.9	\$177.0	(\$20.9)	(10.6%)
Federal Funds	\$14.9	\$4.2	(\$10.6)	(71.6%)
Other Funds	\$182.0	\$189.9	\$7.9	4.3%
Total, All Methods of Finance	\$992.5	\$1,222.5	\$230.0	23.2%

SHARE OF FUNDING BY METHOD OF FINANCE



SIGNIFICANT DEVELOPMENTS

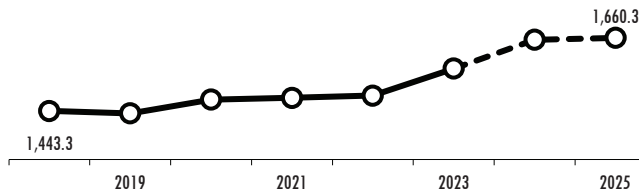
House Bill 3474, Regular Session, 2023, establishes 14 additional district courts, two county courts, three probate courts, and one multicounty court, and increases juror reimbursements. Appropriations provide **\$15.2 million** in All Funds to implement the legislation.

Funding for **basic civil legal services totals \$80.3 million, a decrease of \$2.2 million from the 2022–23 biennium**, to provide civil legal services to eligible recipients. This amount is due primarily to a decrease of **\$5.9 million** in Other Funds from the Judicial Fund, carried forward into the 2022–23 biennium as onetime funding, offset by an increase of **\$3.7 million** in General Revenue Funds for youth experiencing mental and physical challenges in schools and communities.

House Bill 19, Regular Session, 2023, establishes a specialized trial court with statewide concurrent civil jurisdiction with district courts to hear certain business-related cases. The court will be served by 16 judges appointed by the Governor with advice and consent of the Senate. Appropriations provide **\$9.8 million** in General Revenue Funds to implement the legislation.

Senate Bill 1045, Regular Session, 2023, establishes the Fifteenth Court of Appeals on September 1, 2024, located in Austin, with exclusive intermediate appellate jurisdiction for specific matters related to a civil case in any county in Texas. Appropriations provide **\$4.7 million** in General Revenue Funds and 17.0 full-time-equivalent positions to implement the legislation.

FULL-TIME-EQUIVALENT POSITIONS



NOTES:

- (1) Excludes Interagency Contracts.
- (2) Full-time-equivalent positions show actual positions for fiscal years 2018 to 2022, budgeted positions for fiscal year 2023, and appropriated positions for fiscal years 2024 and 2025.
- (3) All legislation refers to the Eighty-eighth Legislature, Regular Session, 2023.

SOURCES: Legislative Budget Board; State Auditor’s Office.

FIGURE 220
ARTICLE IV – JUDICIARY APPROPRIATIONS BY AGENCY, ALL FUNDS

(IN MILLIONS)	ESTIMATED/BUDGETED	APPROPRIATED	BIENNIAL	PERCENTAGE
FUNCTION	2022–23	2024–25	CHANGE	CHANGE
Supreme Court of Texas	\$103.7	\$102.7	(\$1.0)	(0.9%)
Court of Criminal Appeals	\$39.9	\$47.4	\$7.5	18.8%
First Court of Appeals District, Houston	\$9.7	\$11.6	\$1.9	19.5%
Second Court of Appeals District, Fort Worth	\$7.6	\$9.2	\$1.7	21.9%
Third Court of Appeals District, Austin	\$6.4	\$7.9	\$1.6	24.9%
Fourth Court of Appeals District, San Antonio	\$7.6	\$9.2	\$1.6	21.2%
Fifth Court of Appeals District, Dallas	\$13.4	\$16.5	\$3.1	23.4%
Sixth Court of Appeals District, Texarkana	\$3.4	\$4.1	\$0.7	20.3%
Seventh Court of Appeals District, Amarillo	\$4.4	\$5.2	\$0.9	19.8%
Eighth Court of Appeals District, El Paso	\$3.4	\$4.1	\$0.7	19.1%
Ninth Court of Appeals District, Beaumont	\$4.4	\$5.2	\$0.8	18.3%
Tenth Court of Appeals District, Waco	\$3.6	\$4.2	\$0.6	17.4%
Eleventh Court of Appeals District, Eastland	\$3.5	\$4.1	\$0.7	19.7%
Twelfth Court of Appeals District, Tyler	\$3.5	\$4.2	\$0.7	18.9%
Thirteenth Court of Appeals District, Corpus Christi–Edinburg	\$6.4	\$8.0	\$1.6	24.7%
Fourteenth Court of Appeals District, Houston	\$10.1	\$12.0	\$1.9	18.5%
Fifteenth Court of Appeals District, Austin	\$0.0	\$2.3	\$2.3	N/A
Office of Court Administration, Texas Judicial Council	\$251.3	\$296.9	\$45.6	18.2%
Office of Capital and Forensic Writs	\$4.5	\$6.5	\$2.0	44.0%
Office of the State Prosecuting Attorney	\$0.9	\$1.0	\$0.1	9.4%
State Law Library	\$2.2	\$2.7	\$0.5	20.7%
State Commission on Judicial Conduct	\$2.4	\$3.0	\$0.5	22.4%
Judiciary Section, Comptroller’s Department	\$370.9	\$401.7	\$30.8	8.3%
Subtotal, Judiciary	\$863.0	\$969.7	\$106.7	12.4%
Employee Benefits and Debt Service	\$155.2	\$275.0	\$119.8	77.2%
Less Interagency Contracts	\$25.7	\$22.2	(\$3.5)	(13.8%)
Total, All Functions	\$992.5	\$1,222.5	\$230.0	23.2%

NOTES:

(1) May include anticipated supplemental spending adjustments.

(2) Biennial change and percentage change are calculated on actual amounts before rounding. Therefore, figure totals may not sum due to rounding.

SOURCE: Legislative Budget Board.

MAJOR FUNDING

The Eighty-eighth Legislature, 2023, appropriated \$1,222.5 million in All Funds for the Judiciary, an increase of \$230.0 million, or 23.2 percent, from the 2022–23 biennium.

APPELLATE COURT FUNDING

Appropriations for all the appellate courts, including the **Supreme Court of Texas**, the **Court of Criminal Appeals**

(CCA), and the 15 **appellate courts**, total \$257.9 million in All Funds, an increase of \$27.2 million, or 11.8 percent. The increase primarily includes the following changes:

- an increase of \$14.0 million in General Revenue Funds to provide similar funding for same-size courts for the first 14 Courts of Appeals;
- the CCA Judicial Education Program provides grants to entities that offer continuing legal education,

technical assistance, and innocence training for judicial and court staff; program funding totals \$32.6 million in All Funds, which includes an increase of \$7.3 million, or 28.7 percent;

- an increase of \$6.1 million in General Revenue Funds to provide for the statewide salary adjustment;
- an increase of \$2.3 million in General Revenue Funds and 17.0 full-time-equivalent positions, including three justices, in fiscal year 2025 to establish the Fifteenth Court of Appeals District, Austin, pursuant to Senate Bill 1045, Eighty-eighth Legislature, Regular Session, 2023; and
- a net decrease of \$2.2 million in All Funds for Basic Civil Legal Services that includes an increase of \$3.7 million for services to certain people experiencing mental and physical challenges and a decrease of \$5.9 million due to the full expenditure of unexpended balances carried forward from fiscal year 2021 into the 2022–23 biennium.

JUDICIAL BRANCH AGENCIES

Judicial branch agencies include the **Office of Court Administration, Texas Judicial Council** (OCA); the **Office of Capital and Forensic Writs**; the **Office of the State Prosecuting Attorney**; the **State Law Library**; the **State Commission on Judicial Conduct**; and the **Judiciary Section, Comptroller's Department** (Judiciary Section). Appropriations for these agencies total \$711.8 million in All Funds, an increase of \$79.5 million, or 12.6 percent. This increase primarily includes the following changes.

Appropriations for the **OCA** increased by \$45.6 million, or 18.2 percent, in All Funds, including the following amounts:

- a net increase of \$18.2 million in All Funds for the Texas Indigent Defense Commission to assist counties in establishing, developing, and maintaining cost-effective indigent defense services. This amount includes a net decrease of \$30.0 million in court-cost revenues deposited to General Revenue–Dedicated Account No. 5073, Fair Defense (Account No. 5073), related to the COVID-19 pandemic; \$1.9 million in onetime Governor's Disaster/Emergency/Deficiency Grant funding for Operation Lone Star costs that were discontinued; and \$0.2 million in Other Funds, which are offset by an increase of \$50.3 million in General Revenue Funds, including \$39.0 million to replace revenue shortfalls in Account No. 5073 and

\$11.3 million to provide legal representation for indigent clients in Operation Lone Star-related felony border security cases;

- an increase of \$9.8 million in General Revenue Funds pursuant to House Bill 19, Eighty-eighth Legislature, Regular Session, 2023, to establish a new Business Court with civil jurisdiction similar to that of district courts;
- an increase of \$6.0 million in General Revenue Funds for replacing OCA's information technology system with a vendor-based and cloud-based Case Level Data system;
- an increase of \$4.8 million in General Revenue Funds for information technology improvements, including \$2.1 million to renew 2,500 licenses and subscription services for appellate courts and judicial branch agencies, \$2.2 million for end-of-life equipment replacement, and \$0.5 million for hardware and software licensing updates in the Child Support Courts;
- an increase of \$2.4 million in General Revenue Funds pursuant to Senate Bill 1045, Eighty-eighth Legislature, Regular Session, 2023, to establish the Fifteenth Court of Appeals District, Austin;
- an increase of \$2.2 million in General Revenue Funds to implement House Bill 4293, Eighty-seventh Legislature, Regular Session, 2021, for the development of the court text reminder program; and
- an increase of \$1.0 million in General Revenue Funds to provide additional magistration services to support counties with adjudication of border security cases related to Operation Lone Star.

Appropriations for the **Judiciary Section** at the Comptroller of Public Accounts increased by \$30.8 million, or 8.3 percent, in All Funds, including the following amounts:

- an increase of \$4.6 million in General Revenue Funds and \$10.6 million in Other Funds to establish 14 additional district courts, two county courts, three probate courts, and one multicounty court, and increased payments to juror reimbursements during the 2024–25 biennium, pursuant to House Bill 3474, Eighty-eighth Legislature, Regular Session, 2023;
- an increase of \$7.9 million in All Funds for the Visiting Judge – Regions program to address court case backlogs;

- an increase of \$3.4 million in General Revenue Funds for salaries associated with establishing the specialized business court pursuant to House Bill 19, Eighty-eighth Legislature, Regular Session, 2023; and
- an increase of \$2.0 million in General Revenue Funds for salary and inflationary adjustments for operation of the Special Prosecutors Unit in Walker County.

Appropriations for judicial branch agencies also include an increase of \$2.8 million in All Funds for the statewide salary adjustment.

SUPREME COURT OF TEXAS

PURPOSE: The Supreme Court of Texas is the court of last resort in civil and juvenile matters. Other responsibilities include original jurisdiction to issue writs, final jurisdiction of the involuntary retirement or removal of judges, promulgating rules and other standards, and regulating the legal profession in Texas.

ESTABLISHED: 1845

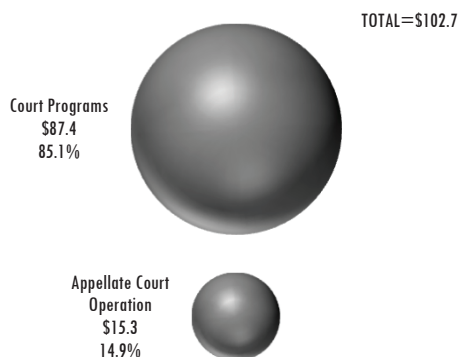
AUTHORIZING STATUTE: The Texas Constitution, Article 5, §2

GOVERNANCE: One Chief Justice and eight justices elected to staggered six-year terms through statewide elections

FIGURE 221
SUPREME COURT OF TEXAS BY METHOD OF FINANCE

METHOD OF FINANCE	(IN MILLIONS)				APPROPRIATED FULL-TIME-EQUIVALENT POSITIONS
	ESTIMATED/BUDGETED 2022–23	APPROPRIATED 2024–25	BIENNIAL CHANGE	PERCENTAGE CHANGE	
General Revenue Funds	\$42.1	\$47.5	\$5.4	12.8%	2024 85.0
General Revenue–Dedicated Funds	\$10.0	\$10.0	\$0.0	0.0%	
Federal Funds	\$4.7	\$4.2	(\$0.4)	(9.4%)	2025 85.0
Other Funds	\$46.9	\$41.0	(\$5.9)	(12.6%)	
Total, All Methods of Finance	\$103.7	\$102.7	(\$1.0)	(0.9%)	

COURT PROGRAM AREAS BY APPROPRIATION (IN MILLIONS)



SIGNIFICANT DEVELOPMENTS

Basic Civil Legal Services (BCLS) appropriations total **\$80.3 million in All Funds, a decrease of \$2.2 million from the 2022–23 biennium**, to provide civil legal services to eligible recipients. This amount is due primarily to a decrease of **\$5.9 million** in Other Funds from Fund No. 573, Judicial Fund, carried forward into the 2022–23 biennium as onetime funding offset by an increase of **\$3.7 million** in General Revenue Funds for youth experiencing mental and physical challenges in schools and communities.

Appropriations from **General Revenue Funds** for BCLS total \$31.0 million to provide services to indigent clients, including \$20.3 million for eligible clients, \$7.0 million for veterans and their families, and \$3.7 million for youth experiencing mental and physical challenges in schools and communities. Appropriations from **General Revenue–Dedicated Funds** total \$10.0 million to provide BCLS to victims of sexual assault, which continues 2022–23 biennial spending levels.

SOURCE: Legislative Budget Board.

MAJOR FUNDING

Funding for the Supreme Court of Texas decreased by \$1.0 million in All Funds compared to 2022–23 biennial spending levels. This decrease is attributed primarily to the following changes:

- a net decrease of \$2.2 million in All Funds for Basic Civil Legal Services (BCLS), including a decrease of \$5.9 million in Judicial Fund No. 573 for unexpended balances carried forward from fiscal year 2021 into the 2022–23 biennium offset by an increase of \$3.7 million in General Revenue Funds, to provide services for youth experiencing mental and physical challenges in schools and communities; and
- an increase of \$1.1 million in General Revenue Funds for salary adjustments made during the 2024–25 biennium.

PROGRAMS

The Supreme Court carries out its responsibilities through two program areas: (1) Appellate Court Operations; and (2) Court Programs.

APPELLATE COURT OPERATIONS

The Appellate Court Operations program area includes funding for the court's primary function and other responsibilities, and the state salary adjustment. The court's responsibilities include the promulgation and enforcement of rules of civil procedure and evidence; administrative oversight of the State Bar of Texas; the licensing and supervision of attorneys in Texas; appointing members to the Board of Law Examiners; the licensing of attorneys; the supervision of the Office of Court Administration; and the equalization of the 15 Courts of Appeals dockets.

The court is appropriated \$15.3 million in All Funds and 66.0 full-time-equivalent (FTE) positions for Appellate Court Operations. This is an increase of \$1.5 million in General Revenue Funds, or 10.7 percent, from 2022–23 spending levels to provide \$1.1 million for the statewide salary adjustment; \$0.3 million for inflation relief; and \$0.1 million for judicial salary cost increases.

COURT PROGRAMS

The Court Programs area provides funding for BCLS for indigent clients, the Judicial Commission on Mental Health, multidistrict litigation costs, and the Court Improvement Projects program, which includes the

Permanent Judicial Commission for Children, Youth, and Families (Children's Commission).

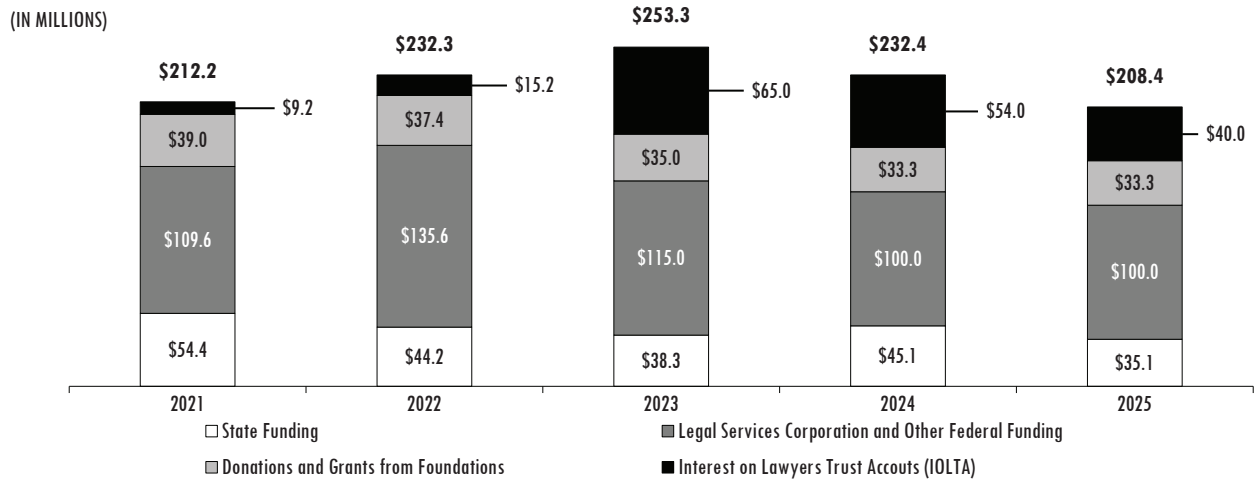
The BCLS program provides civil legal services to indigent clients. The Texas Access to Justice Foundation (TAJF) administers the program on behalf of the court. The BCLS program is funded from various sources within and outside of the General Appropriations Act, which include state funds, federal funding, donations or grants from foundations, and other funding sources such as Interest on Lawyers Trust Accounts. TAJF is a nonprofit organization that manages grants to legal aid organizations with these funding sources. Using all sources of funding, Texas legal aid organizations provide legal services to approximately 100,000 people each fiscal year. For the 2024–25 biennium, TAJF estimates that funding will be made available to approximately 30 legal aid providers. **Figure 222** shows annual funding for BCLS from all these sources of funding from fiscal years 2021 to 2025. State funding represents an estimated 18.2 percent of total BCLS funding for the 2024–25 biennium.

The Supreme Court is appropriated \$80.3 million in All Funds for the BCLS program, a decrease from 2022–23 levels of \$2.2 million, or 2.7 percent. This amount includes an increase of \$3.7 million in General Revenue Funds to provide BCLS to children in the child welfare system experiencing mental and physical health challenges in schools and communities and a decrease of \$5.9 million from Judicial Fund No. 573 for amounts carried forward from fiscal year 2021 into the 2022–23 biennium as a onetime expenditure. Total funding includes \$34.3 million in Other Funds from Judicial Fund No. 573, \$31.0 million in General Revenue Funds, \$10.0 million in General Revenue–Dedicated Funds from Account No. 5010, and \$5.0 million in Other Funds from Interagency Contracts. **Figure 223** shows annual BCLS state funding by method of finance from fiscal years 2021 to 2025.

The Children's Commission program supports the strengthening of courts for children, youth, and families in the child protection system through collaborative partnerships and is appropriated \$4.2 million in Federal Funds and 13.0 FTE positions. This amount is a decrease of \$0.4 million or 9.4 percent, from 2022–23 biennial spending levels due to federal pandemic-related funding no longer being available.

The Judicial Commission on Mental Health program develops and coordinates policy initiatives intended to improve the court's interaction with children, adults, and

FIGURE 222
BASIC CIVIL LEGAL SERVICES FUNDING SOURCES, FISCAL YEARS 2021 TO 2025

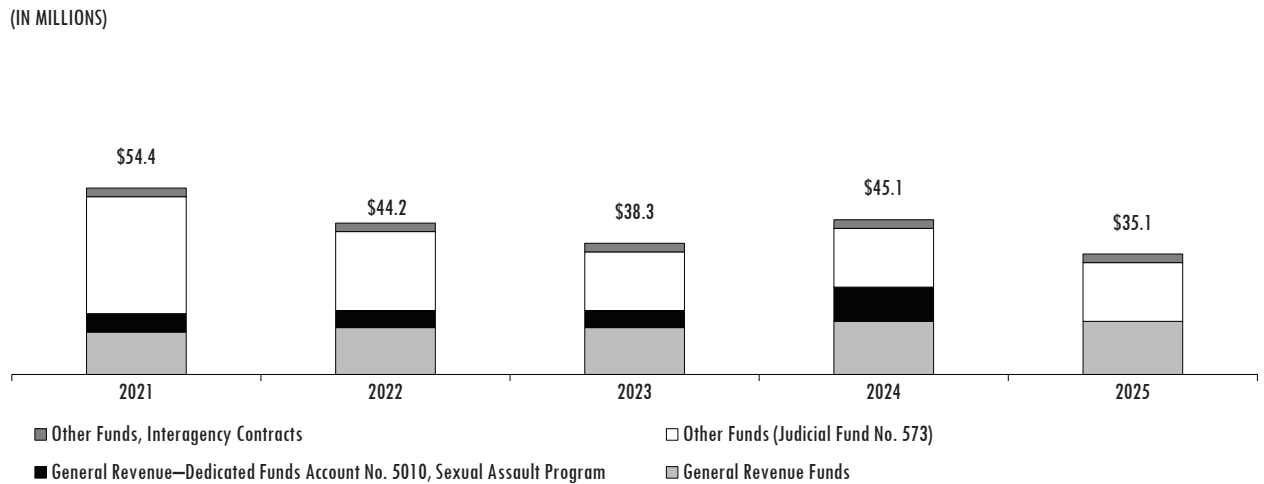


NOTES:

- (1) Amounts shown for fiscal year 2021 are actual, amounts for fiscal year 2022 are estimated, and amounts for fiscal years 2023 to 2025 are budgeted.
- (2) State funding includes appropriations from General Revenue Funds, General Revenue–Dedicated Funds, and Other Funds (Judicial Fund No. 573 and Interagency Contracts).
- (3) Interest on Lawyers Trust Accounts estimates for fiscal years 2024 and 2025 are based on anticipated rates established by the Federal Reserve.

SOURCES: Legislative Budget Board; Texas Access to Justice Foundation.

FIGURE 223
BASIC CIVIL LEGAL SERVICES STATE FUNDING SOURCES, FISCAL YEARS 2021 TO 2025



NOTE: Amounts shown for fiscal year 2021 are actual, amounts for fiscal year 2022 are estimated, and amounts for fiscal years 2023 to 2025 are budgeted.

SOURCE: Legislative Budget Board.

families that have mental health needs through a joint commission of the Supreme Court of Texas and the Court of Criminal Appeals. The program is appropriated \$2.7 million in General Revenue Funds and 6.0 FTE

positions. This amount includes an increase of \$0.2 million in General Revenue Funds for the purpose of providing workshops to identify resources and opportunities for diversion from the criminal justice system of people with

mental illnesses, as well as providing a resource to legal stakeholders for identifying youth-focused mental health services in each county.

For the 2024–25 biennium, the court’s multidistrict litigation program is appropriated \$0.2 million in General Revenue Funds for grants to trial courts and appellate courts for additional court staff and technology to handle multidistrict litigation cases, such as asbestosis-related and silicosis-related cases. This amount continues 2022–23 biennial spending levels.

Total appropriations for the Court Programs for the 2024–25 biennium include \$87.4 million in All Funds and 19.0 FTE positions.

COURT OF CRIMINAL APPEALS

PURPOSE: The court has statewide final appellate jurisdiction in criminal cases, exclusive jurisdiction in death penalty cases, and the authority to issue writs; promulgates rules of evidence and appellate procedures for criminal cases; and makes grants to training entities that provide judicial education.

ESTABLISHED: 1891

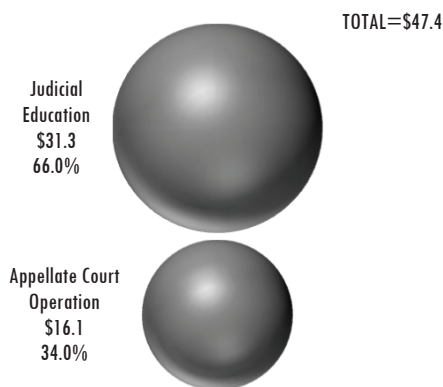
AUTHORIZING STATUTE: The Texas Constitution, Article V, §4

GOVERNANCE: One Presiding Judge and eight judges elected to staggered six-year terms through statewide elections

FIGURE 224
COURT OF CRIMINAL APPEALS BY METHOD OF FINANCE

METHOD OF FINANCE	(IN MILLIONS)				APPROPRIATED FULL-TIME-EQUIVALENT POSITIONS				
	ESTIMATED/BUDGETED 2022–23	APPROPRIATED 2024–25	BIENNIAL CHANGE	PERCENTAGE CHANGE					
General Revenue Funds	\$14.1	\$16.3	\$2.2	15.7%	<table border="1"> <tr> <td>2024</td> <td>71.0</td> </tr> <tr> <td>2025</td> <td>71.0</td> </tr> </table>	2024	71.0	2025	71.0
2024	71.0								
2025	71.0								
General Revenue–Dedicated Funds	\$25.1	\$30.4	\$5.3	21.1%					
Federal Funds	\$0.0	\$0.0	\$0.0	N/A					
Other Funds	\$0.7	\$0.7	\$0.0	0.0%					
Total, All Methods of Finance	\$39.9	\$47.4	\$7.5	18.8%					

COURT PROGRAM AREAS BY APPROPRIATION (IN MILLIONS)



SIGNIFICANT DEVELOPMENTS

Judicial Education appropriations total \$30.4 million in All Funds, an increase of \$5.3 million, to provide grant funding for organizations conducting continuing legal education training. The number of participants anticipated to receive training in judicial education courses is **30,781** in each fiscal year.

Civil filing fee and court cost revenue is expected to increase **Judicial Education appropriations by \$5.3 million in General Revenue–Dedicated Funds.** Expenditures from these funds totaled \$25.1 million during the 2022–23 biennium.

Judicial Education funding of \$0.9 million in General Revenue Funds provides judges, court staff, prosecutors, and defense attorneys with continuing legal education, courses, programs, and training on mental health issues, pretrial diversions, and available mental healthcare resources. Continuing legal education for public defenders is provided with **\$0.1 million.**

SOURCE: Legislative Budget Board.

MAJOR FUNDING

Funding for the Court of Criminal Appeals increased by \$7.5 million in All Funds, or 18.8 percent, from 2022–23 biennial spending levels. This increase is attributed primarily to an increase of \$5.3 million, or 21.1 percent, in General Revenue–Dedicated Funds from Account No. 540, Judicial and Court Personnel Training Fund (Account No. 540), from civil filing fee and court cost revenues and an increase of \$2.2 million, or 15.7 percent, in General Revenue Funds to provide the following amounts:

- \$1.3 million for salary parity for 59.0 full-time-equivalent (FTE) positions with like positions at the Supreme Court of Texas;
- \$0.9 million for the statewide salary adjustment; and
- \$0.1 million for public defender legal continuing education training.

PROGRAMS

The Court of Criminal Appeals carries out its responsibilities through two program areas: (1) Appellate Court Operations; and (2) Judicial Education.

APPELLATE COURT OPERATIONS

The Appellate Court Operations program area includes funding for the court's primary function as the highest state appellate court for criminal cases, for promulgating related rules, for granting writs of habeas corpus providing relief from final felony convictions, and for the statewide salary adjustment. These functions include reviewing appeals submitted to the court for decisions made by lower courts on criminal cases and requests for further review among some of those appeals. The court produces a written opinion for each appeal it chooses to review.

The court is appropriated \$16.1 million in All Funds and 68.0 FTE positions for this program area. This amount includes an increase of \$2.2 million in General Revenue Funds, or 15.5 percent, to provide \$1.3 million for salary parity for 59.0 FTE positions with like positions at the Supreme Court of Texas and \$0.9 million for the statewide salary adjustment.

JUDICIAL EDUCATION

The court administers a grant program to provide continuing legal education and technical assistance for judges, court staff, prosecuting attorneys and their staffs, criminal defense attorneys that regularly represent indigent defendants in

criminal matters, and to provide innocence training. This function is funded primarily through the collection of court costs in criminal case convictions and civil filing fee revenue. Grant use is monitored and audited by Court of Criminal Appeals staff. **Figure 225** shows grant recipients for fiscal year 2024.

The Judicial Education program area is appropriated \$31.3 million in All Funds and 3.0 FTE positions for the 2024–25 biennium. General Revenue–Dedicated Funds from Account No. 540 contribute 96.9 percent of the appropriations, and General Revenue Funds contribute the remaining 3.1 percent. Appropriations include an increase of \$5.2 million from Account No. 540 from court cost and filing fee revenue to fund court grants to judicial education training entities that offer continuing legal education to judicial and court personnel.

General Revenue Funds appropriations include \$0.4 million for the court to contract with statewide professional associations and other entities to provide continuing legal education, courses, and programs for judges and court staff regarding mental health issues and pretrial diversion. It also includes \$0.5 million to maintain, in coordination with the Supreme Court of Texas, a training program to educate and inform judges and their staffs regarding mental healthcare resources available in the state and \$0.1 million for public defender legal continuing education training.

FIGURE 225
FISCAL YEAR 2024 JUDICIAL EDUCATION GRANT RECIPIENTS, AS OF SEPTEMBER 2023

RECIPIENT	GRANT PURPOSE
Texas Center for the Judiciary	Training for judges and clerks serving in statutory county, district, and appellate courts
Texas Association of Counties	Training for judges and clerks serving in constitutional county courts at which at least 40.0% of the functions performed by the judge are judicial functions
Texas Municipal Courts Education Center	<p>Training for judges and clerks serving municipal courts. Of amounts provided, \$524,230 is for the following purposes:</p> <ul style="list-style-type: none"> • direct training costs for clinics for judges and court personnel regarding bail, fines, fees, requests for community service, jail commitments, and jail credit in cases involving indigents; and • development of a mentor program for new municipal court judges and webinars on legislative reform, bail, indigence, compliance, collections improvement programs, alternative sentencing, case-flow management, and jail commitments.
Texas Justice Court Training Center	Training for justices of the peace, clerks, and constables serving justice of the peace courts. Of amounts provided, \$332,512 is to fund 1.0 staff attorney position to support judicial education services and to provide training regarding indigent defendants and mental health.
Texas District and County Attorneys Association	Training for prosecutors, investigators, and other staff representing the government in district-level and county-level trial courts
Texas Criminal Defense Lawyers Association	Training for criminal defense attorneys that regularly represent indigent defendants in criminal matters
Center for American and International Law	Judge, prosecutor, and criminal defense attorney training
Texas District Court Alliance	District clerk and court staff training

SOURCE: Court of Criminal Appeals.

COURTS OF APPEALS

PURPOSE: Fifteen intermediate appellate courts have appellate jurisdiction in all criminal and civil cases other than those in which the death penalty has been assessed.

ESTABLISHED: 1876 to 2024

AUTHORIZING STATUTE: The Texas Government Code, Chapter 22, Subchapter C, and the Texas Constitution, Article 5, §6

GOVERNANCE: Each court of appeals has from two to eight justices and one chief justice elected to six-year terms

FIGURE 226
COURTS OF APPEALS BY METHOD OF FINANCE

METHOD OF FINANCE	(IN MILLIONS)				APPROPRIATED FULL-TIME-EQUIVALENT POSITIONS				
	ESTIMATED/BUDGETED 2022–23	APPROPRIATED 2024–25	BIENNIAL CHANGE	PERCENTAGE CHANGE					
General Revenue Funds	\$81.1	\$101.8	\$20.7	25.5%	<table border="1"> <tr> <td>2024</td> <td>400.0</td> </tr> <tr> <td>2025</td> <td>417.0</td> </tr> </table>	2024	400.0	2025	417.0
2024	400.0								
2025	417.0								
General Revenue–Dedicated Funds	\$0.0	\$0.0	\$0.0	N/A					
Federal Funds	\$0.0	\$0.0	\$0.0	N/A					
Other Funds	\$6.1	\$6.0	(\$0.1)	(1.5%)					
Total, All Methods of Finance	\$87.2	\$107.8	\$20.6	23.6%					

COURT PROGRAM AREAS BY APPROPRIATION (IN MILLIONS)



SIGNIFICANT DEVELOPMENTS

Appropriations for the first 14 Courts of Appeals include a **block grant increase in General Revenue Funds totaling \$14.0 million with 11.0 full-time-equivalent (FTE) positions** to provide similar funding for same-size courts.

Appropriations provide for **83 justices (15 chief justices and 68 justices) and other necessary staff (417.0 FTE positions)** to carry out intermediate appellate court operations.

Appropriations provide **\$2.3 million in General Revenue Funds and 17.0 FTE positions**, including three justices, in fiscal year 2025 to establish the **Fifteenth Court of Appeals District, Austin**, pursuant to **Senate Bill 1045, Eighty-eighth Legislature, Regular Session, 2023**.

SOURCE: Legislative Budget Board.

MAJOR FUNDING

Total appropriations across all 15 Courts of Appeals increased by \$20.6 million in All Funds, or 23.6 percent, compared to 2022–23 biennial spending levels. This amount includes an increase of \$20.7 million in General Revenue Funds to provide the following amounts:

- \$14.0 million and 11.0 full-time-equivalent (FTE) positions to provide similar funding for same-size courts for the first 14 Courts of Appeals;
- \$4.2 million for the statewide salary adjustment;
- \$2.3 million and 17.0 FTE positions, including three justices, in fiscal year 2025 to establish the Fifteenth Court of Appeals District, Austin, pursuant to Senate Bill 1045, Eighty-eighth Legislature, Regular Session, 2023; and
- \$0.2 million for judicial salaries based on tenure.

PROGRAMS

The 15 Courts of Appeals exercise intermediate appellate jurisdiction in civil and criminal cases other than those in which the death penalty has been assessed. The courts carry out their responsibilities in separate districts across the state, with one court of appeals in each district, except the First and the Fourteenth courts of appeals, which share a building in Houston and serve the same counties, and the Fifteenth Court of Appeals, located in Austin, which will serve every county in the state. The other courts are in Fort Worth (Second), Austin (Third), San Antonio (Fourth), Dallas (Fifth), Texarkana (Sixth), Amarillo (Seventh), El Paso (Eighth), Beaumont (Ninth), Waco (Tenth), Eastland (Eleventh), Tyler (Twelfth), and Corpus Christi–Edinburg (Thirteenth). Eighty-three justices preside among the 15 courts of appeals; the number of justices at each court is set by statute and varies from three to 13.

Total appropriations for the 15 Courts of Appeals include \$107.8 million in All Funds and 417.0 FTE positions for the 2024–25 biennium.

SIGNIFICANT LEGISLATION

Senate Bill 1045 – Establishment of new Fifteenth Court of Appeals. The legislation establishes the Fifteenth Court of Appeals on September 1, 2024, located in Austin, with exclusive intermediate appellate jurisdiction over specific matters regarding a civil case. The court may transact its business in any county in Texas, and it includes a chief

justice and two justices to maintain operations from fiscal years 2025 to 2027. The legislation adds two justices beginning in fiscal year 2028. It also sets the salary for court justices and its chief justice consistent with other courts of appeals and prohibits the justices from being eligible for county supplements provided to justices of other courts of appeals districts.

OFFICE OF COURT ADMINISTRATION, TEXAS JUDICIAL COUNCIL

PURPOSE: To provide resources and support to trial, appellate, and specialty courts, and to regulatory boards and policy-making entities; and to provide information about the judicial branch to the legislative and executive branches, the judiciary, and the public.

ESTABLISHED: 1977

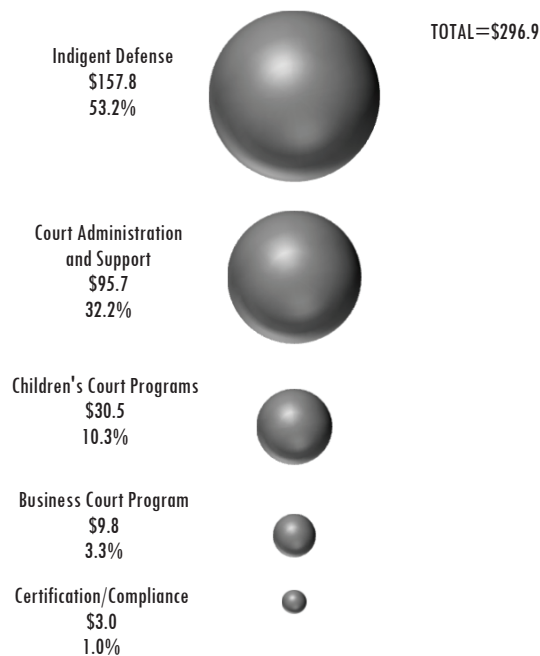
AUTHORIZING STATUTE: The Texas Government Code, Chapter 72

GOVERNANCE: Directed and supervised by the Supreme Court of Texas and the Chief Justice

FIGURE 227
OFFICE OF COURT ADMINISTRATION, TEXAS JUDICIAL COUNCIL BY METHOD OF FINANCE

METHOD OF FINANCE	(IN MILLIONS)				APPROPRIATED FULL-TIME-EQUIVALENT POSITIONS				
	ESTIMATED/BUDGETED 2022–23	APPROPRIATED 2024–25	BIENNIAL CHANGE	PERCENTAGE CHANGE					
General Revenue Funds	\$74.8	\$155.3	\$80.5	107.7%	<table border="1"> <tr> <td>2024</td> <td>371.7</td> </tr> <tr> <td>2025</td> <td>354.7</td> </tr> </table>	2024	371.7	2025	354.7
2024	371.7								
2025	354.7								
General Revenue–Dedicated Funds	\$156.9	\$128.2	(\$28.6)	(18.3%)					
Federal Funds	\$3.0	\$0.0	(\$3.0)	(100.0%)					
Other Funds	\$16.6	\$13.4	(\$3.2)	(19.3%)					
Total, All Methods of Finance	\$251.3	\$296.9	\$45.6	18.2%					

AGENCY PROGRAM AREAS BY APPROPRIATION (IN MILLIONS)



SIGNIFICANT DEVELOPMENTS

Appropriations for the **Texas Indigent Defense Commission** total \$155.0 million in All Funds, a net increase of **\$18.2 million** from 2022–23 biennial spending levels. This amount includes a decrease of \$30.0 million in General Revenue–Dedicated Funds from Account No. 5073, Fair Defense, due to pandemic-related losses offset by an increase in \$50.3 million in General Revenue Funds.

Appropriations provide **\$9.8 million in General Revenue Funds and 59.0 full-time-equivalent positions**, to implement the provisions of **House Bill 19, Eighty-eighth Legislature, Regular Session, 2023**, to establish a specialized business court.

Appropriations provide **\$6.0 million in General Revenue Funds** to develop and implement a vendor-based and cloud-based Case Level Data system.

SOURCE: Legislative Budget Board.

MAJOR FUNDING

Funding for the Office of Court Administration, Texas Judicial Council (OCA), increased by a net \$45.6 million, or 18.2 percent, in All Funds compared to 2022–23 biennial spending levels, primarily due to the following changes:

- a net increase of \$18.2 million in All Funds for the Texas Indigent Defense Commission to assist counties in establishing, developing, and maintaining cost-effective indigent defense services. This amount includes a net decrease of \$30.0 million in court-cost revenues deposited to General Revenue–Dedicated Account No. 5073, Fair Defense (Account No. 5073), related to the COVID-19 pandemic; \$1.9 million in onetime Governor’s Disaster/Emergency/Deficiency Grant funding for Operation Lone Star costs that were discontinued; and \$0.2 million in Other Funds offset by an increase of \$50.3 million in General Revenue Funds, including \$39.0 million to replace revenue shortfalls in Account No. 5073 and \$11.3 million to provide legal representation for indigent clients in Operation Lone Star-related felony border security cases;
- an increase of \$9.8 million in General Revenue Funds pursuant to House Bill 19, Eighty-eighth Legislature, Regular Session, 2023, to establish a new Business Court with civil jurisdiction similar to that of a district court;
- an increase of \$6.0 million in General Revenue Funds to replace an information technology system with a vendor-based and cloud-based Case Level Data system;
- an increase of \$4.8 million in General Revenue Funds for information technology improvements, including \$2.1 million to renew 2,500 licenses and subscription services for appellate courts and judicial branch agencies, \$2.2 million for end-of-life equipment replacement, and \$0.5 million for hardware and software licensing updates for the Child Support Courts;
- a decrease of \$3.0 million in Federal Funds from the Coronavirus State Fiscal Recovery Fund provided in Senate Bill 8, Eighty-seventh Legislature, Third Called Session, 2021, to address court case backlogs;
- an increase of \$2.4 million in General Revenue Funds pursuant to Senate Bill 1045, Eighty-eighth

Legislature, Regular Session, 2023, to establish a Fifteenth Court of Appeals located in Austin;

- an increase of \$2.3 million in General Revenue Funds for the statewide salary adjustment;
- an increase of \$2.2 million in General Revenue Funds to implement House Bill 4293, Eighty-seventh Legislature, Regular Session, 2021, for the development of court text reminder program;
- an increase of \$1.0 million in General Revenue Funds to provide additional magistration services to support counties with adjudication of border security cases related to Operation Lone Star;
- an increase of \$0.7 million in General Revenue Funds for a specialty guardianship court pilot program;
- an increase of \$0.7 million in General Revenue Funds and 4.0 full-time-equivalent (FTE) positions for the agency’s Court Services program to provide technical assistance to specialty courts and training on personal and courthouse security best practices;
- an increase of \$0.3 million in General Revenue Funds for lump-sum annual leave payments for Child Support Courts and Child Protection Courts; and
- an increase of \$0.2 million in General Revenue Funds for a judicial workload study.

PROGRAMS

The agency carries out its responsibilities through five major program areas: (1) indigent defense, (2) court administration and support, (3) children’s court programs, (4) certification and compliance, and (5) business court.

INDIGENT DEFENSE

The Texas Indigent Defense Commission (TIDC) is a 13-member standing committee of the Texas Judicial Council composed of eight ex officio members, including the Presiding Judge of the Court of Criminal Appeals and the Chief Justice of the Supreme Court of Texas, and five additional members appointed by the Governor. TIDC carries out its responsibilities in the indigent defense program area through four programs that provide financial and technical support to counties to develop and maintain quality, cost-effective indigent defense systems that meet the needs of local communities and the requirements of the

constitution and state law. **Figure 228** shows program funding totals for TIDC from fiscal years 2021 to 2025.

Total appropriations for the indigent defense program area include \$157.8 million in All Funds, a net increase of \$33.0 million, or 26.4 percent, from 2022–23 biennial spending levels, and 34.1 FTE positions.

TIDC GRANT PROGRAMS

Appropriations for TIDC’s Grant Programs total \$109.3 million in All Funds, including \$70.3 million in General Revenue–Dedicated Funds from Account No. 5073 and \$39.0 million in General Revenue Funds, for the 2024–25 biennium, an increase of \$23.1 million, or 26.8 percent from 2022–23 biennial spending levels. TIDC provides two types of grants to counties: formula grants and discretionary grants.

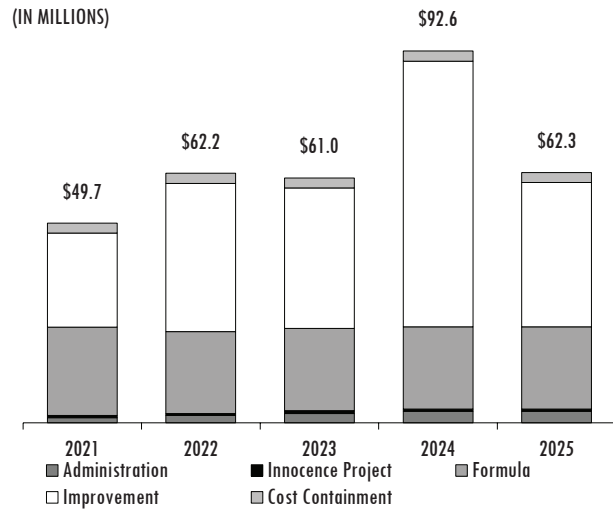
TIDC distributes formula grants to all 254 Texas counties to provide constitutionally required indigent defense representation in compliance with the Fair Defense Act (Senate Bill 7, Seventy-seventh Legislature, 2001). Grant allocations consider factors such as county population and the county’s portion of statewide expenditures for direct indigent defense during the previous year. Counties may use formula grant funds to pay direct litigation costs on behalf of a criminal defendant or juvenile respondent determined by a court to be indigent, including attorney fees, investigator expenses, expert witness expenses, and other costs. Appropriations for the 2024–25 biennium provide \$41.0 million in All Funds for formula grants.

TIDC provides discretionary grants to help counties develop new programs or processes to improve indigent defense. These improvements may include funding new public defender offices; new managed assigned counsel systems; mental health, juvenile, or other specialty defender offices; indigent defense coordinators; and other programs that implement cost-containment initiatives intended to limit local indigent defense cost increases. Appropriations for the 2024–25 biennium provide \$68.3 million in All Funds for discretionary grants.

BORDER SECURITY

The Border Security program provides \$32.6 million in General Revenue Funds, and 12.1 FTE positions to implement the provisions of House Bill 9, Eighty-seventh Legislature, Second Called Session, 2021. This amount includes \$29.8 million to provide indigent defense services including indigent legal representation, foreign language

FIGURE 228
TEXAS INDIGENT DEFENSE COMMISSION FUNDING
BY PROGRAM
FISCAL YEARS 2021 TO 2025



SOURCE: Office of Court Administration, Texas Judicial Council.

interpreters for courts, and visiting judge costs. It also provides \$2.8 million for equipment, increased staff functions, and other administrative costs to implement the provisions of the legislation.

IN-PERSON ADJUDICATION

The In-Person Adjudication program provides \$11.3 million in General Revenue Funds for travel costs for the adjudication of felony cases associated with Operation Lone Star. An increase in the number of cases, which must be conducted in person, has resulted in increased costs for mileage, meals, and lodging.

TIDC INNOCENCE PROJECTS

The Innocence Project program provides \$0.6 million each fiscal year to six state law schools (\$100,000 per school each fiscal year) as grants to authorize students to collaborate with attorneys to review noncapital criminal case convictions, to research claims of actual innocence for wrongfully convicted individuals, and to identify reforms to improve criminal defense practices. The funding provides law students with opportunities to gain practical experience while furthering their education and serving the public interest. These law schools include Texas Tech University, the University of Houston, the University of Texas at Austin, Texas Southern University, the University of North Texas, and Texas A&M University. Appropriations for the program total \$1.2 million

in General Revenue–Dedicated Funds from Account No. 5073, which continues 2022–23 biennial spending levels.

TIDC ADMINISTRATION

TIDC is appropriated \$3.5 million in General Revenue–Dedicated Funds from Account No. 5073 and 22.0 FTE positions for administration and operation expenses, a decrease of \$0.3 million, or 8.0 percent, from 2022–23 biennial spending levels.

COURT ADMINISTRATION AND SUPPORT

OCA provides various services and support to Texas courts, state and federal agencies, the Legislature, and the public through eight programs in the court administration and support program area.

Total appropriations for the court administration and support program area include \$95.7 million in All Funds, a net increase of \$3.0 million, or 3.2 percent, from 2022–23 biennial spending levels, and 129.9 FTE positions.

STATEWIDE ELECTRONIC FILING SYSTEM

OCA manages a statewide electronic filing system through a contract with a third-party vendor that manages and operates eFileTexas, the state’s electronic filing system manager, to support a Supreme Court of Texas electronic civil filing mandate. The current contract operates through August 31, 2027. Appropriations for the program total \$46.1 million in General Revenue–Dedicated Funds from Account No. 5157, Statewide Electronic Filing System (Account No. 5157), an increase of \$1.0 million, or 2.1 percent, from 2022–23 biennial spending levels.

UNIFORM CASE MANAGEMENT SYSTEM

OCA maintains the Uniform Case Management System to provide magistrates immediate access to critical information and expedite the timely reporting of court records for federal firearm background checks. The agency currently contracts with three vendors, each of which will begin providing services to one county clerk’s office before expanding into others. Appropriations total \$4.3 million in General Revenue–Dedicated Funds from Account No. 5157, which continues 2022–23 biennial spending levels.

INDIRECT ADMINISTRATION

The program provides executive, legal, human resource, and information technology support to OCA’s staff, courts, and other judicial branch agencies and for the statewide salary adjustment. Appropriations total \$27.8 million in All Funds,

an increase of \$12.9 million, or 87.0 percent, from 2022–23 biennial spending levels.

GUARDIANSHIP COMPLIANCE PROGRAM

OCA assists courts with reviewing and auditing guardianship filings for the elderly and incapacitated to prevent fraud and abuse. OCA estimates that Texas has more than 43,681 active guardianships and \$3.5 billion in assets under court and guardian control. Appropriations for the program total \$4.9 million in General Revenue Funds, including 27.0 FTE positions, which includes an increase of \$0.8 million, or 19.3 percent, from 2022–23 biennial spending levels.

COURT SECURITY AND EMERGENCY PREPAREDNESS

The program provides support to courts and counties in assessing and improving personal and courthouse security through court security consultation, emergency preparedness training, and the implementation of privacy protections for judges. Appropriations total \$0.4 million in General Revenue Funds, including 2.0 FTE positions, which is a 6.5 percent increase from 2022–23 biennial spending levels.

COURT CONSULTING SERVICES

OCA provides technical assistance and training to courts on a range of court administration topics such as evaluating and implementing case management, administrative programs, and advising jury management. OCA anticipates providing 198 educational presentations to various external groups on topics in court administration during the 2024–25 biennium. Appropriations for the program total \$2.6 million in All Funds, and 13.7 FTE positions. This amount represents a decrease of \$0.1 million, or 2.7 percent, from 2022–23 biennial spending levels.

BAIL REFORM

The Bail Reform program provides \$3.6 million in All Funds to implement provisions of Senate Bill 6, Eighty-seventh Legislature, Second Called Session, 2021. This amount includes \$1.8 million in General Revenue–Dedicated Funds from Account No. 5157 and \$28,488 in General Revenue Funds to develop a public safety report system that is accessible to officials in each county and municipality and provides information for a magistrate to consider before setting bail for certain defendants. Funding also includes \$1.8 million in General Revenue Funds and 6.0 FTE positions to develop training for magistrates regarding public reports and setting bail, develop procedures and forms required by the legislation, and report specific information required by the legislation.

CASE LEVEL DATA SYSTEM

The Case Level Data System program provides \$6.0 million in General Revenue Funds to replace a legacy information technology (IT) system that collects and analyzes high-level, limited judicial data with a new, vendor-based and cloud-based system capable of collecting a larger range of case-level data from district, county, justice, and municipal courts and from the 15 Courts of Appeals, the Court of Criminal Appeals, and the Supreme Court of Texas. The current IT system was implemented in calendar year 2003 and last updated in calendar year 2011.

CHILDREN'S COURTS PROGRAMS

The children's courts program area includes the Child Protection Courts program, Child Support Courts program, and the Court Improvement Program Technology Project program, which fund the operation and maintenance of these courts and provide case management and videoconferencing support.

Total appropriations for the children's court program area include \$30.5 million in All Funds, a net decrease of \$0.5 million, or 1.6 percent, from 2022–23 biennial spending levels, and 148.7 FTE positions.

CHILD SUPPORT COURTS

OCA is authorized to employ associate judges, which are appointed by presiding judges of the administrative judicial regions, to hear child support enforcement cases within expedited timeframes set by federal requirements. The agency maintains 43 child support courts located across the state. Appropriations for the program total \$17.4 million in All Funds, a decrease of 2.9 percent from 2022–23 biennial spending levels, and 42.7 FTE positions. This amount includes \$6.0 million in General Revenue Funds and \$11.4 million in Other Funds through an Interagency Contract with the Office of the Attorney General to obtain Federal Funds pursuant to the U.S. Social Security Act, Title IV, Part D. These pass-through Federal Funds are used to pay associate judge salaries and program operating expenses.

CHILD PROTECTION COURTS

OCA's child protection courts reduce the time children spend in temporary foster care by expediting the judicial administration of child abuse, neglect, and adoption cases. The agency maintains 30 child protection courts located across the state. Appropriations for the child protection

courts program total \$12.7 million in All Funds, a decrease of \$39,953, or 0.3 percent, from 2022–23 biennial spending levels, and 61.0 FTE positions.

COURT IMPROVEMENT PROGRAM TECHNOLOGY PROJECT

OCA is responsible for providing case management and videoconferencing assistance to the child protection courts through the Court Improvement Program Technology Project program. Appropriations total \$0.4 million in General Revenue Funds, an increase of \$71,522, or 21.0 percent, from 2022–23 biennial spending levels.

CERTIFICATION AND COMPLIANCE

Appropriations for the certification and compliance program area total \$3.0 million in All Funds, including 15.0 FTE positions.

TEXAS FORENSIC SCIENCE COMMISSION

The Texas Forensic Science Commission (TFSC) is administratively attached to OCA. TFSC investigates allegations of professional negligence or professional misconduct that could affect the integrity of the results of a forensic analysis conducted by an accredited laboratory. Appropriations total \$1.8 million in All Funds and 6.0 FTE positions. This amount includes \$1.1 million in General Revenue Funds and \$0.7 million in General Revenue–Dedicated Funds from Account No. 5173, Texas Forensic Science Commission, from fees collected from the issuance and renewal of forensic analyst licenses. These amounts increase total appropriations by \$0.4 million, or 26.8 percent, from 2022–23 biennial spending levels.

JUDICIAL BRANCH CERTIFICATION COMMISSION

OCA oversees the certification, registration, and licensing of court reporters and court reporting firms, guardians and guardianship programs, process servers, and licensed court interpreters through the Judicial Branch Certification Commission (JBCC) program. JBCC includes nine members appointed by the Supreme Court of Texas that serve staggered terms and are advised by four boards, one for each of the four types of certifications that JBCC oversees. OCA staff provide administrative support for JBCC. Appropriations total \$1.3 million in All Funds, including \$1.2 million in General Revenue Funds, and 9.0 FTE positions. These amounts continue 2022–23 biennial spending levels.

BUSINESS COURT PROGRAM

Appropriations for the business court program area total \$9.8 million in General Revenue Funds, including 43.0 FTE positions, to establish a specialized business trial court with statewide jurisdiction to hear certain business-related cases. The court will be served by 16 judges appointed by the Governor with advice and consent from the Senate. The court will be located in Austin.

SIGNIFICANT LEGISLATION

House Bill 19 – Specialized business court. The legislation establishes a specialized, statewide business trial court, as a statutory court pursuant to the Texas Constitution, Article V, Section 1, to hear certain business-related cases. The court will be served by 16 judges appointed by the Governor with advice and consent from the Senate.

House Bill 3474 – Establishment of new district courts, municipal courts, and county-level courts. The legislation establishes fourteen additional district courts during the 2024–25 biennium, including three statutory probate courts, two statutory courts-at-law, and one multicounty court. The legislation also amends the salary of children’s court associate judges to be equal to 90.0 percent of the annual salary paid to a district judge with comparable years of service.

Senate Bill 1045 – Fifteenth Court of Appeals. The legislation establishes the Fifteenth Court of Appeals on September 1, 2024, located in Austin, with exclusive, statewide intermediate appellate jurisdiction regarding specific matters related to a civil case.

OFFICE OF CAPITAL AND FORENSIC WRITS

PURPOSE: To provide quality legal representation for indigent death row inmates in post-conviction writs of habeas corpus and related proceedings, and in forensic writs for noncapital cases.

ESTABLISHED: 2009

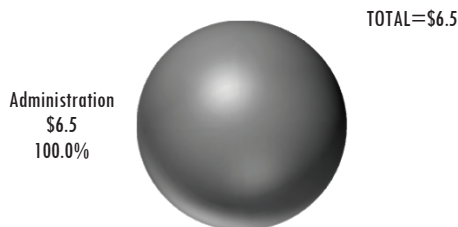
AUTHORIZING STATUTE: The Texas Government Code, Chapter 78

GOVERNANCE: The Court of Criminal Appeals appoints a director to supervise office operations based on recommendations from a committee composed of judges and attorneys appointed by the State Bar of Texas

FIGURE 229
OFFICE OF CAPITAL AND FORENSIC WRITS BY METHOD OF FINANCE

METHOD OF FINANCE	(IN MILLIONS)				APPROPRIATED FULL-TIME-EQUIVALENT POSITIONS
	ESTIMATED/BUDGETED 2022-23	APPROPRIATED 2024-25	BIENNIAL CHANGE	PERCENTAGE CHANGE	
General Revenue Funds	\$0.0	\$0.1	\$0.1	N/A	
General Revenue-Dedicated Funds	\$4.3	\$6.4	\$2.1	47.7%	
Federal Funds	\$0.2	\$0.0	(\$0.2)	(100.0%)	2024 24.5
Other Funds	\$0.0	\$0.0	\$0.0	N/A	
Total, All Methods of Finance	\$4.5	\$6.5	\$2.0	44.0%	2025 24.5

AGENCY PROGRAM AREAS BY APPROPRIATION (IN MILLIONS)



SIGNIFICANT DEVELOPMENTS

Administration appropriations increased by \$0.8 million in General Revenue-Dedicated Funds from Account No. 5073, Fair Defense (Account No. 5073), to fund salary increases for 12.0 attorney full-time-equivalent positions, 2.0 accountant positions, and 6.0 mitigation specialist positions.

Appropriations provide \$0.9 million in General Revenue-Dedicated Funds from Account No. 5073 for 3.0 new legal assistant positions; 1.0 new mitigation specialist position; and increased travel reimbursement, professional services, and other costs related to capital cases.

SOURCE: Legislative Budget Board.

MAJOR FUNDING

All Funds appropriations to the Office of Capital and Forensic Writs (OCFW) for the 2024–25 biennium increased from 2022–23 biennial spending levels by \$2.0 million, or 44.0 percent, and 4.0 full-time-equivalent (FTE) positions. Appropriations include the following amounts:

- an increase of \$0.9 million from General Revenue–Dedicated Funds from Account No. 573, Fair Defense (Account No. 573) for office enhancements and efficiencies, including the hiring of 3.0 legal assistant positions; 1.0 mitigation specialist position; and increased travel reimbursement, professional services, and other costs related to capital cases;
- an increase of \$0.8 million from Account No. 5073 to fund salary increases for 12.0 attorney positions, 2.0 accountant positions, and 6.0 mitigation specialist positions at more competitive levels;
- an increase of \$0.3 million from Account No. 5073 for the statewide salary adjustment;
- an increase of \$0.2 million in All Funds, including \$131,433 in General Revenue Funds and \$26,658 from Account No. 5073, for onetime costs associated with moving the agency to a new location in the Stephen F. Austin Building;
- an increase of \$0.1 million from Account No. 5073 to increase the executive director’s salary to \$185,000 each fiscal year; and
- a decrease of \$0.2 million in no longer available federal pandemic-related funding provided through Senate Bill 8, Eighty-seventh Legislature, Third Called Session, 2021, to address a backlog in court cases and pay costs related to the pandemic.

PROGRAMS

The OCFW carries out its responsibilities through the Administration program area.

OCFW provides legal representation for indigent death row inmates in post-conviction habeas corpus proceedings through its Post-Conviction Capital Representation program. A writ of habeas corpus provides new evidence that may prove an inmate’s innocence, mitigating circumstances, or a violation of an individual’s constitutional rights during trial proceedings. OCFW develops these writs and files them in the original convicting court, which must address the writ.

OCFW staff investigators work with the agency’s staff attorneys to identify any potential new evidence that could be included within the appeal. The convicting trial court may grant OCFW an evidentiary hearing. This hearing provides OCFW with the opportunity to present new information that the court may not have considered at the trial-court level. These proceedings, any answers or motions filed, exhibits introduced, and findings of fact and conclusions of law that are proposed by counsel and entered by the court are transmitted to the Court of Criminal Appeals for review. The agency anticipates accepting four new capital cases, filing six writ applications, and that trial courts may grant 14 hearings for writ applications each fiscal year.

Appropriations for the Post-Conviction Capital Representation program total \$5.4 million in All Funds, an increase of \$1.4 million, or 34.4 percent, with 22.6 FTE positions. This amount includes the following changes:

- an increase of \$0.7 million from Account No. 5073 for office enhancements and efficiencies, including the hiring of 3.0 legal assistant positions; 1.0 mitigation specialist position; and increased travel reimbursement, professional services, and other costs related to capital cases;
- an increase of \$0.7 million from Account No. 5073 to increase the salaries of two accountant positions by 5.0 percent, provide an average salary of \$125,000 each year for 10.0 attorney positions, and provide an average salary of \$85,000 each year for six mitigation specialist positions;
- an increase of \$51,144 from Account No. 5073 to increase the executive director’s salary to \$185,000 each fiscal year;
- an increase of \$142,282 in All Funds for onetime costs associated with moving the agency to a new location in the Stephen F. Austin Building, which includes \$118,290 in General Revenue Funds and \$23,992 in Account No. 5073; and
- a decrease of \$0.2 million in Federal Funds no longer available provided by Senate Bill 8, Eighty-seventh Legislature, Third Called Session, 2021, to address the backlog in court cases and pay costs related to the COVID-19 pandemic.

In addition, OCFW represents certain noncapital inmates in cases involving questionable forensic science through its Post-Conviction Non-Capital Representation program. The

Forensic Science Commission refers cases to OCFW following an investigation into negligence or misconduct of forensic analysts or unsupported forensic scientific analysis and testimony. Appropriations provide \$0.8 million in All Funds, an increase of \$0.3 million, or 70.3 percent, with 1.9 attorney FTE positions for this purpose. This amount includes the following changes:

- an increase of \$0.2 million from Account No. 5073 for increased travel reimbursement, professional services, and other costs related to capital cases;
- an increase of \$74,930 from Account No. 5073 to provide an average salary of \$125,000 for two attorneys;
- an increase of \$15,809 in All Funds for onetime costs associated with moving the agency to a new location in the Stephen F. Austin Building, which includes \$13,143 in General Revenue Funds and \$2,666 from Account No. 5073; and
- an increase of \$8,870 from Account No. 5073 to increase the executive director's salary to \$185,000 each fiscal year.

The agency expects that it will accept four new non-capital cases each fiscal year. The administration program area is appropriated \$6.5 million in All Funds and 24.5 FTE positions for the 2024–25 biennium. Account No. 5073 provides 98.0 percent of the appropriations, and General Revenue Funds contribute the remaining 2.0 percent. Appropriations include \$6.4 million from Account No. 5073 and \$0.1 million in General Revenue Funds. Appropriations from Account No. 5073 also include \$0.3 million for the statewide salary adjustment.

OFFICE OF THE STATE PROSECUTING ATTORNEY

PURPOSE: The Office of the State Prosecuting Attorney (OSPA) represents the state in all proceedings conducted by the Court of Criminal Appeals. OSPA also may represent the state in any stage of a criminal case presented to a Court of Appeals if considered necessary for the interest of the state, and it may assist or be assisted by a district or county attorney in representing the state to a Court of Appeals.

ESTABLISHED: 1923

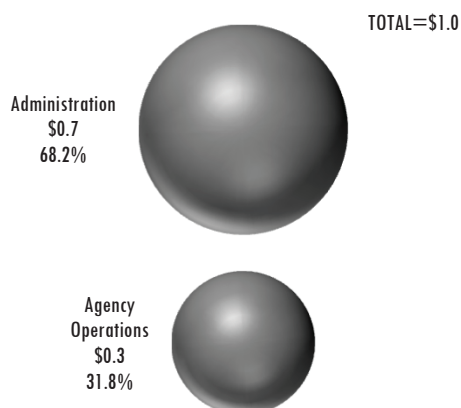
AUTHORIZING STATUTE: The Texas Government Code, Chapter 42

GOVERNANCE: Appointed by the Court of Criminal Appeals

FIGURE 230
OFFICE OF THE STATE PROSECUTING ATTORNEY BY METHOD OF FINANCE

METHOD OF FINANCE	(IN MILLIONS)				APPROPRIATED FULL-TIME-EQUIVALENT POSITIONS				
	ESTIMATED/BUDGETED 2022–23	APPROPRIATED 2024–25	BIENNIAL CHANGE	PERCENTAGE CHANGE					
General Revenue Funds	\$0.9	\$1.0	\$0.1	9.8%	<table border="1"> <tr> <td>2024</td> <td>4.0</td> </tr> <tr> <td>2025</td> <td>4.0</td> </tr> </table>	2024	4.0	2025	4.0
2024	4.0								
2025	4.0								
General Revenue–Dedicated Funds	\$0.0	\$0.0	\$0.0	N/A					
Federal Funds	\$0.0	\$0.0	\$0.0	N/A					
Other Funds	\$0.0	\$0.0	\$0.0	0.0%					
Total, All Methods of Finance	\$0.9	\$1.0	\$0.1	9.4%					

AGENCY PROGRAM AREAS BY APPROPRIATION (IN MILLIONS)



SIGNIFICANT DEVELOPMENT

OSPA anticipates that the Court of Criminal Appeals will grant **17 petitions for discretionary review** during each fiscal year of the 2024–25 biennium.

SOURCE: Legislative Budget Board.

MAJOR FUNDING

All Funds appropriations for the Office of the State Prosecuting Attorney (OSPA) increased by \$88,167, or 9.4 percent, from 2022–23 biennial spending levels. This increase in General Revenue Funds includes \$77,245 for the statewide salary adjustment and \$10,922 for a statutorily required salary increase for the State Prosecuting Attorney based on tenure.

PROGRAMS

Through its Administration and Agency Operations program areas, OSPA carries out its responsibilities by representing the state in all proceedings conducted by the Court of Criminal Appeals (CCA). The office also may represent the state in any stage of a criminal case presented to a state court of appeals if deemed in the state's interest. This representation may include filing petitions for discretionary review in CCA when the state seeks review of a decision of one of the 15 Courts of Appeals in a criminal case. This petition challenges a Court of Appeals decision, and CCA has discretion to grant or deny the appeal. If granted, CCA will order the state and defendant to file briefs and may grant oral argument. CCA then issues a written opinion that either affirms or reverses the lower court's opinion.

The agency also functions as the primary source of guidance and assistance for many local prosecutors. To that end, the state prosecuting attorney and assistant state prosecuting attorneys are required to remain updated regarding criminal law issues and to review opinions from Texas appellate courts that reverse criminal convictions or modify trial courts' judgments. The agency may submit petitions, briefs, and oral arguments in cases considered to be of the greatest importance to the state's criminal jurisprudence. OSPA also may become involved in local and county cases as necessary to advance the state's interests.

OSPA is appropriated \$1.0 million in All Funds and 4.0 full-time-equivalent positions. This amount includes \$0.7 million in All Funds in the Administration program area, which includes an increase of \$77,245 in General Revenue Funds, or 12.4 percent, to fund the statewide salary adjustment. It also includes \$0.3 million in General Revenue Funds in the Agency Operations program area, which includes an increase of \$10,922, or 3.4 percent, to provide a statutorily required salary increase for the State Prosecuting Attorney based on tenure.

SIGNIFICANT LEGISLATION

House Bill 3474 – Revising practices and procedures for state judicial branch proceedings. The legislation amends the Texas Government Code, Section 46.003 to include as years of service of the state prosecuting attorney or a state prosecutor any years of service as a county attorney, an appellate court justice, district judge, statutory county court judge, multicounty statutory county court judge, or statutory probate court judge or justice.

Senate Bill 2310 – Longevity pay for certain prosecutors. The legislation provides longevity pay to district attorneys, criminal district attorneys, and the state prosecuting attorney equal to that of a judge with 12.0 years of service.

STATE LAW LIBRARY

PURPOSE: Maintains a legal reference facility for use by the Supreme Court of Texas, the Court of Criminal Appeals, the Office of the Attorney General, other state agencies, and Texas residents.

ESTABLISHED: 1971

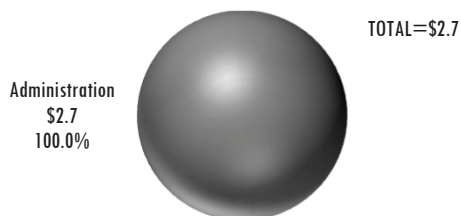
AUTHORIZING STATUTE: The Texas Government Code, Chapter 91

GOVERNANCE: Board composed of representatives for the Chief Justice of the Supreme Court, the Presiding Judge of the Court of Criminal Appeals, and the Attorney General

FIGURE 231
STATE LAW LIBRARY BY METHOD OF FINANCE

METHOD OF FINANCE	(IN MILLIONS)				APPROPRIATED FULL-TIME-EQUIVALENT POSITIONS				
	ESTIMATED/BUDGETED 2022–23	APPROPRIATED 2024–25	BIENNIAL CHANGE	PERCENTAGE CHANGE					
General Revenue Funds	\$2.2	\$2.6	\$0.5	21.5%	<table border="1"> <tr> <td>2024</td> <td>12.0</td> </tr> <tr> <td>2025</td> <td>12.0</td> </tr> </table>	2024	12.0	2025	12.0
2024	12.0								
2025	12.0								
General Revenue–Dedicated Funds	\$0.0	\$0.0	\$0.0	N/A					
Federal Funds	\$0.0	\$0.0	\$0.0	N/A					
Other Funds	\$0.0	\$0.0	(\$0.0)	(43.2%)					
Total, All Methods of Finance	\$2.2	\$2.7	\$0.5	20.7%					

AGENCY PROGRAM AREAS BY APPROPRIATION (IN MILLIONS)



SIGNIFICANT DEVELOPMENT

Funding for **print and digital legal reference materials** totals \$1.1 million in General Revenue Funds, an increase of \$0.3 million, or 39.4 percent, from 2022–23 biennial spending levels.

SOURCE: Legislative Budget Board.

MAJOR FUNDING

Total appropriations for the State Law Library increased by \$0.5 million in All Funds, or 20.7 percent, from 2022–23 biennial spending levels. This amount includes a General Revenue Funds increase of \$0.5 million, primarily for print and digital legal reference materials and salary adjustments, offset by a decrease of \$11,419 in Appropriated Receipts due to a reduction in anticipated library checkout and copy fees. The increased General Revenue Funds include the following amounts:

- \$0.3 million for print and digital legal reference materials, which includes:
 - \$0.2 million to purchase updates for titles cut from the library’s print collection during 2011, 2013, and 2017;
 - \$0.1 million for accessing and maintaining databases; and
 - \$20,000 for a historical statute digitization project; and
- \$0.2 million for salary adjustments, which includes:
 - \$0.1 million for the state salary adjustment; and
 - \$36,000 for an equity salary adjustment for 8.25 professional librarian full-time-equivalent (FTE) positions.

PROGRAMS

The State Law Library’s Administration program area includes the following responsibilities: (1) collection management; (2) maintaining the judicial collection; (3) providing reference services for library patrons; (4) providing reference services for incarcerated offenders within the Texas Department of Criminal Justice (TDCJ) and their families; and (5) providing virtual legal resources to remote users.

The library’s collection includes more than 100,000 items of primary and secondary source material on Texas law, information on Texas legal history, federal primary source materials, major law reviews, treatises and monographs on general law, and selected federal publications. In addition, the library purchases, distributes, and maintains a judicial collection ordered and used for the judges and staff of the Court of Criminal Appeals and the Supreme Court of Texas. The library updates these collections and addresses any library-related issues raised by court staff.

Library staff assist visitors with locating legal reference materials and answer questions via phone, email, and postal mail. In addition, library staff maintain topical guides regarding specific sections of the law, maintain and enhance the library’s website, and provide training for library patrons on conducting legal research. The library also charges fees to provide reference and copy services to incarcerated offenders within TDCJ and their families. This service includes providing copies of case files, answering basic legal reference questions, and providing copies of case law, law review articles, historical statutes, and other legal reference material.

Since fiscal year 2014, the library has provided remote access service to its legal databases, electronic books, digitized historical statutes, and the topical research guides maintained by library staff. The agency reports that registrants for these digital resources represent 239 of the 254 Texas counties. The agency also reports that it added 9,869 new remote registrants during the 2022–23 biennium, and that internet traffic to its topical research guides increased more than 200.0 percent between the onset of the COVID-19 pandemic and the end of the 2020–21 biennium.

The administration program area is appropriated \$2.7 million in All Funds and 12.0 FTE positions for the 2024–25 biennium. General Revenue Funds provide \$2.7 million, or 99.4 percent, of the appropriations, and Appropriated Receipts contribute the remaining \$15,000, or 0.6 percent.

STATE COMMISSION ON JUDICIAL CONDUCT

PURPOSE: To investigate judicial misconduct or judicial incapacity and, if necessary, take appropriate action including discipline, education, censure, or the filing of formal procedures that could result in removal from office.

ESTABLISHED: 1965

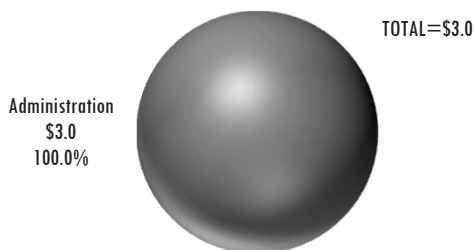
AUTHORIZING STATUTE: The Texas Constitution, Article 5, §1-a; the Texas Government Code, Chapter 33

GOVERNANCE: 13-member commission appointed by the Supreme Court of Texas, State Bar of Texas, and the Governor

FIGURE 232
STATE COMMISSION ON JUDICIAL CONDUCT BY METHOD OF FINANCE

METHOD OF FINANCE	(IN MILLIONS)				APPROPRIATED FULL-TIME-EQUIVALENT POSITIONS				
	ESTIMATED/BUDGETED 2022–23	APPROPRIATED 2024–25	BIENNIAL CHANGE	PERCENTAGE CHANGE					
General Revenue Funds	\$2.4	\$3.0	\$0.5	22.4%	<table border="1"> <tr> <td>2024</td> <td>15.0</td> </tr> <tr> <td>2025</td> <td>15.0</td> </tr> </table>	2024	15.0	2025	15.0
2024	15.0								
2025	15.0								
General Revenue–Dedicated Funds	\$0.0	\$0.0	\$0.0	N/A					
Federal Funds	\$0.0	\$0.0	\$0.0	N/A					
Other Funds	\$0.0	\$0.0	\$0.0	N/A					
Total, All Methods of Finance	\$2.4	\$3.0	\$0.5	22.4%					

AGENCY PROGRAM AREAS BY APPROPRIATION (IN MILLIONS)



SIGNIFICANT DEVELOPMENTS

The **State Commission on Judicial Conduct (SCJC)** anticipates that it will **dispose of 3,684 cases** alleging judicial misconduct or incapacity during the 2024–25 biennium.

Appropriations provide **\$0.2 million in General Revenue Funds and 1.0 full-time-equivalent position** to implement the provisions of **House Bill 367, Eighty-eighth Legislature, Regular Session, 2023**, to enable SCJC to accept complaints, conduct investigations, and take actions regarding candidates for judicial office similar to actions regarding judges.

SOURCE: Legislative Budget Board.

MAJOR FUNDING

Appropriations to the State Commission on Judicial Conduct (SCJC) increased by \$0.5 million in General Revenue Funds, or 22.4 percent, from 2022–23 biennial spending levels. This increase primarily includes the following amounts:

- \$0.2 million to implement the provisions of legislation, which includes the following amounts:
 - \$162,400 and 1.0 full-time-equivalent (FTE) position to implement the provisions of House Bill 367, Eighty-eighth Legislature, Regular Session, 2023, which allows SCJC to accept complaints, conduct investigations, and take actions with respect to candidates for judicial office in the same manner as actions taken with respect to an elected judge; and
 - \$50,000 for the onetime purchase of a case management system to implement the requirements of House Bill 4344, Eighty-seventh Legislature, Regular Session, 2021;
- \$0.2 million to provide for salary increases, which includes the following amounts:
 - \$0.1 million for the statewide salary adjustment;
 - \$26,617 to increase the average salaries for 4.0 attorney FTE positions from \$86,756 to \$93,000 in fiscal year 2024, and to \$97,950 in fiscal year 2025; and
 - \$25,926 to increase the executive director's salary from \$128,000 to \$136,642 in fiscal year 2024, and \$145,284 in fiscal year 2025; and
- \$150,000 to pay outside counsel to defend SCJC against pending lawsuits challenging the agency's authority.

PROGRAMS

SCJC carries out its responsibilities through the Administration program area.

The SCJC Administration and Enforcement program enforces the Code of Judicial Conduct promulgated by the Supreme Court of Texas by considering allegations of judicial misconduct or incapacity from the public, which could lead to investigation by SCJC staff. With the enactment of House Bill 367, Eighty-eighth Legislature, Regular Session, 2023, the SCJC also may accept complaints, conduct investigations,

and take actions with respect to candidates for judicial office in the same manner as actions taken with respect to a judge. After an investigation, SCJC may dismiss the complaint or issue an order of additional education, suspension, or private or public sanction; or the judge may resign in lieu of disciplinary action. The judge may appeal any of these decisions to a panel of three appellate judges, known as a special court of review, which will preside over a trial that is open to the public.

SCJC may initiate either informal or formal proceedings, the latter of which includes the filing of a formal charge against the judge. In the event of formal proceedings, all filings and proceedings in the case become public. After the notice of formal charges, a fact-finding hearing is conducted by either SCJC or a special master appointed by the Supreme Court.

After a public trial or formal hearing, the special master reports findings of fact to SCJC, which then votes for dismissal or public censure, or recommends the judge's removal or involuntary retirement to the Supreme Court. A judge receiving a public censure may appeal this decision to a special court of review, which may move for dismissal, affirm the SCJC's decision, or move for formal proceedings.

The administration program area is appropriated \$3.0 million in General Revenue Funds and 15.0 FTE positions for the 2024–25 biennium.

SIGNIFICANT LEGISLATION

House Bill 367 – Standards for judicial office candidates. The legislation authorizes SCJC to accept complaints, conduct investigations, and take actions with respect to candidates for judicial office in the same manner as actions taken with respect to an elected judge.

JUDICIARY SECTION, COMPTROLLER’S DEPARTMENT

PURPOSE: The Judiciary Section of the Comptroller’s Department (Texas Comptroller of Public Accounts) manages judicial branch expenditures required by statute, including compensation and payments to district judges, county-level judges, and local prosecutors, including the Special Prosecution Unit headquartered in Walker County. Special programs include reimbursements to counties for juror pay and certain witness expenses.

ESTABLISHED: 1835

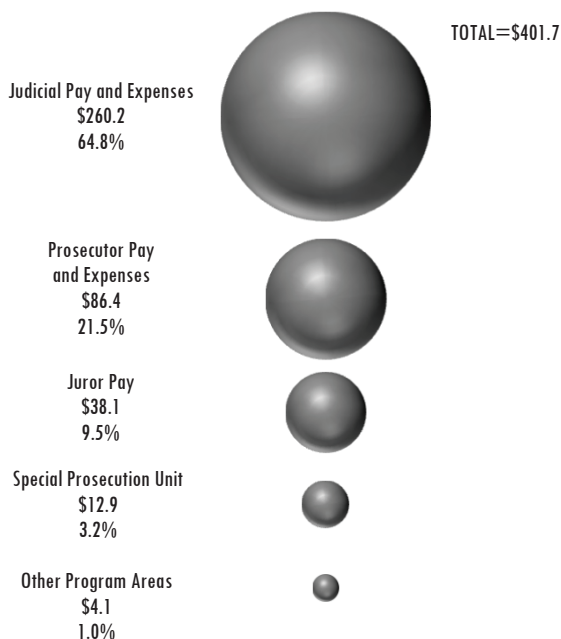
AUTHORIZING STATUTE: Various chapters of the Texas Government Code and the Texas Code of Criminal Procedure

GOVERNANCE: Appropriations at the Comptroller of Public Accounts fund the direct costs of administering judicial branch payments

FIGURE 233
JUDICIARY SECTION, COMPTROLLER’S DEPARTMENT BY METHOD OF FINANCE

METHOD OF FINANCE	(IN MILLIONS)				APPROPRIATED FULL-TIME-EQUIVALENT POSITIONS
	ESTIMATED/BUDGETED 2022–23	APPROPRIATED 2024–25	BIENNIAL CHANGE	PERCENTAGE CHANGE	
General Revenue Funds	\$235.1	\$261.2	\$26.1	11.1%	2024 671.7 2025 677.1
General Revenue–Dedicated Funds	\$0.0	\$0.0	\$0.0	N/A	
Federal Funds	\$7.0	\$0.0	(\$7.0)	(100.0%)	
Other Funds	\$128.8	\$140.5	\$11.6	9.0%	
Total, All Methods of Finance	\$370.9	\$401.7	\$30.8	8.3%	

AGENCY PROGRAM AREAS BY APPROPRIATION (IN MILLIONS)



SIGNIFICANT DEVELOPMENTS

Appropriations include **\$4.6 million in General Revenue Funds** and **\$10.6 million in Other Funds** to establish an additional 14 district courts, two county courts, three probate courts, and one multicounty court, and provide increases to Juror Reimbursements during the 2024–25 biennium, pursuant to **House Bill 3474, Eighty-eighth Legislature, Regular Session, 2023**.

Appropriations include **\$26.9 million in All Funds** for the **Visiting Judge – Regions program**, an **increase of \$7.9 million** from 2022–23 biennial spending levels, to address district court case backlogs resulting from the COVID-19 pandemic.

SOURCE: Legislative Budget Board.

MAJOR FUNDING

Appropriations for the Judiciary Section, Comptroller's Department, increased by a net \$30.8 million, or 8.3 percent, in All Funds from 2022–23 biennial spending levels primarily due to the following changes:

- an increase of \$4.6 million in General Revenue Funds and \$10.6 million in Other Funds to establish 14 additional district courts, two county courts, three probate courts, one multi-county court, and for increased payments to Juror Reimbursements during the 2024–25 biennium, pursuant to House Bill 3474, Eighty-eighth Legislature, Regular Session, 2023;
- an increase of \$7.9 million in All Funds for the Visiting Judge–Regions program to address court case backlogs;
- an increase of \$3.4 million in General Revenue Funds for salaries associated with the establishment of the specialized statewide business trial court, pursuant to House Bill 19, Eighty-eighth Legislature, Regular Session, 2023;
- an increase of \$2.0 million in General Revenue Funds for salary and inflationary adjustments at the Special Prosecutors Unit in Walker County;
- an increase of \$0.8 million in General Revenue Funds for changes to longevity pay for certain prosecutors during the 2024–25 biennium, pursuant to Senate Bill 2310, Eighty-eighth Legislature, Regular Session, 2023;
- an increase of \$0.6 million in General Revenue Funds for the biennialization of changes pursuant to House Bill 3774, Eighty-seventh Legislature, Regular Session, 2021, which includes 10 new district courts, five statutory county-courts-at-law, one new statutory probate court, and changes to the amount the state reimburses counties with statutory probate judges;
- an increase of \$0.3 million in General Revenue Funds for membership costs for participation in the National Center for State Courts; and
- a net increase of \$0.2 million in General Revenue Funds for salary supplements, including a decrease of \$0.1 million due to fewer county judges receiving the Constitutional County Judge Supplement; an increase of \$0.4 million due to fewer vacancies among

county court at law judges; and a decrease of \$0.1 million due to county attorney vacancies.

PROGRAMS

The Judiciary Section receives appropriations for five program areas: (1) judicial pay and expenses; (2) prosecutor pay and expenses; (3) reimbursements to counties for juror pay; (4) pass-through grants to the Special Prosecution Unit, headquartered in Walker County; and (5) other program areas.

Appropriations for the Judiciary Section include \$140.5 million in Other Funds, or 35.0 percent of total appropriations, which support most programs. Revenue from the Judicial Fund (Other Funds) of \$92.8 million, consisting mainly of criminal court costs and civil filing fees, provides a portion of the funding for district judge, statutory county judge, and prosecutor salaries and salary supplements.

JUDICIAL PAY AND EXPENSES

The responsibilities of the Judicial Pay and Expenses program area are carried out through 12 programs that provide salaries and payments to district and visiting judges and salary supplement payments to constitutional, statutory county, and statutory probate judges.

DISTRICT JUDGES

District courts serve as the primary trial courts in the state, handling civil and criminal cases. Funding for district court judges totals \$169.1 million in All Funds, distributed among three programs. Funding for the District Judges Salaries program totals \$168.1 million in All Funds, an increase of \$7.2 million, or 4.5 percent, of which \$2.5 million implements the provisions of House Bill 3474, Eighty-eighth Legislature, Regular Session, 2023, for estimated increases in judicial salaries pursuant to the tiered, tenure-based compensation structure established by the Eighty-sixth Legislature, 2019.

The District Judges – Travel program provides for the payment of the expenses of district judges while they are performing their duties in a county other than their county of residence. Funding totals \$0.6 million in All Funds, which continues 2022–23 biennial expenditure levels.

The Judicial Salary Per Diem program provides for the payment of a per diem for active, retired, and former district judges and statutory county-court-at-law judges serving on assignment, and for active and retired appellate justices when

holding court outside of their district or county when assigned. Funding totals \$0.4 million in All Funds, which also continues 2022–23 biennial expenditure levels.

COUNTY JUDGES

Funding for county-level judges is provided through three programs totaling \$62.3 million in All Funds. County judges receive salary supplements through the Statutory County Judge Supplement, Statutory Probate Judge Supplement, and Constitutional County Judge Supplement programs. The state salary supplement for the judges of the 280 statutory county and statutory probate courts in operation as of September 1, 2023, is \$84,000 through appropriations totaling \$49.1 million in All Funds. Funding for the Statutory County Judge Supplement program totals \$43.9 million in All Funds and funding for the Statutory Probate Judge Supplement totals \$5.1 million in All Funds, an increase of \$0.5 million to implement the provisions of House Bill 3474, Eighty-eighth Legislature, Regular Session, 2023, which establishes three statutory probate courts, two statutory county courts, and one multicounty court during the 2024–25 biennium.

The state provides an annual salary supplement of \$25,200 to a constitutional county judge if at least 40.0 percent of the functions that the judge performs are judicial functions through appropriations for the Constitutional County Judge Supplement program, which totals \$13.3 million in All Funds.

VISITING JUDGES

Funding for visiting judges is provided through two programs totaling \$27.6 million in All Funds. The Visiting Judge – Appellate and Visiting Judge – Regions programs provide funding for the assignment of visiting judges at the trial and appellate court levels by the presiding judges of the administrative judicial regions. Visiting Judge – Appellate program appropriations total \$0.7 million in All Funds. Visiting Judge – Regions program appropriations total \$26.9 million in All Funds, an increase of \$7.9 million to address district court case backlogs resulting from the onset of the COVID-19 pandemic. The program appropriation also includes \$0.9 million appropriated to the Office of Court Administration for transfer to the Judiciary Section to address a backlog in court cases resulting from the pandemic pursuant to enactment of House Bill 9, Eighty-seventh Legislature, Second Called Session, 2021. Visiting judges serving in district and appellate courts are compensated at

100.0 percent of the salary of an active district judge or appellate justice.

OTHER JUDICIAL PAY AND EXPENSES

Funding for the three remaining programs that provide for judicial pay and expenses total \$1.1 million in All Funds, which continues funding at 2022–23 biennial spending levels. Multidistrict Litigation Judges Salary and Benefits program appropriations total \$0.3 million in General Revenue Funds to provide for the payment of salaries, salary supplements, and benefits for active and retired judges assigned to multidistrict courts. Appropriations for the 1st Multicounty Court at Law total \$0.3 million in Other Funds from the Judicial Fund to provide payments to Fisher and Nolan counties. Appropriations for the 2nd Multicounty Court at Law total \$0.3 million in General Revenue Funds to provide payments to Bee, Live Oak, and McMullen counties. Finally, appropriations for the Local Administrative Judge Supplement program total \$0.2 million in General Revenue Funds for the payment of state salary supplements to local administrative judges serving in counties with more than five district courts.

Appropriations for the Judicial Pay and Expenses program area total \$260.2 million in All Funds, an increase of \$16.7 million, or 6.9 percent, from 2022–23 biennial spending levels, including 513.1 full-time-equivalent (FTE) positions.

PROSECUTOR PAY AND EXPENSES

The responsibilities of the Prosecutor Pay and Expenses program area are carried out through eight programs that fund salaries and salary supplements for positions linked to the state base salary of a district judge by statute: professional prosecutors, which include 157 district attorneys, criminal district attorneys, county attorneys prohibited from the private practice of law, and five prosecutors permitted to engage in private practice; and for salary supplements paid to 221 constitutional county attorneys.

PROFESSIONAL PROSECUTOR SALARIES

Funding for prosecutor salaries is provided through four programs totaling \$86.4 million in All Funds, which includes an increase of \$1.3 million from 2022–23 biennial spending levels.

The District Attorney – Salaries program provides salary payments to district attorneys permitted to engage in the private practice of law. Funding totals \$1.7 million in All Funds, which includes an increase of \$31,679 for estimated

prosecutor compensation obligations. The Professional Prosecutors: Salaries program provides salary payments to district attorneys included in the Professional Prosecutors Act. Funding totals \$51.8 million in All Funds, which is \$1.6 million greater than 2022–23 biennial spending levels.

The Felony Prosecutors – Salaries program provides salary payments to select criminal district attorneys and to two county attorneys that perform the duties of a district attorney. Funding totals \$0.8 million in All Funds, which is \$278,654 less than 2022–23 biennial expenditure levels for estimated prosecutor compensation obligations. The Prosecutors – Subchapter C program provides a portion of funding for prosecution in certain eligible counties where a district attorney is not receiving a state salary (Harris County). Funding totals \$0.3 million in All Funds, which is equivalent to the 2022–23 biennial spending levels.

FELONY PROSECUTOR TRAVEL AND OFFICE APPORTIONMENTS

The Felony Prosecutors – Travel program provides funding for prosecuting attorneys engaged in official duties in a county other than the prosecutor’s county of residence for the payment of travel and other necessary expenses. Funding totals \$0.3 million in All Funds, which is equivalent to the 2022–23 biennial spending levels.

The Felony Prosecutors – Expenses program provides funding for the reimbursement of authorized expenses that a professional prosecutor incurs in the discharge of official duties. This funding pays for salaries of assistant district attorneys, investigators, and secretarial help; supplies; and expenses, with payment amounts that vary by district population as established in the Eighty-eighth Legislature, General Appropriations Act (GAA), 2024–25 Biennium. The GAA provides \$22,500 per office for felony prosecutors serving districts with populations of more than 50,000; \$27,500 for felony prosecutors serving districts with populations of less than 50,000; and, \$11,083 for the Harris County District Attorney. Funding totals \$8.3 million in All Funds, which continues 2022–23 biennial spending levels.

COUNTY ATTORNEY SUPPLEMENTS

The County Attorney Supplement program provides funding for a salary supplement to constitutional county attorneys that do not have general felony jurisdiction and that are not state prosecutors, pursuant to the Texas Government Code, Chapter 46, the Professional Prosecutors Act. County

attorneys are authorized to receive a supplement based upon one-half the state base salary of a district judge divided by the number of counties within the jurisdiction of a state prosecutor serving the county, but in an amount not less than one-sixth of a district judge’s state base salary. Funding totals \$13.6 million in General Revenue Funds, which continues 2022–23 biennial spending levels.

ASSISTANT STATE PROSECUTOR LONGEVITY PAY

The Assistant Prosecutor Longevity Pay program provides assistant state prosecutors with longevity pay of \$20 per month for each year of lifetime service credit up to \$5,000 annually. Funding totals \$9.5 million in All Funds, which is similar to 2022–23 biennial spending levels.

Appropriations for the Prosecutor Pay and Expenses program area total \$86.4 million in All Funds, an increase of \$1.3 million from 2022–23 biennial spending levels, including 164.0 FTE positions.

JUROR PAY

The Juror Pay program provides funding to meet legal requirements that counties pay jurors \$40 or more per day after the first day of service, and the state reimburses counties for \$14 on the first day and \$52 each remaining day. Funding for the Juror Pay program area totals \$38.1 million, an increase of \$10.5 million in All Funds, or 38.0 percent, to implement the provisions of House Bill 3474, Eighty-eighth Legislature, Regular Session, 2023, which increases juror reimbursement on the first day to \$14 and \$52 each following day during the 2024–25 biennium. This funding includes an increase of \$10.6 million in Other Funds from the Jury Service Fund. The state contribution toward juror pay is funded from revenues generated by a court cost charged upon conviction of any offense, other than pedestrian-related or parking-related offenses.

SPECIAL PROSECUTION UNIT

The responsibilities of the Special Prosecution Unit (SPU) program area are carried out through the SPU office headquartered in Walker County. SPU is staffed by Walker County employees and has three divisions: Criminal, Juvenile, and Civil. The Criminal Division prosecutes crimes committed within the Texas Department of Criminal Justice prison system. The Juvenile Division prosecutes criminal offenses or delinquent conduct committed within Texas Juvenile Justice Department facilities. The Civil Division assists local county prosecutors with the initiation of civil commitments of sexually violent predators.

Appropriations for the SPU program area total \$13.0 million for the 2022–23 biennium, an increase of \$2.0 million in General Revenue Funds, or 18.1 percent, from 2022–23 biennial spending levels.

OTHER PROGRAM AREAS

This program area provides appropriations for the following five programs:

- \$2.8 million for the Witness Expenses program, which provides for payment of county expenses for witnesses called in criminal proceedings that reside outside the county where the trial is held;
- \$1.1 million for the National Center for State Courts program, which provides for payment of a membership assessment with the National Center for State Courts on behalf of the Texas Judiciary;
- \$0.1 million for the Indigent Inmate Defense program, which provides reimbursement for payment of expenses incurred by counties for attorney compensation and expenses awarded when the court appoints an attorney for an inmate’s legal defense;
- \$50,000 for the Death Penalty Habeas Representation program, which provides compensation of court appointed counsel representing death row inmates in habeas corpus representation; and
- \$10,000 for the Docket Equalization program, which provides funding to support the Supreme Court of Texas’ transfer of cases from one court of appeals to another, including payment of travel expenses incurred by appellate justices and their staff that travel to hear cases transferred to them for disposition.

Appropriations for Other Program Areas total \$4.1 million in All Funds, which is an increase of 28.9 percent from 2022–23 biennial spending levels.

SIGNIFICANT LEGISLATION

House Bill 3474 – Establishment of new district courts, municipal courts, and county-level courts. The legislation establishes 14 additional district courts during the 2024–25 biennium, including three new statutory probate courts, two statutory county courts-at-law, and one multi-county court.

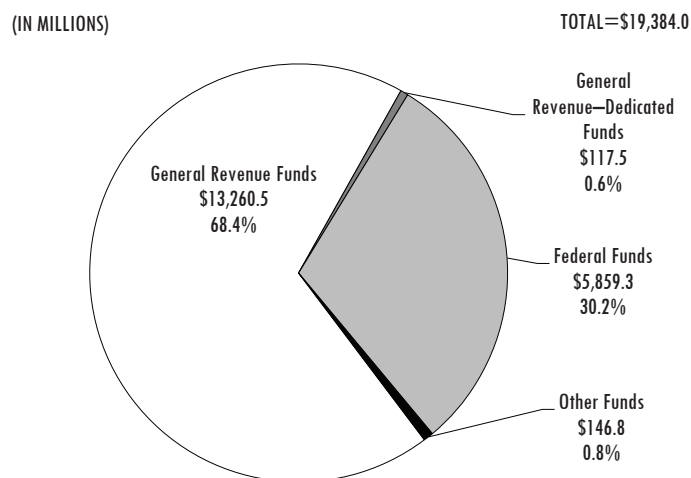
8. PUBLIC SAFETY AND CRIMINAL JUSTICE

Public safety and criminal justice agencies are funded in Article V of the General Appropriations Act and provide various services to protect the safety and security of Texans. Those services include the adult and juvenile corrections systems (community supervision, incarceration, and parole services), law enforcement and highway patrol, the Texas military forces, and driver license processing. Additional services include county jail regulation, law enforcement officer training and licensing, alcoholic beverage industry oversight, and firefighter certification. Border security is coordinated among several agencies in Article V and agencies in other articles of government.

FIGURE 234
ARTICLE V – PUBLIC SAFETY AND CRIMINAL JUSTICE, BY METHOD OF FINANCE

METHOD OF FINANCE	(IN MILLIONS)			
	ESTIMATED/BUDGETED 2022–23	APPROPRIATED 2024–25	BIENNIAL CHANGE	PERCENTAGE CHANGE
General Revenue Funds	\$12,580.3	\$13,260.5	\$680.2	5.4%
General Revenue–Dedicated Funds	\$54.1	\$117.5	\$63.4	117.2%
Federal Funds	\$1,484.9	\$5,859.3	\$4,374.4	294.6%
Other Funds	\$220.2	\$146.8	(\$73.3)	(33.3%)
Total, All Methods of Finance	\$14,339.4	\$19,384.0	\$5,044.6	35.2%

SHARE OF FUNDING BY METHOD OF FINANCE (IN MILLIONS)



SIGNIFICANT DEVELOPMENTS

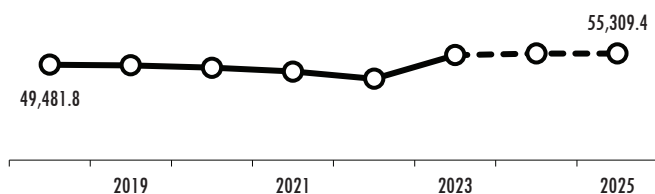
In addition to the statewide salary adjustment, the Legislature appropriated funds to biennialize previous salary adjustments for **correctional officers at the Texas Department of Criminal Justice (TDCJ) (\$374.8 million) and direct-care staff at the Texas Juvenile Justice Department (\$6.3 million).**

Funding for border security at public safety and criminal justice agencies totals \$3,536.3 million, primarily to support Operation Lone Star activities at the Texas–Mexico border.

Local juvenile probation department **funding increased by \$60.4 million after revising the methodology to consider the total number of formal referrals** rather than average daily population in basic supervision.

Funding of \$5,449.9 million in Federal Funds from COVID-19 pandemic-related federal stimulus funds is appropriated as a method-of-finance adjustment to TDCJ to replace General Revenue Funds.

FULL-TIME-EQUIVALENT POSITIONS



NOTES:

- (1) Excludes Interagency Contracts.
- (2) Full-time-equivalent positions show actual positions for fiscal years 2018 to 2022, budgeted positions for fiscal year 2023, and appropriated positions for fiscal years 2024 and 2025.

SOURCES: Legislative Budget Board; State Auditor's Office.

FIGURE 235
ARTICLE V – PUBLIC SAFETY AND CRIMINAL JUSTICE APPROPRIATIONS BY AGENCY, ALL FUNDS

(IN MILLIONS)	ESTIMATED/BUDGETED 2022–23	APPROPRIATED 2024–25	BIENNIAL CHANGE	PERCENTAGE CHANGE
Texas Alcoholic Beverage Commission	\$107.7	\$120.9	\$13.1	12.2%
Texas Department of Criminal Justice	\$7,585.7	\$8,522.6	\$936.9	12.4%
Texas Commission on Fire Protection	\$4.5	\$5.3	\$0.8	18.9%
Texas Commission on Jail Standards	\$3.1	\$4.0	\$0.9	28.1%
Texas Juvenile Justice Department	\$660.2	\$1,026.0	\$365.8	55.4%
Texas Commission on Law Enforcement	\$18.1	\$25.8	\$7.7	42.8%
Texas Military Department	\$1,851.3	\$2,541.7	\$690.4	37.3%
Texas Department of Public Safety	\$3,015.6	\$3,670.1	\$654.5	21.7%
Subtotal, Public Safety and Criminal Justice	\$13,246.2	\$15,916.4	\$2,670.2	20.2%
Employee Benefits and Debt Service	\$2,502.9	\$3,662.6	\$1,159.7	46.3%
Less Interagency Contracts	\$1,409.7	\$194.9	(\$1,214.8)	(86.2%)
Total, All Functions	\$14,339.4	\$19,384.0	\$5,044.6	35.2%

NOTE: Biennial change and percentage change are calculated on actual amounts before rounding. Therefore, figure totals may not sum due to rounding.
 SOURCE: Legislative Budget Board.

MAJOR FUNDING

The 2024–25 biennial funding levels for public safety and criminal justice (PSCJ) agencies and benefits total \$19.4 billion in All Funds, which is primarily General Revenue Funds. This amount is an increase of \$5.0 billion, or 35.2 percent, from 2022–23 biennial funding levels. See **Chapter 1, State Budget Overview** for information regarding the benefits increase. The following sections provide details regarding selected increases at PSCJ agencies.

PAY INCREASES

In addition to the statewide salary adjustment provided for public safety and criminal justice agencies (\$460.6 million), salary adjustments were authorized in various amounts: biennialization of a 15.0 percent increase for Texas Department of Criminal Justice (TDCJ) correctional officers (\$374.8 million) and Texas Juvenile Justice Department (TJJD) direct-care staff (\$6.3 million); targeted increases for health professionals who provide care for TDCJ inmates (\$98.9 million) and TJJD youth (\$8.3 million); targeted increases for certain licensing, audit, and border importation staff positions at the Texas Alcoholic Beverage Commission (TABC) (\$4.0 million); and targeted adjustments at the Texas Commission on Law Enforcement (TCOLE) (\$2.6 million) and the Texas Military Department (TMD) (\$1.0 million). Raises also were provided for local

adult and juvenile probation department employees and for the State Guard and National Guard.

BORDER SECURITY

The Eighty-eighth Legislature, Regular Session and Fourth Called Session, 2023, appropriated \$6,571.7 million to 13 state agencies for border security. These agencies include six PSCJ agencies: TMD receives \$2,265.5 million, the Department of Public Safety (DPS) receives \$1,234.6 million, TDCJ receives \$25.9 million, TABC receives \$6.9 million, the Texas Commission on Jail Standards (TCJS) receives \$0.4 million, and TCOLE receives \$0.3 million.

TMD receives a \$613.0 million increase for Operation Lone Star (OLS) and to support other border security activities; this amount includes a \$60.1 million increase to raise the State Active Duty per diem rates. The State Guard and National Guard support OLS by maintaining security points, conducting mobile land and river patrols, and constructing temporary fencing and barriers along the Texas–Mexico border. Appropriations from General Revenue Funds replace Other Funds provided from the Office of the Governor’s Disaster, Deficiency, and Emergency Grants during the 2022–23 biennium.

At DPS, border security funding includes an increase of \$292.0 million, or 31.0 percent, which maintains support

for personnel at full deployment levels. This funding includes the following amounts: \$942.6 million appropriated previously to the agency for salary and wages for 650 additional troopers, a 50.0-hour work week, human trafficking prevention, antigang activities, cameras, and equipment; \$75.5 million for salary adjustments; \$25.1 million reallocated to capital budget projects related to OLS; and \$151.4 million to biennialize OLS 52-week surge costs. In addition, Senate Bill 3, Eighty-eighth Legislature, Fourth Called Session, 2023, provides a \$40.0 million increase in Interagency Contracts from Trusteed Programs within the Office of the Governor for border security operations, including overtime expenses and costs due to increased law enforcement presence.

FUNDING RELATED TO THE COVID-19 PANDEMIC

The Eighty-eighth Legislature, Regular Session, 2023, appropriated \$5,449.9 million in federal stimulus funding in response to the COVID-19 pandemic to cover salaries, benefits, and correctional managed healthcare expenses at TDCJ for the 2024–25 biennium. The federal funding replaces General Revenue Funds. During the 2022–23 biennium, pandemic-related Federal Funds were appropriated to TDCJ, DPS, TJJD, and TABC as a method-of-finance adjustment.

NEW FACILITIES AND IMPROVEMENTS

Appropriations provide funding for several new facilities and improvements, such as improving and expanding the DPS Williamson County Training Academy facility (\$381.5 million), building new secure facilities at TJJD (\$200.0 million), and major repairs and deferred maintenance at TDCJ (\$172.4 million).

SUPPLEMENTAL FUNDING

Senate Bill 30, Eighty-eighth Legislature, Regular Session, 2023, includes supplemental appropriations in General Revenue Funds for PSCJ agencies for fiscal year 2023. Supplemental appropriations from General Revenue Funds are provided to TDCJ for agency operations (\$237.2 million), Correctional Managed Health Care (\$141.8 million), agency vehicles (\$43.6 million), a training facility (\$35.0 million), and deferred maintenance (\$23.8 million). DPS is appropriated \$130.2 million for agency vehicles, \$47.3 million for Operation Lone Star, \$21.2 million for aircraft, and \$3.0 million for an equine facility. TJJD is appropriated \$15.2 million to reimburse counties for holding youth.

TEXAS ALCOHOLIC BEVERAGE COMMISSION

PURPOSE: To deter violations of the Texas Alcoholic Beverage Code by inspecting licensed establishments within the alcoholic beverage industry, investigating complaints, regulating the personal importation of alcoholic beverages and cigarettes through the state’s ports-of-entry locations with Mexico and the seaport at Galveston, and enforcing state law.

ESTABLISHED: 1970

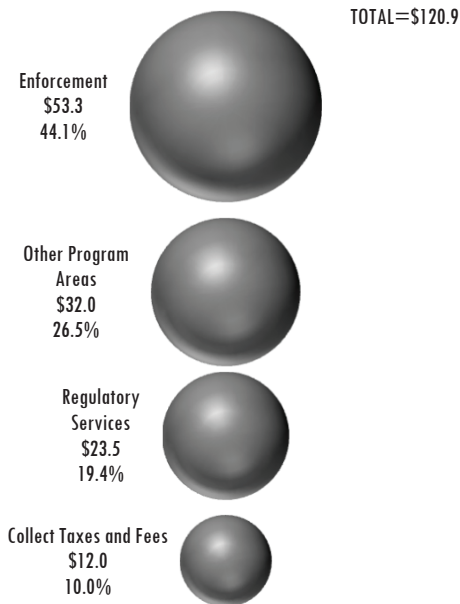
AUTHORIZING STATUTE: The Texas Alcoholic Beverage Code, §5.01

GOVERNANCE: Five-member commission appointed by the Governor, with the advice and consent of the Senate

FIGURE 236
TEXAS ALCOHOLIC BEVERAGE COMMISSION BY METHOD OF FINANCE

METHOD OF FINANCE	(IN MILLIONS)				APPROPRIATED FULL-TIME-EQUIVALENT POSITIONS				
	ESTIMATED/BUDGETED 2022–23	APPROPRIATED 2024–25	BIENNIAL CHANGE	PERCENTAGE CHANGE					
General Revenue Funds	\$100.0	\$119.9	\$19.9	19.9%	<table border="1"> <tr> <td>2024</td> <td>620.0</td> </tr> <tr> <td>2025</td> <td>620.0</td> </tr> </table>	2024	620.0	2025	620.0
2024	620.0								
2025	620.0								
General Revenue–Dedicated Funds	\$0.0	\$0.0	\$0.0	N/A					
Federal Funds	\$7.6	\$0.8	(\$6.8)	(89.4%)					
Other Funds	\$0.2	\$0.2	\$0.0	0.0%					
Total, All Methods of Finance	\$107.7	\$120.9	\$13.1	12.2%					

AGENCY PROGRAM AREAS BY APPROPRIATION (IN MILLIONS)



SIGNIFICANT DEVELOPMENTS

The Texas Alcoholic Beverage Commission (TABC) collected **\$268.5 million** in taxes, **\$98.7 million** in license and permit fees, and **\$5.4 million** in other collections for a **total of \$372.6 million** during fiscal year 2023.

TABC issued **48,446 permits and licenses** and conducted **2,075 audits** during fiscal year 2023.

Appropriations of **\$54.5 million** and **300.0 full-time-equivalent positions** are provided for investigations regarding **human trafficking, criminal activities, and border security**.

Appropriations include **\$18.0 million** for completion and implementation of the **Alcohol Industry Management System** and cybersecurity initiatives.

SOURCE: Legislative Budget Board; Comptroller of Public Accounts.

MAJOR FUNDING

Appropriations for the 2024–25 biennium total \$120.9 million, an increase of \$13.1 million in All Funds, or 12.2 percent from the 2022–23 biennial expenditure level. Of the appropriated funds, \$18.0 million is for the following information resources programs: expansion of the Alcohol Industry Management System (AIMS), ongoing costs for user subscriptions and support costs for AIMS, and cybersecurity enhancements.

PROGRAMS

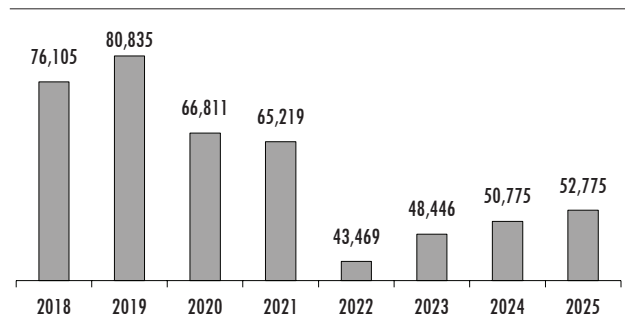
The Texas Alcoholic Beverage Commission (TABC) carries out its responsibilities through three primary program areas: (1) enforcement, (2) regulatory services, and (3) collection of taxes and fees. A fourth program area includes other functions such as information technology, central administration, and other support services.

The enforcement program area works with other local, state, and federal law enforcement agencies to gather intelligence and conduct administrative and criminal investigations of licensed premises, including those in the Texas–Mexico border region to promote border security. TABC employs commissioned peace officers to serve as TABC agents. Within the criminal investigations program, TABC law enforcement agents conduct inspections, underage compliance operations, and undercover operations in TABC-licensed businesses across the state. Specialized units engage in long-term investigations of organized criminal activity, such as human trafficking, narcotics, money laundering, and tax fraud, on premises associated with a TABC license or permit holder.

Appropriations for the enforcement program area for the 2024–25 biennium total \$53.3 million, consisting primarily of General Revenue Funds, and provide for 294.0 full-time-equivalent (FTE) positions, which represents a \$6.5 million decrease from 2022–23 biennial spending levels. At the program level, All Funds appropriations for the criminal investigations program total \$48.2 million and include 265.0 FTE positions, and appropriations for the human trafficking program total \$5.2 million and 29.0 FTE positions.

The regulatory services program area includes the licensing, regulatory compliance, marketing and labeling, and communications programs. The licensing program processes applications for the alcoholic beverage industry, including manufacturing, sales, purchases, transportation, storage, and distribution. The licensing program confirms that each applicant is qualified to hold the requested license or permit

FIGURE 237
ALCOHOLIC BEVERAGE LICENSES AND PERMITS ISSUED
FISCAL YEARS 2018 TO 2025



NOTE: Amounts for fiscal years 2024 and 2025 are projected.
SOURCE: Texas Alcoholic Beverage Commission.

and complies with all applicable regulatory requirements. The regulatory compliance program conducts inspections, audits, fee analyses, and other financial reviews to prevent fraud and to promote compliance with the Texas Alcoholic Beverage Code. The marketing practices and label approval program registers alcoholic beverages distributed for sale in Texas and works with the communications program to provide training and educational materials for stakeholders. Appropriations for the regulatory services program area for the 2024–25 biennium total \$23.5 million.

Figure 237 shows the actual performance for the number of alcoholic beverage licenses and permits issued from fiscal years 2018 to 2025. The large decrease in the number of licenses and permits issued during fiscal years 2022 and 2023 is due primarily to the consolidation in the type of licenses and permits from 75 to 37, while the slight increase for fiscal year 2023 can be attributed to additional applications received. The decrease in the number of licenses and permits issued during fiscal years 2020 and 2021 can be attributed largely to the COVID-19 pandemic.

The taxes and fees collection program area includes the excise tax administration program and the ports-of-entry program. The excise tax administration program oversees the review and processing of excise tax reports, excise tax payments, and other periodic reports required by law. During fiscal year 2023, TABC collected \$372.6 million in fees and taxes, most of which is deposited to the state Treasury. Appropriations for the excise tax administration program total \$1.8 million in All Funds for the 2024–25 biennium.

The ports-of-entry program is responsible for the collection of excise taxes imposed on imported alcoholic beverages along the Texas–Mexico border and at the Port of Galveston.

In fiscal year 2023, tax compliance officers collected \$4.9 million in taxes and administrative fees at 30 ports of entry. Appropriations for the ports of entry program total \$10.3 million in All Funds and 106.0 FTE positions.

In addition to these program areas, appropriations for the information resources program total \$18.0 million in All Funds, which represents an 80.3 percent increase from the 2022–23 biennium. The Eighty-seventh Legislature, Regular Session, 2021, directed TABC to modernize the licensing and tax technology systems used by enforcement agents, auditors, and licensing agents. The Eighty-eighth Legislature, Regular Session, 2023, provided funding to: (1) continue the development and implementation of the AIMS platform, (2) continue paying for ongoing costs related to AIMS licensing and support, and (3) maintain required cyber security initiatives.

SIGNIFICANT LEGISLATION

Senate Bill 998 – Opioid-related drug overdose training program for certain alcoholic beverage permit holders.

The legislation requires TABC to develop a training program for holders of mixed beverage permits and their employees on the signs and symptoms of an opioid-related drug overdose and the administration of an opioid antagonist.

TEXAS DEPARTMENT OF CRIMINAL JUSTICE

PURPOSE: To incarcerate inmates in state prisons, state jails, and private correctional facilities; to provide funding and certain oversight of community supervision departments; and to be responsible for the supervision of offenders released from prison on parole. The mission of the department is to provide public safety, promote positive change in offender behavior, reintegrate offenders into society, and assist victims of crime.

ESTABLISHED: 1989

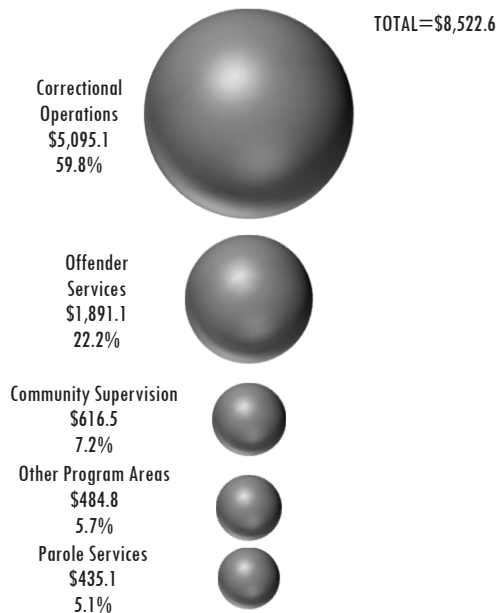
AUTHORIZING STATUTE: The Texas Government Code, Chapter 493

GOVERNANCE: Nine-member board appointed by the Governor with the advice and consent of the Senate

FIGURE 238
TEXAS DEPARTMENT OF CRIMINAL JUSTICE BY METHOD OF FINANCE

METHOD OF FINANCE	(IN MILLIONS)				APPROPRIATED FULL-TIME-EQUIVALENT POSITIONS
	ESTIMATED/BUDGETED 2022–23	APPROPRIATED 2024–25	BIENNIAL CHANGE	PERCENTAGE CHANGE	
General Revenue Funds	\$6,599.1	\$3,979.4	(\$2,619.7)	(39.7%)	2024 39,951.5
General Revenue–Dedicated Funds	\$0.1	\$85.4	\$85.3	57,952.5%	
Federal Funds	\$809.1	\$4,321.8	\$3,512.6	434.1%	2025 39,942.8
Other Funds	\$177.3	\$136.0	(\$41.3)	(23.3%)	
Total, All Methods of Finance	\$7,585.7	\$8,522.6	\$936.9	12.4%	

AGENCY PROGRAM AREAS BY APPROPRIATION (IN MILLIONS)



SIGNIFICANT DEVELOPMENTS

Appropriations include **\$374.8 million to biennialize a 15.0 percent salary increase for correctional officers**. At the end of fiscal year 2023, 17,361.0 full-time-equivalent correctional officer positions, or 73.6 percent of the position cap, were filled.

Correctional managed healthcare funding totals \$1,542.8 million in General Revenue Funds. Appropriations also include \$141.8 million for fiscal year 2023 healthcare expenditures.

Appropriations include **\$277.8 million for deferred maintenance**. Appropriations for fiscal year 2023 also include \$35.0 million for a new correctional officer training facility and \$23.8 million for security-related deferred maintenance.

Appropriations for community supervision and parole increased by \$15.3 million to align with 2024–25 biennial population projections. Appropriations also include an additional **\$112.6 million in General Revenue Funds for community supervision**.

SOURCE: Legislative Budget Board.

MAJOR FUNDING

The 2024–25 biennial appropriation for the Texas Department of Criminal Justice (TDCJ) is \$8,522.6 million in All Funds, a net increase of \$936.9 million from the 2022–23 biennial spending level. Significant General Revenue Funds increases for the 2024–25 biennium include the following amounts:

- \$374.8 million to biennialize a 15.0 percent pay increase for correctional officers;
- \$208.3 million for Correctional Managed Health Care (CMHC);
- \$172.4 million for major repairs of facilities;
- \$126.2 million for local adult probation departments;
- \$54.8 million to address inflation effects on food, fuel, and utility costs;
- \$48.7 million to address increased per diem rates at privately operated facilities;
- \$47.0 million for body scanners, metal detectors, body-worn cameras, video surveillance systems, correctional protective gear, and communication radio infrastructure improvements;
- \$44.6 million for information technology (IT) improvements;
- \$19.3 million for capital equipment replacement; and
- \$5.9 million for new initiatives at the Office of the Inspector General.

These amounts are offset partially by decreases such as the discontinuation of onetime funding in the 2022–23 biennium for vehicle replacements and information technology system enhancements.

Funding for CMHC totals \$1,542.8 million in All Funds, a net \$45.0 million increase from the 2022–23 biennial funding levels. This increase is primarily the result of \$100.0 million to provide services at 2022–23 levels, \$98.9 million for salary adjustments, \$4.3 million for capital equipment, \$3.1 million for a sheltered housing unit, and \$2.0 million for new mental health clinicians. Supplemental appropriations include \$141.8 million to fund CMHC expenditures in fiscal year 2023.

In addition to the supplemental CMHC appropriations, significant funding changes in fiscal year 2023 pursuant

to Senate Bill 30, Eighty-eighth Legislature, Regular Session, 2023, include the following General Revenue Funds amounts:

- \$237.2 million to address a shortfall in agency operations and parole supervision;
- \$141.8 million to address a shortfall in CMHC;
- \$43.6 million for agency vehicles;
- \$35.0 million for a new Training Facility for Correctional Officers and other TDCJ staff; and
- \$23.8 million for the repair and renovation of correctional facilities.

Additionally, \$3,494.6 million in Federal Funds replaced General Revenue Funds in fiscal year 2024, and \$1,955.3 million in Federal Funds replaced General Revenue Funds in fiscal year 2025, to cover salaries, benefits, and CMHC expenses in response to the COVID-19 pandemic.

PROGRAMS

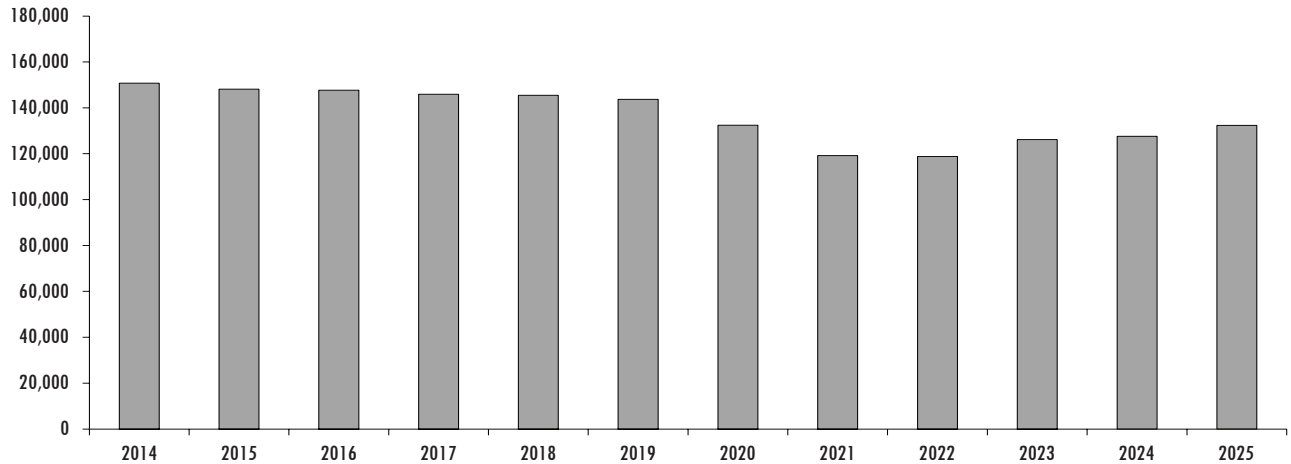
TDCJ's statutory mission is to provide public safety, promote change in offender behavior, reintegrate incarcerated individuals into society, and assist victims of crime. TDCJ carries out its responsibilities through five major program areas: (1) correctional operations, (2) offender services, (3) community supervision, (4) other programs, and (5) parole services.

CORRECTIONAL OPERATIONS

The correctional operations program area includes 13 programs that are responsible for managing and operating the state's correctional institutions. TDCJ's major correctional operations programs for incarcerated individuals include correctional security, support, and training; agriculture operations; classification and records; commissary operations; contract prison and privately operated state jails; food and unit services; and Texas Correctional Industries (TCI).

TDCJ's actual and projected correctional populations from fiscal years 2014 to 2025 are shown in **Figure 239**. The projected end-of-month yearly average of incarcerated individuals is 127,598 for fiscal year 2024 and 132,347 for fiscal year 2025. The incarcerated population in TDCJ correctional institutions decreased from fiscal years 2014 to 2023 and is expected to increase from fiscal years 2024 to 2028. Incarcerated individuals are confined in 100

FIGURE 239
ACTUAL AND PROJECTED AVERAGE END-OF-MONTH CORRECTIONAL INSTITUTIONS POPULATION
FISCAL YEARS 2014 TO 2025



NOTE: Fiscal years 2024 and 2025 populations are projected.
 SOURCES: Legislative Budget Board; Texas Department of Criminal Justice.

correctional units, including prisons, state jails, pre-release facilities, and substance abuse facilities across the state.

Appropriations for the correctional operations program area for the 2024–25 biennium total \$5,095.1 million in All Funds for the purpose of confining and supervising adult felons incarcerated in TDCJ’s correctional institutions, which represents a \$644.1 million increase. Included in the appropriations for this program area is \$210.2 million for continued contracts with four contract prisons and three privately operated state jails. The contract prisons, located in Bridgeport, Kyle, Lockhart, and Overton, typically incarcerate individuals that maintain a minimum custody status and that are within two years of parole eligibility. Privately operated state jails are located in Henderson, Jacksboro, and Raymondville. In addition, \$76.7 million was appropriated to place three contract prisons, the Bell, Diboll, and Estes units, under state operation.

As part of the rehabilitative process, TCI provides training and work opportunities to prepare incarcerated individuals for employment. TCI operates 34 factories and plants at 27 prison units and produces goods and services for TDCJ’s use and for sale. Sales were approximately \$59.6 million during fiscal year 2023. The 2024–25 biennial appropriation for TCI is \$152.2 million.

The agriculture operations program manages 111,000 acres in 33 Texas counties. The division has operations at 21 prison units. Production ranges from 24 varieties of edible crops to

a cattle herd of more than 14,000 head. The 2024–25 biennial appropriation for this purpose is \$101.5 million.

The Eighty-eighth Legislature, Regular Session, 2023, appropriated \$374.8 million to TDCJ to biennialize a 15.0 percent pay increase for correctional officers that was implemented in April 2022 to address staffing shortages from higher-than-average turnover. Supplemental appropriations in fiscal year 2023 include an increase of \$237.2 million for correctional security operations and institutional goods, operations, and maintenance, and an increase of \$43.6 million for agency vehicles.

OFFENDER SERVICES

The offender services program area consists of 27 programs that include CMHC, the Texas Correctional Office on Offenders with Medical or Mental Impairments (TCOOMMI), reentry transitional coordinators, vocational and academic programs, specialized treatment services, and behavioral health. For the 2024–25 biennium, \$1,891.1 million in All Funds is appropriated to TDCJ for these purposes. The Windham School District provides educational programs for incarcerated inmates, which is funded through the Texas Education Agency’s bill pattern.

The delivery of correctional healthcare services to incarcerated individuals within TDCJ facilities includes medical, dental, nursing, pharmacy, hospital, and mental health services. The direct delivery of correctional healthcare primarily involves two state entities: the University of Texas Medical Branch

(UTMB) at Galveston and the Texas Tech University Health Sciences Center (TTUHSC) at Lubbock. Both entities utilize a combination of university employees and outsourcing to provide correctional healthcare services. UTMB provides care for those incarcerated in the eastern and southern parts of the state, where most facilities are located, and TTUHSC provides care for those in the western and northern regions of the state.

TCOOMMI coordinates with criminal justice, health and human services, and other affected organizations to provide continuity of care for individuals with special needs, which include the elderly and those with physical disabilities, terminal illness, mental illness, or intellectual disabilities. TDCJ was appropriated \$59.5 million in All Funds for the 2024–25 biennium to provide a comprehensive continuity-of-care system for individuals with special needs. Appropriations for the 2024–25 biennium also include \$5.8 million for academic and vocational training and an additional \$4.0 million for reentry services pilot programs.

After orientation, screening, and assessment, those received into TDCJ custody receive an individual treatment plan (ITP). The ITP prioritizes participation in programs and services offered according to the individual's needs, program or service availability, and parole or discharge date. The following programs and services are offered: counseling, including substance abuse and sex offender treatment; adult basic education; special education; and vocational training, often in conjunction with TCI. One such treatment program is the In-prison Therapeutic Community (IPTC) Program, which provides substance abuse treatment for eligible individuals that are within six months of parole release. The 2024–25 biennial appropriation for IPTC is \$50.5 million in All Funds.

In addition to specialized services, certain individuals may be housed in facilities based on specific needs. These facilities include TDCJ's specialized correctional institutions, such as geriatric and medical units, developmentally disabled and psychiatric units, transfer facilities, pre-release, and substance abuse felony punishment facilities (SAFPF). SAFPFs are secure correctional facilities that use a therapeutic community approach to substance abuse treatment that combines individual and group counseling. Individuals may be sentenced to SAFPF as a condition of community supervision, or the Board of Pardons and Paroles may place an individual on parole into an SAFPF in lieu of revocation. The 2024–25 biennial appropriation for SAFPF is \$95.1 million in All Funds.

COMMUNITY SUPERVISION

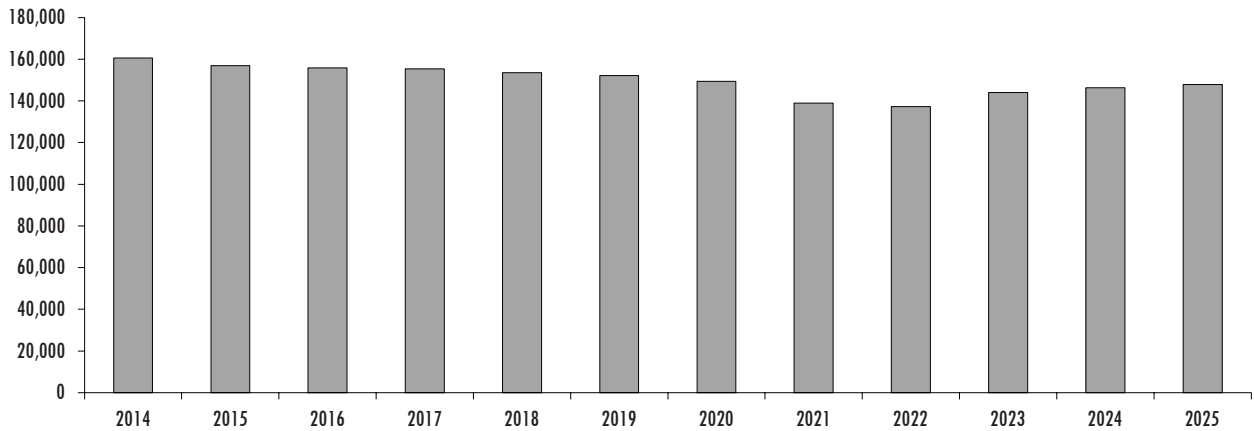
Community supervision (adult probation) provides programs that support the goal of diverting individuals from traditional incarceration. Such programs include coordinated work with local community supervision and corrections departments (CSCD), distribution of grants, and specialized community-based diversion programs. TDCJ was appropriated \$616.5 million in All Funds for the 2024–25 biennium to support community supervision and other community-based programs. Most of these funds will be distributed as state aid to local CSCDs, which are local entities established by district judges for supervising and rehabilitating individuals placed under supervision for committing felony and misdemeanor offenses. The 2024–25 biennial appropriations include a \$13.6 million increase to fund basic supervision at projected 2024–25 biennial levels.

During fiscal year 2023, CSCDs employed an end-of-month average of 2,542 community supervision officers to directly supervise and provide services to an end-of-month average population of 143,953 individuals on felony direct community supervision. **Figure 240** shows the actual end-of-month yearly average of the felony direct community supervision population for fiscal years 2014 to 2023, and the projected population for fiscal years 2024 and 2025. The projected average number of felons on community supervision is 146,380 for fiscal year 2024 and 147,892 for fiscal year 2025.

Figure 241 shows the actual number of misdemeanor placements on community supervision for fiscal years 2014 to 2023 and the projected number of misdemeanor placements for fiscal years 2024 and 2025. The actual number of misdemeanor placements during fiscal year 2023 was 64,666. The projected number of misdemeanor community supervision placements is 61,301 for fiscal year 2024 and 59,784 for fiscal year 2025. At the beginning of fiscal year 2024, 122 CSCDs served the state's 254 counties. TDCJ is appropriated \$256.5 million for the basic supervision of individuals on community supervision during the 2024–25 biennium.

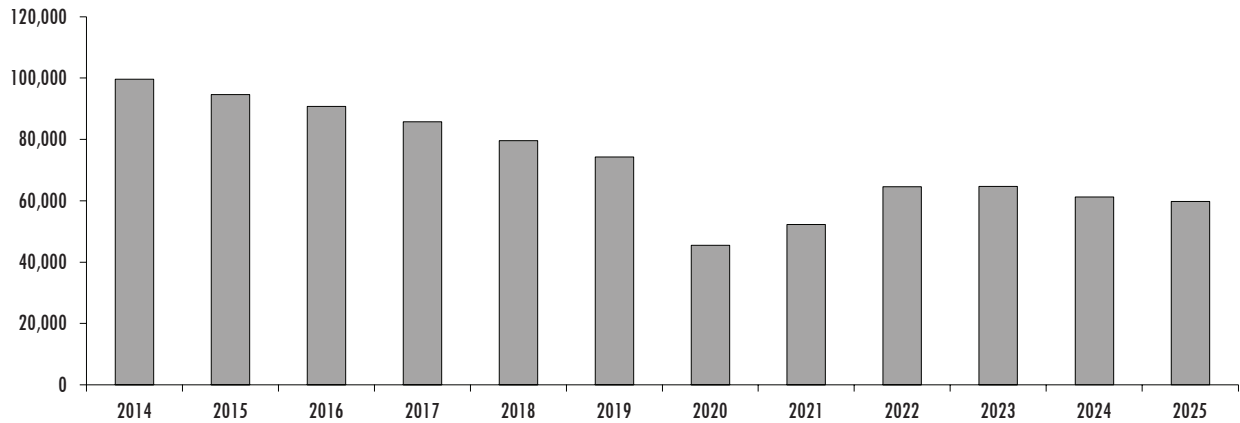
In addition to basic supervision funding, TDCJ was appropriated \$252.1 million for the 2024–25 biennium to award discretionary grants to CSCDs, counties, municipalities, and nonprofit organizations. Discretionary grants enable the Community Justice Assistance Division (CJAD) to fund community corrections proposals developed at the local level. Such programs increase diversions from traditional, more costly incarceration and improve the

FIGURE 240
ACTUAL AND PROJECTED AVERAGE END-OF-MONTH FELONY DIRECT COMMUNITY SUPERVISION POPULATION
FISCAL YEARS 2014 TO 2025



NOTE: Populations for fiscal years 2024 and 2025 are projected.
 SOURCES: Legislative Budget Board; Texas Department of Criminal Justice.

FIGURE 241
ACTUAL AND PROJECTED MISDEMEANOR COMMUNITY SUPERVISION PLACEMENTS, FISCAL YEARS 2014 TO 2025



NOTE: Placements for fiscal years 2024 and 2025 are projected.
 SOURCES: Legislative Budget Board; Texas Department of Criminal Justice.

delivery of community supervision statewide. **Figure 242** shows the grant award categories funded for fiscal year 2023.

The agency received \$86.4 million for the 2024–25 biennium to continue statutory formula funding for community-based correctional programs that encourage the development of alternatives to incarceration. To be eligible for formula funding, CSCDs must submit an acceptable local strategic plan to CJAD. This state aid provides local entities with increased resources for the control, management, and rehabilitation of those on community supervision, and it typically is used for the same types of programs shown in **Figure 242**.

OTHER PROGRAMS

The other programs area includes agency and program administration and support, major repair of facilities, the Office of the Inspector General, information resources, victim services, and the statewide salary adjustment. TDCJ is appropriated \$484.8 million in All Funds for the 2024–25 biennium for these programs.

TDCJ operates 100 facilities that require regular maintenance and repairs. The Eighty-eighth Legislature, Regular Session, 2023, appropriated \$277.8 million in General Revenue Funds for the repair and rehabilitation of buildings and correctional facilities in the 2024–25

biennium; as supplemental funding in fiscal year 2023, the agency was appropriated \$23.8 million for security-related repair and rehabilitation projects and \$35.0 million for a new training facility.

For the 2024–25 biennium, the IT program is appropriated \$111.5 million in All Funds, an increase of \$20.4 million from the 2022–23 biennium. In addition to these amounts, the Legislature extended funding originally appropriated in fiscal year 2019 for the Corrections Information Technology System by two years.

TDCJ’s appropriations for the Office of the Inspector General, victim services, central administration, and other support services for the 2024–25 biennium total \$95.4 million in All Funds. Appropriations for the Office of the Inspector General include \$3.0 million to establish a unit dedicated to apprehending parole absconders and \$2.9 million to enhance unit investigations.

PAROLE SERVICES

The parole services program area consists of the Board of Pardons and Paroles (BPP), a constitutionally authorized and separate state entity that shares certain support functions with TDCJ; halfway house facilities; intermediate sanction facilities; parole release processing; and parole supervision. This program area is responsible for providing basic supervision and rehabilitative services to those released from prison onto parole. Parole is the discretionary release of an incarcerated individual by a BPP decision to serve the remainder of an incarceration sentence on parole supervision within the community. TDCJ is appropriated \$435.1 million in All Funds for the 2024–25 biennium for the parole services program area. Of this total, \$237.1 million is designated to fund parole supervision, which includes a \$1.7 million increase to fund parole at projected 2024–25 biennial levels, and a supplemental appropriation of \$6.0 million for parole supervision in fiscal year 2023. Approximately \$121.4 million in All Funds is appropriated to provide adequate surveillance and control of individuals on parole residing in residential facilities, including halfway houses and intermediate sanction facilities. The projected averages for the daily active adult parole population are 83,201 for fiscal year 2024 and 82,314 for fiscal year 2025. During fiscal year 2023, the number of parole officers averaged 1,189 in 67 district parole offices statewide. At the close of fiscal year 2023, parole officers had supervised an average end-of-month population of 76,392 individuals released to supervision. **Figure 243** shows actual active parole supervision populations

**FIGURE 242
COMMUNITY JUSTICE ASSISTANCE DIVISION
DISCRETIONARY GRANT FUNDING, FISCAL YEAR 2023**

PROGRAM TYPE	GRANT PROGRAMS	AMOUNT (IN MILLIONS)
Community corrections facilities	24	\$62.0
Substance abuse treatment programs	57	\$15.3
Caseload reduction grants	26	\$11.3
Substance abuse treatment caseloads and aftercare caseloads	41	\$5.5
Mental health initiative caseloads	39	\$5.1
Sex offender caseloads	21	\$4.2
High-risk/gang/youth/culturally specific caseloads	14	\$1.2
Drug courts	18	\$2.5
Battering intervention and prevention programs	27	\$1.8
Intensive supervision/ surveillance caseloads	5	\$0.6
Pretrial diversion programs	61	\$5.3
Total	333	\$114.8

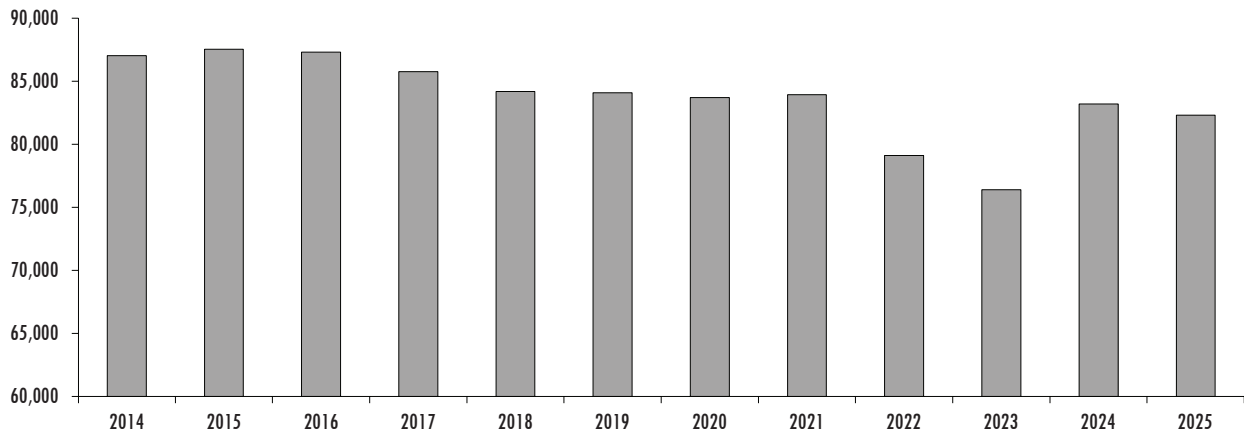
SOURCE: Texas Department of Criminal Justice.

at the end of each fiscal year since 2014 and projected active parole populations for fiscal years 2024 and 2025.

The parole review and release process includes identifying individuals eligible for parole. BPP reviews the case summary, which outlines criminal, social, medical, psychological, and institutional adjustment history, to make a decision and to determine conditions of parole. Cases are screened for multiple factors, including protests, victim information, disciplinary conduct, and board-imposed special conditions. If approved for parole, the individual is released on the parole eligibility date or the date that BPP specifies. If parole is denied, most individuals will be eligible to have their cases reviewed again in one year. Individuals convicted of certain offenses may have subsequent reviews set off for up to five years or in some situations 10 years, pursuant to the Texas Government Code, Section 508.149. Local law enforcement is notified of the pending release.

BPP appropriations are included in TDCJ’s budget structure in the General Appropriations Act. Appropriations for BPP for the 2024–25 biennium total \$60.1 million in All Funds and 592.1 full-time-equivalent positions to

FIGURE 243
ACTUAL AND PROJECTED AVERAGE END-OF-MONTH ACTIVE PAROLE SUPERVISION POPULATION
FISCAL YEARS 2014 TO 2025



NOTE: Populations for fiscal years 2024 and 2025 are projected.
 SOURCES: Legislative Budget Board; Texas Department of Criminal Justice.

support the board's operations and the parole selection and revocation processes.

SIGNIFICANT LEGISLATION

House Bill 1577 – BPP discretionary release. The legislation provides BPP more discretion regarding the release of certain violent offenders. Several offenses are added to those offenses that are not eligible for mandatory supervision, such as second-degree felony assault on a peace officer or judge, repeat family violence or family violence by strangulation, assault to cause an abortion, and assault against a pregnant person.

House Bill 2201 – TDCJ inmate housing requirements. The legislation removes the requirement that TDCJ designate discrete housing for state jail inmates, allowing TDCJ more flexibility in making housing assignments and providing access to programs.

House Bill 2620 – Confinement in a county jail of a person pending transfer to TDCJ. The legislation requires TDCJ to accept inmates within 45 days after transfer documents are received and certified by the agency. For each day after the forty-fifth day that the inmate is not transferred, TDCJ is required to compensate the county for the daily cost of confinement.

House Bill 2708 – In-person visitation. The legislation requires that TDCJ's uniform visitation and state jail visitation policies allow for in-person visitation, regardless of

the availability of video or remote visitation. In-person visitation may be suspended for a health or safety emergency.

House Bill 3075 – New criminal offense for operating an unmanned aircraft over a correctional or detention facility. The legislation makes it a crime to operate an unmanned aircraft over a correctional or detention facility punishable as a misdemeanor, unless the person intends to deliver contraband, in which case it is a state jail felony.

Senate Bill 1004 – New criminal offense for tampering with an electronic monitoring device. The legislation makes it a state jail felony if an individual required to wear electronic monitoring as a condition of parole or mandatory supervision attempts to remove or disable the tracking device. This offense is a third-degree felony for an individual on a super-intensive supervision program caseload. An exception is included for the removal of device by a healthcare provider due to medical necessity.

TEXAS COMMISSION ON FIRE PROTECTION

PURPOSE: To develop professional standards and enforce statewide fire laws to assist local governments in ensuring that the lives and property of the public and fire service providers are protected adequately from fires and related hazards.

ESTABLISHED: 1991

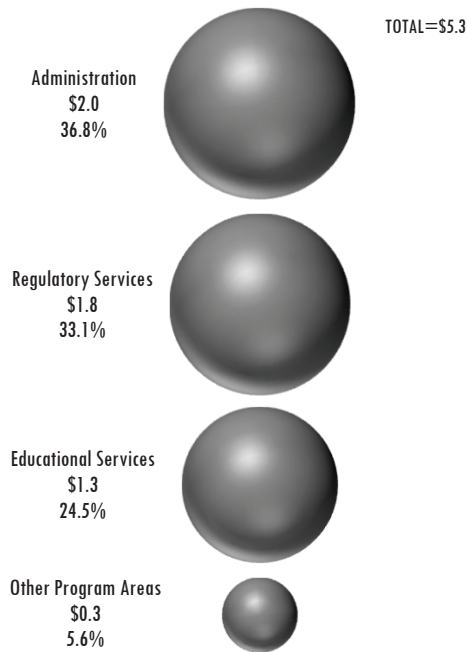
AUTHORIZING STATUTE: The Texas Government Code, §419.002

GOVERNANCE: Thirteen members appointed by the Governor, with six members being selected from lists provided by certain firefighter associations

FIGURE 244
TEXAS COMMISSION ON FIRE PROTECTION BY METHOD OF FINANCE

METHOD OF FINANCE	(IN MILLIONS)				APPROPRIATED FULL-TIME-EQUIVALENT POSITIONS	
	ESTIMATED/BUDGETED 2022–23	APPROPRIATED 2024–25	BIENNIAL CHANGE	PERCENTAGE CHANGE		
General Revenue Funds	\$4.2	\$5.1	\$0.8	19.6%	2024	33.0
General Revenue–Dedicated Funds	\$0.0	\$0.0	\$0.0	N/A		
Federal Funds	\$0.0	\$0.0	\$0.0	N/A		
Other Funds	\$0.2	\$0.2	\$0.0	5.3%		
Total, All Methods of Finance	\$4.5	\$5.3	\$0.8	18.9%	2025	33.0

AGENCY PROGRAM AREAS BY APPROPRIATION (IN MILLIONS)



SIGNIFICANT DEVELOPMENTS

The agency certified 37,455 fire service personnel during fiscal year 2023, for an increase of 5,765, or 18.2 percent, from fiscal years 2014 to 2023.

Required fee revenue collections of more than appropriated amounts were maintained at \$1.5 million for the 2024–25 biennium.

The agency received \$0.7 million for vehicles, \$0.5 million to hire 4.0 additional full-time-equivalent positions, and \$0.4 million for office relocation.

SOURCE: Legislative Budget Board.

MAJOR FUNDING

Funding for the 2024–25 biennium is limited to revenue collections and is contingent upon the agency collecting \$1.5 million more than the amount appropriated through revenue generated by certification fees.

PROGRAMS

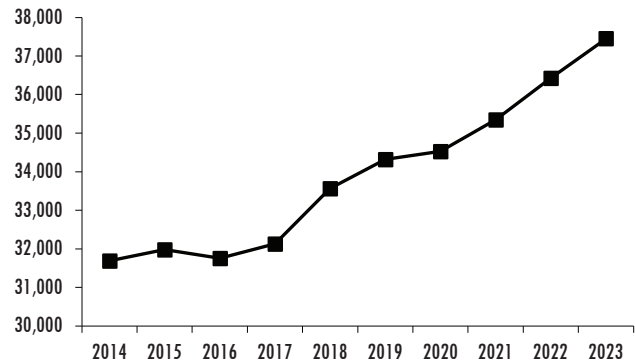
The Texas Commission on Fire Protection's (TCFP) mission is to protect the lives and property of Texans through the development and enforcement of recognized professional standards, including certification and regulation of fire service personnel, facilities, and equipment, in addition to conducting fire protection education and informational programs. This mission is accomplished primarily through two program areas: regulatory services and educational services.

The agency's regulatory services program area consists of the certification and compliance programs. The certification program provides certification for full- and part-time paid fire service personnel and volunteers and certifies fire service training facilities. **Figure 245** shows the annual number of fire service personnel receiving TCFP certification since fiscal year 2014.

The compliance program activities include inspection and investigation of regulated entities, including fire departments, local government entities providing fire protection, and institutions or facilities conducting training for fire protection personnel or recruits. Appropriations for the regulatory service program area total \$1.8 million and 12.0 full-time-equivalent (FTE) positions for the 2024–25 biennium.

The educational services program area includes the following programs: curriculum development, fire safety information and outreach, and testing. The testing program serves to validate the training curriculum taught by fire training schools to ensure that the content of the training materials meets state, national, and international standards. Appropriations for the educational services program area total \$1.3 million and 12.0 FTE positions for the 2024–25 biennium.

FIGURE 245
TEXAS COMMISSION ON FIRE PROTECTION FIRE
PERSONNEL CERTIFIED, FISCAL YEARS 2014 TO 2023



SOURCE: Texas Commission on Fire Protection.

TEXAS COMMISSION ON JAIL STANDARDS

PURPOSE: To establish and enforce minimum standards for the provision and operation of jails, and to provide consultation, training, and technical assistance to help local governments comply with those standards.

ESTABLISHED: 1975

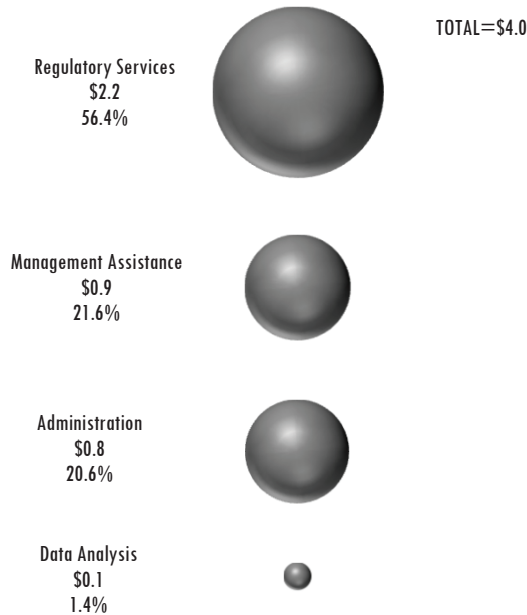
AUTHORIZING STATUTE: The Texas Government Code, Chapter 511

GOVERNANCE: Nine-member commission appointed by the Governor with the advice and consent of the Senate

FIGURE 246
TEXAS COMMISSION ON JAIL STANDARDS BY METHOD OF FINANCE

METHOD OF FINANCE	(IN MILLIONS)				APPROPRIATED FULL-TIME-EQUIVALENT POSITIONS				
	ESTIMATED/BUDGETED 2022–23	APPROPRIATED 2024–25	BIENNIAL CHANGE	PERCENTAGE CHANGE					
General Revenue Funds	\$3.1	\$4.0	\$0.9	28.1%	<table border="1"> <tr> <td>2024</td> <td>26.0</td> </tr> <tr> <td>2025</td> <td>26.0</td> </tr> </table>	2024	26.0	2025	26.0
2024	26.0								
2025	26.0								
General Revenue–Dedicated Funds	\$0.0	\$0.0	\$0.0	N/A					
Federal Funds	\$0.0	\$0.0	\$0.0	N/A					
Other Funds	\$0.0	\$0.0	\$0.0	0.0%					
Total, All Methods of Finance	\$3.1	\$4.0	\$0.9	28.1%					

AGENCY PROGRAM AREAS BY APPROPRIATION (IN MILLIONS)



SIGNIFICANT DEVELOPMENTS

The agency conducted **124 comprehensive inspections, 104 limited compliance reviews, 10 onsite limited compliance reviews, and 246 special inspections of local jails during fiscal year 2023**; 34 jails failed a comprehensive inspection, and 50 jails failed a special inspection. As of August 31, 2023, 22 jails were noncompliant with minimum jail standards.

At the beginning of fiscal year 2024, facilities within the agency's purview operated at **72.0 percent capacity** and held **70,623 inmates**.

SOURCE: Legislative Budget Board.

MAJOR FUNDING

Biennial 2024–25 General Revenue Funds appropriations for the Texas Commission on Jail Standards (TCJS) total \$4.0 million, representing a net increase of \$0.9 million from the 2022–23 biennial expenditure level. Significant funding increases include \$0.2 million for technology enhancements, \$0.1 million for a complaint inspector, and \$0.1 million for a data analyst, as well as amounts for salary increases and the biennialization of border security funding.

PROGRAMS

TCJS carries out its responsibilities through four major program areas: (1) regulatory services, (2) management assistance, (3) data analysis, and (4) administration.

TCJS is the regulatory agency responsible for performing comprehensive inspections and enforcing minimum jail standards for all county jails and privately operated municipal jails in the state. TCJS is responsible for establishing effective jail standards by researching, developing, and disseminating minimum standards and technical assistance for jail construction, health and safety, records and classifications, and operations. The minimum standards for jail construction address requirements for facility maintenance, renovation, and new construction. The standards for jail operations include requirements for custody, care, and offender treatment; offender rehabilitation, education, and recreation programs; and the number of jail supervisory personnel, programs, and services to meet the needs of those incarcerated.

Pursuant to House Bill 1545, Eighty-seventh Legislature, 2021, TCJS is required to inspect and report on the conditions of each jail facility under its purview using a risk-based inspection model. This requirement is intended to ensure that all facilities comply with the Texas Administrative Code and the agency's minimum standards and rules and

allows the agency to determine how frequently and intensively it conducts risk-based inspections. Inspections include a full walk-through of the correctional facility and offender housing areas, and a review of jailer observation logs, meal plans, medical and recreation records, intake documents, mental health screening forms, and other documents related to facility operations and offender welfare. TCJS may conduct special inspections for facilities identified by the agency as high-risk or not in compliance with minimum jail standards during a previous inspection. As of September 1, 2023, the 254 Texas counties contained 222 county-operated jails and eight privately operated or combined facilities for a total of 230 facilities within the agency's purview. During fiscal year 2023, TCJS conducted 124 comprehensive inspections that resulted in 34 failed inspections, and conducted 246 special inspections that resulted in 50 failed inspections. As of August 31, 2023, 22 jails were noncompliant with minimum jail standards, as shown in **Figure 247**. Appropriations for the regulatory services program area total \$2.2 million for the 2024–25 biennium.

State statute also requires TCJS to provide construction and management assistance to local jails. This assistance includes reviewing and commenting on plans for the construction, major modification, or renovation of county jails. TCJS collaborates with local government officials to provide technical assistance for jail operations and offender management that addresses the needs of certain facilities. Consultations and technical assistance include developing plans for: (1) establishing an inmate classification system; (2) determining jail staffing patterns; (3) providing health services; (4) meeting sanitation needs; (5) developing inmate discipline and grievance procedures; (6) establishing recreation and exercise programs; (7) implementing education and rehabilitation programs; (8) responding to

FIGURE 247
TEXAS COMMISSION ON JAIL STANDARDS JAIL INSPECTIONS, FISCAL YEARS 2020 TO 2023

YEAR	ANNUAL/COMPREHENSIVE INSPECTIONS	FAILED ANNUAL/COMPREHENSIVE INSPECTIONS	SPECIAL INSPECTIONS	FAILED SPECIAL INSPECTIONS	NONCOMPLIANT JAILS AT END OF FISCAL YEAR
2020	239	39	62	15	10
2021	237	61	84	11	3
2022	214	50	16	16	20
2023	124	34	246	50	22

NOTE: Pursuant to House Bill 1545, Eighty-seventh Legislature, 2021, in fiscal year 2023 the agency shifted from annual jail inspections to comprehensive jail inspections using a risk-based inspection model. Accordingly, special inspections increased as they are intended for higher-risk facilities.

SOURCE: Texas Commission on Jail Standards.

FIGURE 248
COUNTY JAIL POPULATION AND CAPACITY AT THE BEGINNING OF EACH FISCAL YEAR
FISCAL YEARS 2020 TO 2024

YEAR	INMATES IN COUNTY FACILITIES			TOTAL JAIL CAPACITY	PERCENTAGE OF TOTAL CAPACITY
	LOCAL POPULATION	CONTRACT POPULATION	TOTAL POPULATION		
2020	61,180	8,587	69,769	96,589	72.2%
2021	58,785	6,584	65,342	94,628	69.1%
2022	61,845	6,664	68,509	95,082	72.1%
2023	65,606	7,234	72,840	95,115	76.6%
2024	62,758	7,865	70,623	98,108	72.0%

SOURCE: Texas Commission on Jail Standards.

emergencies; and (9) determining a range of inmate privileges. The agency also provides training sessions in jail management for county staff. Appropriations for the management assistance program area total \$0.9 million for the 2024–25 biennium.

TCJS also is required to collect and analyze monthly data on county jail populations and operational costs. These data assist state and local government agencies in planning and predicting incarceration trends in Texas. **Figure 248** shows the number of inmates in local facilities, including county jails and privately operated facilities, at the beginning of each fiscal year since 2020. The contract population consists of offenders housed in privately operated facilities and county jail inmates that are from outside the county’s jurisdiction (e.g., state offenders, federal detainees). At the beginning of fiscal year 2024 a total of 70,623 inmates in facilities were within TCJS’s purview, with the facilities operating at 71.9 percent of total jail capacity. Appropriations for the data analysis program area total \$0.1 million for the 2024–25 biennium.

House Bill 9, Eighty-seventh Legislature, Second Called Session, 2021, appropriated \$214,785 to TCJS from General Revenue Funds to fund additional full-time-equivalent positions, increased overtime costs, and increased travel expenses relating to TCJS’s border security-related assistance for Operation Lone Star. TCJS received an additional \$0.2 million for the 2024–25 biennium to biennialize this function.

County jailers receive at least 8.0 hours of Texas Commission on Law Enforcement-accredited mental health training pursuant to legislation enacted in 2017. County jailers learn how to use the mental health intake

screening form, de-escalate a situation in which an individual is experiencing a mental health crisis, and recognize the signs of various mental illnesses. During fiscal year 2023, TCJS provided mental health training to 447 licensed jailers in eight counties. TCJS employs 1.0 full-time-equivalent position to provide the required training statewide.

TEXAS JUVENILE JUSTICE DEPARTMENT

PURPOSE: To provide financial and professional assistance to local juvenile probation departments, to provide regulatory oversight of local probation departments, and to protect public safety and deliver effective programming and rehabilitative services to youth committed to the Texas Juvenile Justice Department state services and facilities.

ESTABLISHED: 2012

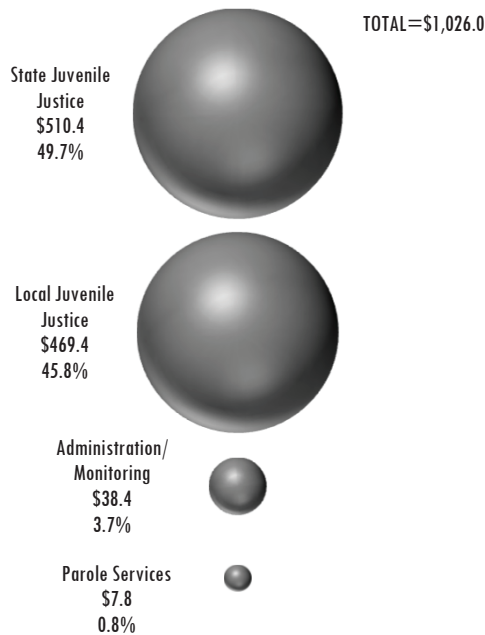
AUTHORIZING STATUTE: The Texas Human Resources Code, Title 12, Subtitle A

GOVERNANCE: Thirteen-member board appointed by the Governor with the advice and consent of the Senate

FIGURE 249
JUVENILE JUSTICE DEPARTMENT BY METHOD OF FINANCE

METHOD OF FINANCE	(IN MILLIONS)				APPROPRIATED FULL-TIME-EQUIVALENT POSITIONS
	ESTIMATED/BUDGETED 2022–23	APPROPRIATED 2024–25	BIENNIAL CHANGE	PERCENTAGE CHANGE	
General Revenue Funds	\$598.9	\$986.5	\$387.6	64.7%	2024 2,205.3 2025 2,205.3
General Revenue–Dedicated Funds	\$0.0	\$0.0	\$0.0	N/A	
Federal Funds	\$33.8	\$15.7	(\$18.1)	(53.6%)	
Other Funds	\$27.5	\$23.9	(\$3.6)	(13.2%)	
Total, All Methods of Finance	\$660.2	\$1,026.0	\$365.8	55.4%	

AGENCY PROGRAM AREAS BY APPROPRIATION (IN MILLIONS)



SIGNIFICANT DEVELOPMENTS

Appropriations include **\$200.0 million to construct new secure facilities**. New facilities may include services and appropriate physical features to serve youth with acute mental health needs, youth exhibiting highly aggressive or violent behavior, and female youth.

The methodology for calculating local juvenile probation department **funding is now based on the total number of formal referrals**, rather than average daily population in basic supervision, **increasing appropriations for the 2024–25 biennium by \$60.4 million**.

Appropriations include **\$27.2 million in new funding for salary increases and adjustments for state and institutional staff** to address staffing shortages and turnover.

The agency is **appropriated \$3.9 million for body-worn cameras and a new risk-and-needs assessment tool** to determine the most appropriate placement for youth within the system.

SOURCE: Legislative Budget Board.

MAJOR FUNDING

Appropriations to the Texas Juvenile Justice Department (TJJD) for the 2024–25 biennium total \$1,026.0 million in All Funds, which is a net increase of \$365.8 million from the 2022–23 biennial spending level. Appropriations include the following increases in All Funds, which are offset by onetime appropriations in the previous biennium:

- \$200.0 million to construct new facilities;
- \$111.2 million for salaries and services related to Basic Probation Supervision at the local level;
- \$27.2 million for salary increases and adjustments for state and institutional staff;
- \$20.3 million for additional probation support and county resources to divert youth from state commitment;
- \$4.7 million for integrated rehabilitation programs at secure facilities;
- \$4.0 million for institutional medical and dental care;
- \$3.9 million for body-worn cameras and a risk-and-needs assessment tool; and
- \$3.6 million for general operations at the Office of the Inspector General and the Office of the Independent Ombudsman.

PROGRAMS

TJJD carries out its responsibilities through four major program areas: (1) state juvenile justice; (2) local juvenile justice; (3) administration and monitoring; and (4) parole services.

STATE JUVENILE JUSTICE

State juvenile justice facilities include 18 programs that provide education, treatment, and supervision for youth committed to TJJD state facilities as the result of a court order related to the commission of a felony. When youth are committed to state custody, three categories of facilities are available: state-operated secure facilities, state-operated halfway houses, and contract residential placement facilities.

During the 2022–23 biennium, TJJD operated five secure correctional facilities located in Brownwood, Edinburg, Gainesville, Giddings, and Mart. Services for youth within secure facilities include education and workforce programs, healthcare, mental healthcare, and rehabilitation treatment.

The agency employs juvenile correctional officers (JCOs), food service workers, case managers and case management supervisors, dorm supervisors, parole officers, parole supervisors, and youth safety managers, all of whom are considered direct-care staff. The agency also employs certified teachers to provide youth with academic, vocational, and special education programming. TJJD’s workforce development programs offer youth opportunities in vocational skills development. TJJD emphasizes improved educational levels and achievement of a high school diploma or general equivalency diploma as critical to reducing recidivism.

In July 2022, TJJD increased salaries for direct-care staff by 15.0 percent to address high turnover rates and increase employee retention. The salary increase was biennialized (\$6.3 million) for the 2024–25 biennium.

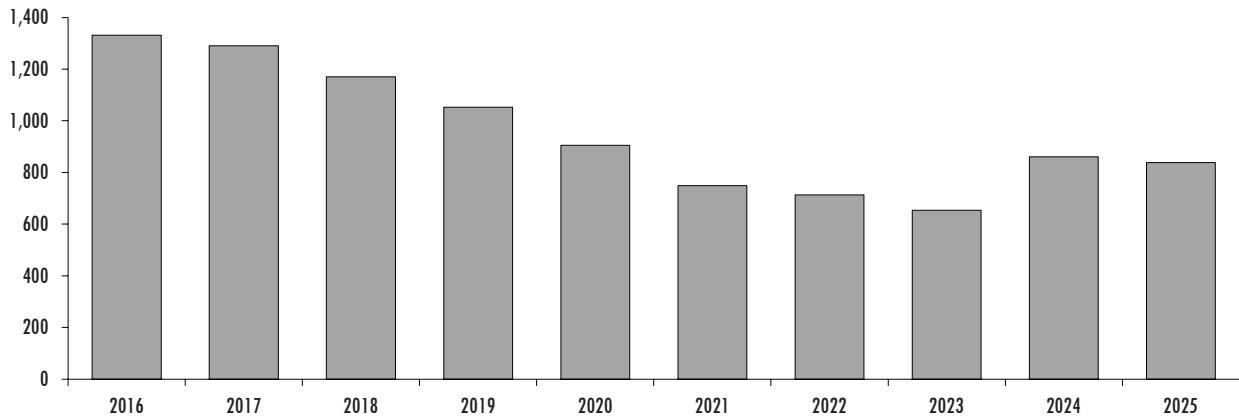
The projected average state juvenile justice daily population, which includes state-operated secure facilities, halfway houses, and contract residential placements, is 861 for fiscal year 2024, and 838 for fiscal year 2025. **Figure 250** shows the actual and projected average daily population (ADP) of juveniles in state custody for fiscal years 2016 to 2025.

In addition to secure facilities, TJJD operates four halfway house programs in El Paso, Harlingen, San Antonio, and Willis. Several of these programs provide specialized independent-living preparedness, aggression replacement therapy, and substance abuse treatment. Youth receive aftercare follow-up programs at all halfway houses.

Youth placed in TJJD custody take part in general rehabilitation treatment programs and receive specialized treatment plans to address specific needs. Specialized rehabilitation treatment includes treatment for capital offenders, violent offenders, sex offenders, those with chemical dependency, and those with severe mental health issues. Assessment and orientation operations are performed at the Ron Jackson State Juvenile Correctional Complex in Brownwood where staff determine programming, healthcare, and educational needs of youth through testing and assessments. Staff recommend an initial facility assignment and develop a comprehensive treatment plan including transitional services. TJJD contracts with the University of Texas Medical Branch at Galveston and private providers for medical and mental healthcare for youth in its custody.

Youth may be received into TJJD under an indeterminate or a determinate sentence from the courts. Youth with indeterminate sentences receive a length of stay that is

FIGURE 250
ACTUAL AND PROJECTED JUVENILE STATE RESIDENTIAL AVERAGE DAILY POPULATION
FISCAL YEARS 2016 TO 2025



NOTE: Populations for fiscal years 2024 and 2025 are projected.
 SOURCES: Legislative Budget Board; Texas Juvenile Justice Department.

administratively determined by TJJD. TJJD also determines what types of services the youth will receive, what level of restriction they require, and when they will be released to parole supervision. Sentenced youth receive a specific sentence to TJJD by the juvenile court, pursuant to determinate-sentencing statutes. Appropriations for the 2024–25 biennium for state-operated juvenile justice programs and services total \$510.4 million and include 1,934.5 full-time-equivalent (FTE) positions. Included in this program area is \$16.0 million and 122.5 FTE positions for the Office of the Inspector General and \$200.0 million for construction of new TJJD facilities.

LOCAL JUVENILE JUSTICE

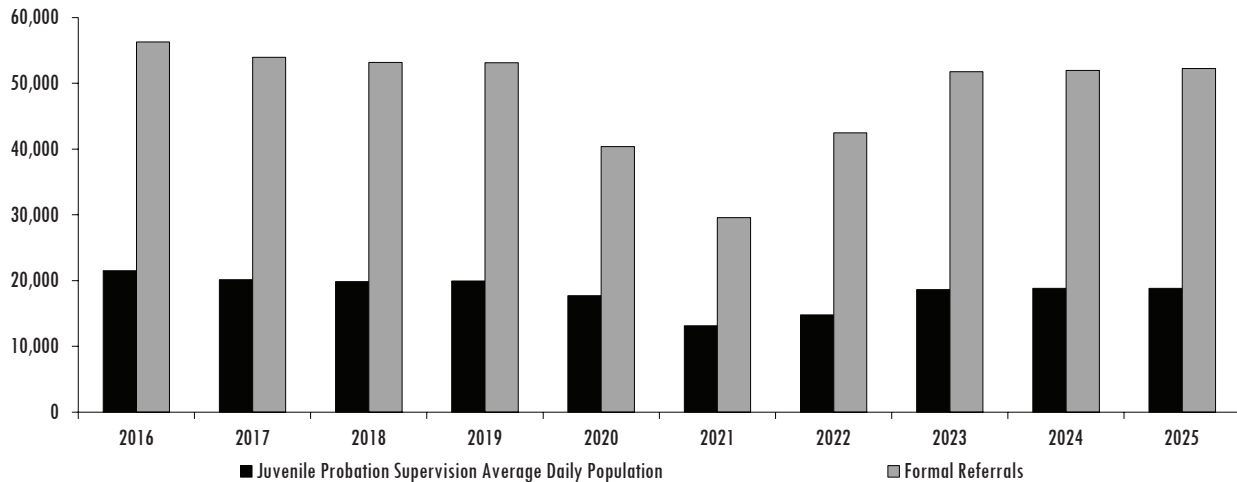
Local juvenile justice includes 12 programs that provide financial assistance to local juvenile probation departments (JPD). TJJD allocates funds and dedicated grants to JPDs to provide basic supervision and various treatment, residential, and outpatient services to youth. Appropriations for local juvenile justice total \$469.4 million and 24.0 FTE positions to support probation grant administration activities. The Regional Diversion Alternatives (RDA) program, which requires TJJD and JPDs to develop regional plans to divert certain youth from state commitment, became operational during fiscal year 2017. The target for youth served by the program is 245 per year; during fiscal year 2023, a total of 261 youths were diverted from TJJD facilities through this program. With the exception of fiscal year 2021, the number of youths diverted from commitment has exceeded the target each year.

Youth are referred to a JPD primarily by law enforcement, school districts, municipal courts, and justice courts. **Figure 251** shows the number of youths referred to JPDs compared to the actual average daily population of youth on probation supervision from fiscal years 2016 to 2023 and projected populations for fiscal years 2024 and 2025. **Figure 252** shows state-funded expenditure levels of JPDs for fiscal years 2016 to 2023, and appropriations for fiscal years 2024 and 2025. The Eighty-eighth Legislature, Regular Session, 2023, amended the method for calculating funding appropriated for JPDs. Previously, appropriations were based on the ADP of youth placed on formal probation supervision. The large increase in appropriations for fiscal years 2024 and 2025 shown in **Figure 252** represents the new funding formula that considers all referred youth, regardless of supervision placement.

Basic probation supervision refers to the case management of a youth under supervision by an assigned officer through contacts (e.g., in-person, home, telephone) with the youth, family, or others with whom the youth is involved. **Figure 251** shows the ADP of youth on juvenile probation supervision from fiscal years 2016 to 2025. Youth are placed on one of three types of basic supervision as authorized by the Texas Family Code, Chapters 53 and 54: adjudicated probation, deferred prosecution, and conditional predisposition.

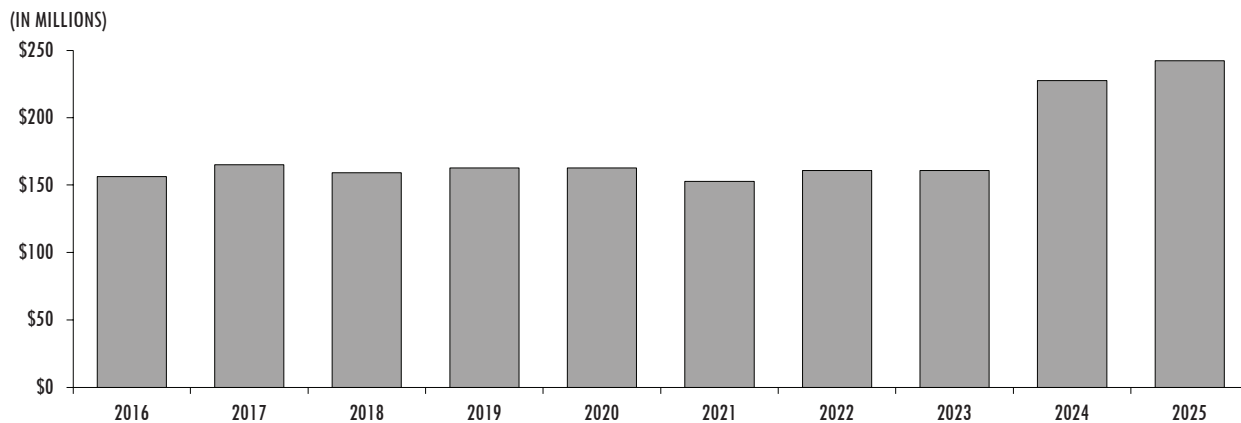
Appropriations for local pre-adjudication and post-adjudication facilities provide grants for the placement of youth in local secure and nonsecure residential facilities. Pre-

FIGURE 251
ACTUAL AND PROJECTED JUVENILE PROBATION SUPERVISION AVERAGE DAILY POPULATION AND FORMAL REFERRALS TO JUVENILE PROBATION DEPARTMENTS
FISCAL YEARS 2016 TO 2025



NOTE: Fiscal years 2024 and 2025 show projected values. Probation supervision population shows the average daily population for the year, and formal referrals show year-end totals.
 SOURCES: Legislative Budget Board; Texas Juvenile Justice Department.

FIGURE 252
STATE ASSISTANCE TO LOCAL JUVENILE PROBATION DEPARTMENTS
FISCAL YEARS 2016 TO 2025



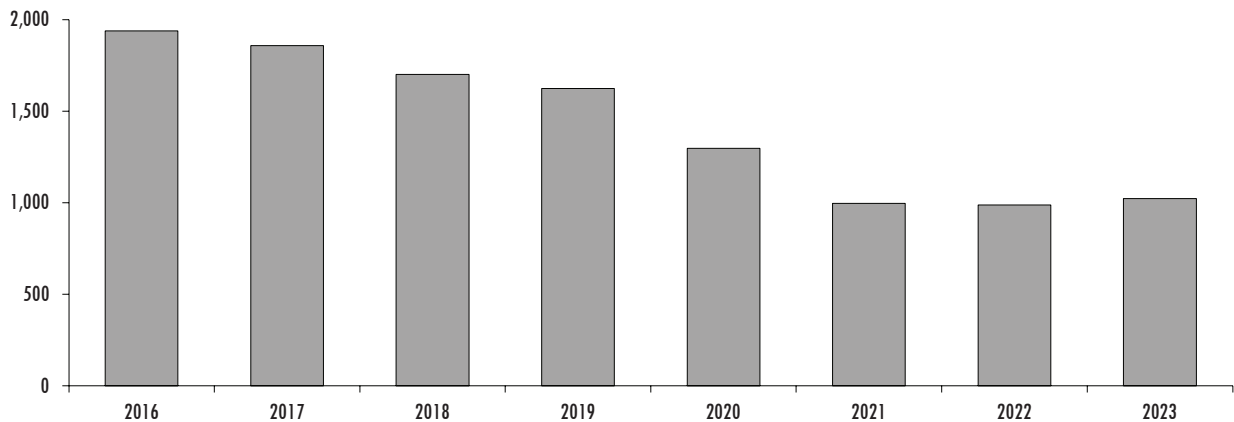
NOTE: Fiscal years 2016 through 2023 show expenditures, and fiscal years 2024 and 2025 show appropriated values.
 SOURCES: Legislative Budget Board; Texas Juvenile Justice Department.

adjudication facilities primarily house youths from the time a youth enters custody after the commission of an offense until the case is heard in juvenile court. Residential post-adjudication facilities provide an alternative to state facility incarceration through placement in a locally operated secure or nonsecure facility for youth. Departments also contract for nonsecure placements in facilities licensed by the Department of Family and Protective Services. **Figure 253**

shows the ADP of juveniles in local residential facilities for fiscal years 2016 to 2023. Regional Diversion Alternative grants and Basic Probation Support appropriations for the 2024–25 biennium total \$51.6 million.

Juvenile Justice Alternative Education Programs (JJAEP) provide off-campus alternative education programs for students removed from the classroom for disciplinary reasons.

FIGURE 253
AVERAGE DAILY POPULATION OF JUVENILES IN LOCAL RESIDENTIAL FACILITIES
FISCAL YEARS 2016 TO 2023



SOURCES: Legislative Budget Board; Texas Juvenile Justice Department.

The number of students entering JJAEPs for fiscal year 2023 was 3,154, a 74.0 percent increase from fiscal year 2022. The increase is largely due to an unprecedented number of expulsions during the 2021–22 school year, which carried over into the 2022–23 school year.

ADMINISTRATION AND MONITORING

The administration and monitoring program area includes oversight and administrative functions of the agency, such as information technology, monitoring and inspections, training and certification, and the Office of the Independent Ombudsman (OIO). TJJD provides training, certification, and technical assistance to local juvenile probation department staff, sets minimum standards for juvenile probation officers and juvenile supervision officers, and requires 40.0 hours of continuing education annually. The agency also provides technical assistance and training for compliance with the federal Prison Rape Elimination Act. Additionally, the Texas Family Code requires TJJD to conduct annual inspections of each of the state's public or private detention facilities and of secure and nonsecure juvenile post-adjudication facilities.

The OIO is a separate state agency that investigates, evaluates, and secures the rights of youth in TJJD state facilities, county-operated facilities, and on TJJD parole. It provides families of youth within TJJD with various information, including a guide to grievance procedures, a family handbook, prevention information, and a parents' bill of rights. Appropriations for this agency are distributed through TJJD.

Administration and monitoring appropriations for the 2024–25 biennium total \$38.4 million and 189.8 FTE positions. Included in the appropriated amount is \$2.1 million and 14.0 FTE positions for the OIO.

PAROLE SERVICES

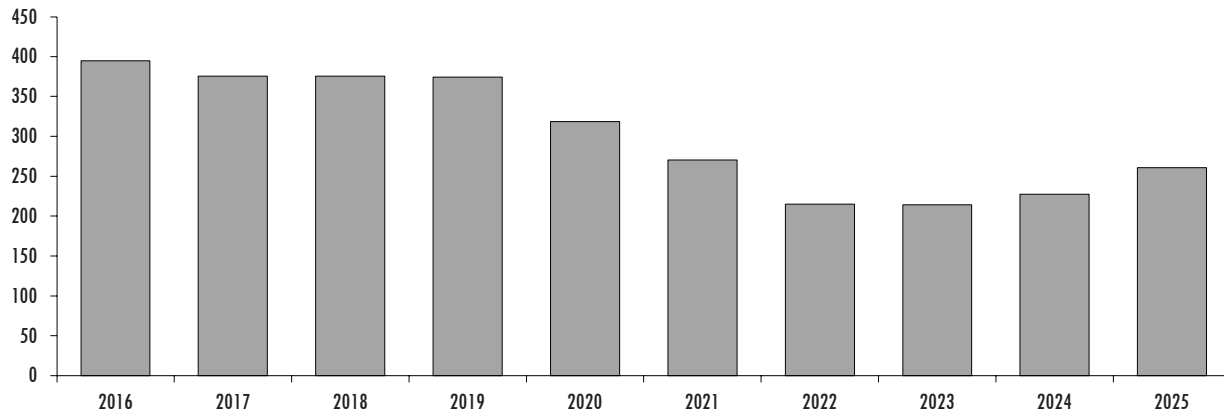
The parole services program area includes direct supervision and programs and services for youth released from residential programs. The agency employs parole officers and contracts with juvenile probation departments and a private contractor to provide a pre-determined level of supervision based on the risk posed by the youth. A youth's parole may be revoked, and the juvenile will be returned to a TJJD facility if they violate their conditions of parole. **Figure 254** shows the actual and projected ADP of youth on parole supervision for fiscal years 2016 to 2025. Parole services appropriations for the 2024–25 biennium total \$7.8 million and 57.0 FTE positions.

SIGNIFICANT LEGISLATION

House Bill 1595 – Services provided to certain youth detained in a juvenile detention facility. The legislation requires that a youth ordered to be detained in a juvenile detention facility be provided with education, programming, and other services consistent with the standards adopted by the Texas Juvenile Justice Board.

Senate Bill 1727 – TJJD Sunset legislation. The legislation continues the operations of TJJD until September 1, 2027. Senate Bill 1727 adopts certain policy recommendations

FIGURE 254
ACTUAL AND PROJECTED JUVENILE PAROLE SUPERVISION AVERAGE DAILY POPULATION
FISCAL YEARS 2016 TO 2025



NOTE: Fiscal years 2024 and 2025 populations are projected.
 SOURCES: Legislative Budget Board; Texas Juvenile Justice Department.

from the Sunset Advisory Commission relating to regionalization plan requirements, the Texas Juvenile Justice Board’s composition and duties, inspection procedures, and certification requirements for juvenile probation officers.

Senate Bill 1849 – Establishing an interagency reportable conduct search engine. The legislation requires that the Department of Information Resources collaborate with several state agencies, including TJJD, to create an interagency reportable conduct search engine to reduce the risk of harm to populations in schools and childcare, juvenile justice, and long-term care facilities. Reportable conduct is defined as a participating state agency’s final determination that an individual engaged in abuse, neglect, exploitation, or misconduct.

TEXAS COMMISSION ON LAW ENFORCEMENT

PURPOSE: To screen, develop, and monitor resources for continuing education for law enforcement officers, and set standards for behavior; and to develop, maintain, and enforce minimum qualifications for the selection, training, and certification of law enforcement personnel, county correctional officers, and telecommunicators.

ESTABLISHED: 1965

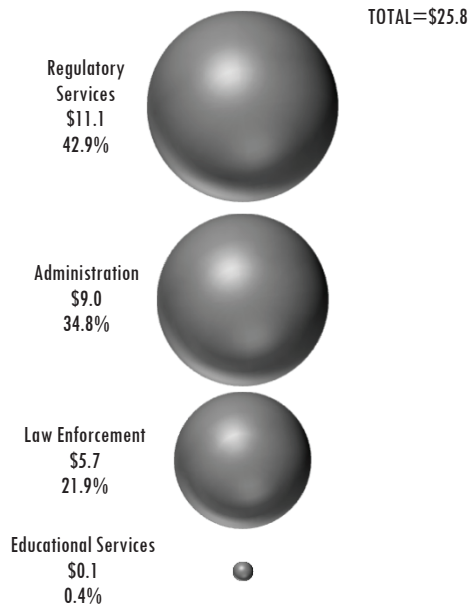
AUTHORIZING STATUTE: The Texas Occupations Code, §1701.051

GOVERNANCE: Nine-member commission appointed by the Governor with the advice and consent of the Senate; three must be chief administrators of law enforcement agencies; three must be individuals licensed by the commission; and three must be from the private sector

FIGURE 255
TEXAS COMMISSION ON LAW ENFORCEMENT BY METHOD OF FINANCE

METHOD OF FINANCE	(IN MILLIONS)				APPROPRIATED FULL-TIME-EQUIVALENT POSITIONS	
	ESTIMATED/BUDGETED 2022–23	APPROPRIATED 2024–25	BIENNIAL CHANGE	PERCENTAGE CHANGE		
General Revenue Funds	\$10.7	\$24.5	\$13.7	128.1%	2024 96.6 2025 96.6	
General Revenue–Dedicated Funds	\$0.1	\$0.0	(\$0.1)	(96.2%)		
Federal Funds	\$5.8	\$0.0	(\$5.8)	(100.0%)		
Other Funds	\$1.4	\$1.4	(\$0.0)	(3.5%)		
Total, All Methods of Finance	\$18.1	\$25.8	\$7.7	42.8%		

AGENCY PROGRAM AREAS BY APPROPRIATION (IN MILLIONS)



SIGNIFICANT DEVELOPMENTS

Appropriations of \$5.7 million are provided for law enforcement, including the agency's Enforcement, Border Security – Investigations, and Civil Justice Repository programs. A portion of the funding supports 2.0 full-time-equivalent (FTE) investigator positions dedicated to border security efforts.

Regulatory Services appropriations increase by \$2.2 million, which includes funding for the Texas School Marshal Program. This amount includes an additional 2.0 FTE positions, six training classes, training materials, and psychological exams.

SOURCE: Legislative Budget Board.

MAJOR FUNDING

Appropriations to the Texas Commission on Law Enforcement (TCOLE) for the 2024–25 biennium total \$25.8 million in All Funds, which is a net increase of \$7.7 million or 42.8 percent. Appropriation increases include the following amounts:

- \$4.6 million for Senate Bill 1445, Eighty-eighth Legislature, Regular Session, 2023, relating to TCOLE’s Sunset legislation;
- \$2.6 million for staff salary increases and 5.0 full-time-equivalent (FTE) positions to manage existing workload in the agency;
- \$1.9 million related to enhancements and maintenance of the Texas Commission on Law Enforcement Data Distribution System;
- \$1.3 million for the School Marshal Program,
- \$1.3 million for the Law Enforcement Peer Network; and
- \$0.5 million for Data Center Services.

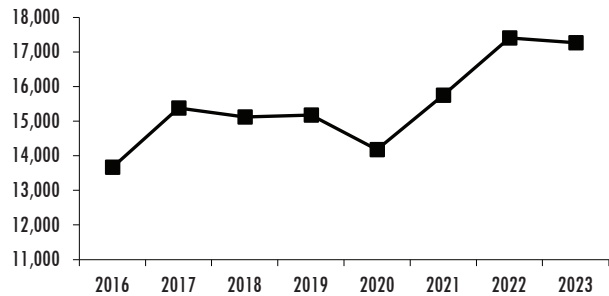
Historically, the agency was funded primarily with General Revenue–Dedicated Funds from Account No. 116, Law Enforcement Officer Standards and Education, which has been replaced with \$5.9 million in General Revenue Funds as a method-of-finance adjustment for the 2024–25 biennium to address the depleting account balance. In addition, Senate Bill 8, Eighty-seventh Legislature, Third Called Session, 2021, appropriated \$5.8 million in federal pandemic-related funding to address matters related to shortfalls in court fee collections.

PROGRAMS

TCOLE licenses, regulates, and provides continuing education for more than 113,000 active law enforcement, corrections, and telecommunications personnel that are employed by more than 2,750 state and local government agencies. The agency executes these functions primarily through four program areas: (1) regulatory services, (2) administration, (3) law enforcement, and (4) educational services.

The regulatory services program area includes the licensing and standards development programs. The licensing program issues licenses to individuals, including peace officers,

FIGURE 256
TEXAS COMMISSION ON LAW ENFORCEMENT
NEW LICENSES ISSUED
FISCAL YEARS 2016 TO 2023



SOURCE: Texas Commission on Law Enforcement.

contract jailers, telecommunicators, and school marshals, and to law enforcement agencies through appropriate examinations and other qualification criteria.

Unlike peace officer standards and training commissions in most states, TCOLE does not operate a police academy. TCOLE licenses state and local governments to operate training academies with a curriculum that conforms to basic standards. Texas has 115 licensed law enforcement academies and 211 contractual training providers that offered approximately 1,704 law enforcement training courses during fiscal year 2023. The agency maintains a statewide network of 76 facilities for administering licensing examinations. During fiscal year 2023, TCOLE administered 12,982 licensing exams and issued 17,265 new licenses. **Figure 256** shows the number of new licenses the agency issued from fiscal years 2016 to 2023.

During fiscal year 2018, TCOLE received \$0.1 million in funding from the Office of the Governor to increase the number of school marshals. Before the first grant-funded course during fiscal year 2018, the state had 34 appointed school marshals. As of August 2023, the state had 350 appointed school marshals participating from 79 districts. The Eighty-eighth Legislature, Regular Session, 2023, appropriated \$1.3 million in additional funding for school marshal training during the 2024–25 biennium.

The standards development program establishes standards for enrollment in licensing courses for law enforcement officers, contract jailers, telecommunicators, school marshals, and law enforcement agencies. This program also oversees the development and delivery of law enforcement training and education in Texas. The regulatory services program area

is appropriated \$11.1 million in All Funds and 37.1 FTE positions for the 2024–25 biennium.

The administration program area consists of the technical assistance and indirect administration programs. The technical assistance program provides assistance to licensees such as audits and investigations to enforce rules and standards and to verify licensees' qualifications. The indirect administration program supports agency functions and the other program areas through budgeting, payroll, and human resource services. The program area is appropriated \$9.0 million in All Funds and 27.8 FTE positions for the 2024–25 biennium.

The law enforcement program area serves to revoke, suspend, or cancel licenses, and to issue reprimands to licensees for violations of statutes or TCOLE rules. It includes the Enforcement, Border Security Investigations, and Civil Justice Data Repository programs. Inquiries are initiated when information emerges about conduct by licensed personnel that may result in disciplinary action or investigation. This program area is appropriated \$5.7 million in All Funds and 31.7 FTE positions for the 2024–25 biennium. A portion of this funding supports 2.0 investigator positions dedicated to liaising with the Department of Public Safety regarding border security efforts.

The educational services program area includes the distance learning program, which operates and maintains TCOLE Online, previously known as the Peace Officers Standards Education Internet Training program. TCOLE Online enables peace officers to enroll in continuing education courses online. Beginning in fiscal year 2012, TCOLE Online has been funded primarily by revenues collected by the agency from issuing intermediate, advanced, and master peace officer and jailer certifications. This program is appropriated \$0.1 million in All Funds for the 2024–25 biennium.

SIGNIFICANT LEGISLATION

Senate Bill 1445 – TCOLE Sunset legislation. The legislation amends the Texas Government Code and the Texas Occupation Code regarding the continuation and functions of TCOLE. The legislation requires TCOLE to set and enforce minimum standards for law enforcement agencies, establish a database for law enforcement agencies, amend F-5 forms, implement a public-accessible database, and implement other functions. The legislation continues TCOLE for an additional eight years.

Senate Bill 1852 – Active shooter training. The legislation adds a minimum of 16.0 hours of active shooter training to peace officer training requirements established by TCOLE.

TEXAS MILITARY DEPARTMENT

PURPOSE: To provide administrative and financial resources for state activities conducted by the three branches of the Texas military forces: the Texas Army National Guard, the Texas Air National Guard, and the Texas State Guard.

ESTABLISHED: 1905

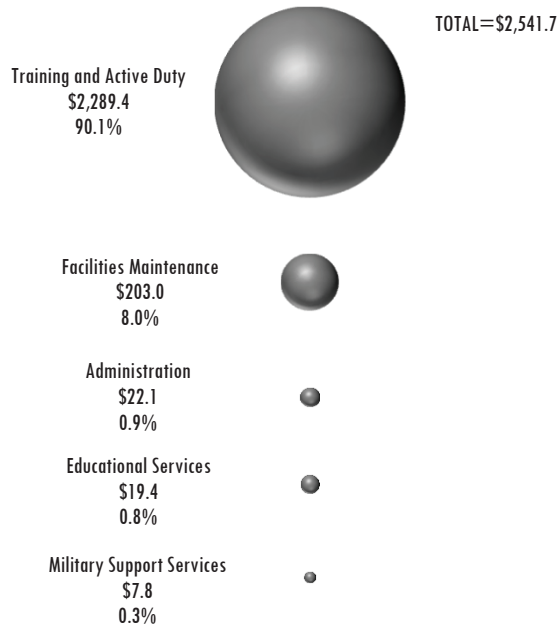
AUTHORIZING STATUTE: The Texas Government Code, Chapter 437

GOVERNANCE: Adjutant General, appointed by the Governor with the advice and consent of the Senate

FIGURE 257
TEXAS MILITARY DEPARTMENT BY METHOD OF FINANCE

METHOD OF FINANCE	(IN MILLIONS)				APPROPRIATED FULL-TIME-EQUIVALENT POSITIONS				
	ESTIMATED/BUDGETED 2022–23	APPROPRIATED 2024–25	BIENNIAL CHANGE	PERCENTAGE CHANGE					
General Revenue Funds	\$456.8	\$2,379.6	\$1,922.8	420.9%	<table border="1"> <tr> <td>2024</td> <td>670.5</td> </tr> <tr> <td>2025</td> <td>670.5</td> </tr> </table>	2024	670.5	2025	670.5
2024	670.5								
2025	670.5								
General Revenue–Dedicated Funds	\$0.0	\$0.0	\$0.0	N/A					
Federal Funds	\$126.6	\$142.1	\$15.4	12.2%					
Other Funds	\$1,267.8	\$20.1	(\$1,247.8)	(98.4%)					
Total, All Methods of Finance	\$1,851.3	\$2,541.7	\$690.4	37.3%					

AGENCY PROGRAM AREAS BY APPROPRIATION (IN MILLIONS)



SIGNIFICANT DEVELOPMENTS

Appropriations of **\$2,265.5 million in General Revenue Funds** are provided for border security activities as part of Operation Lone Star for the 2024–25 biennium. Most funding was appropriated previously to Trusteed Programs within the Office of the Governor.

Appropriations for military support services increase by **\$1.9 million, including \$1.2 million for High Risk Mental Health Intervention and additional counselors.**

Appropriations for the **State of Texas Army Revitalization program** increase by \$10.0 million in General Revenue Funds and \$5.0 million in federal matching funds for development and implementation of multiple armory renovation projects.

Appropriations for **Tuition Assistance total \$6.6 million** in General Revenue Funds, a \$5.0 million increase from the previous biennium. Awards are for up to 15.0 credit hours per semester.

SOURCE: Legislative Budget Board.

MAJOR FUNDING

Appropriations for the 2024–25 biennium total \$2,541.7 million in All Funds, which is a net increase of \$690.4 million from the 2022–23 biennial expenditure level, primarily due to the following increases:

- \$613.0 million for Operation Lone Star and other supporting border security activities, which includes \$60.1 million to raise the State Active Duty per diem rates for the Texas military forces;
- \$20.0 million in General Revenue Funds for Camp Bowie upgrades; and
- \$10.0 million in General Revenue Funds and \$5.0 million in Federal Funds for State of Texas Armory Revitalization.

Increases also include funding for the statewide salary adjustment, State Tuition Assistance, Mental Health services, and additional counselors.

PROGRAMS

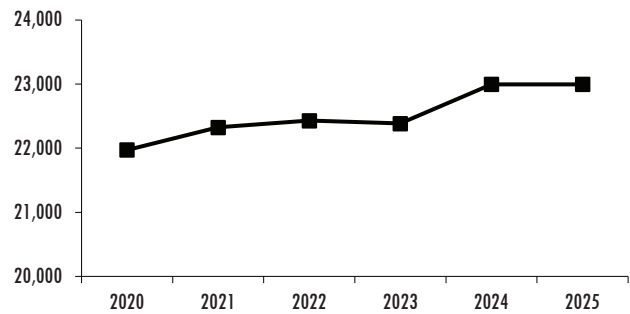
The Texas Military Department (TMD) carries out its responsibilities through five major program areas: (1) training and active duty, (2) facilities maintenance and operations, (3) administration, (4) educational services, and (5) military support services.

TRAINING AND ACTIVE DUTY

This program area encompasses activities of the Texas military forces (TXMF): the Texas Army National Guard and the Texas Air National Guard (collectively, TXNG), and the Texas State Guard (TXSG). Approximately 24,150 service members are serving in the Texas military forces, making it the largest state military force in the country. **Figures 258 and 259** show trends during recent years in the number of personnel serving in the TXNG and TXSG, respectively. Appropriations for the training and active-duty program area total \$2,289.4 million in All Funds.

TXNG consists of 22,384 service members as of August 2023, and it has a dual mission. First, the Governor may order the TXNG to active duty to provide trained and equipped military personnel to assist civil authorities in the protection of life and property and the preservation of law, order, and public safety in the state. TXNG's second role is as a first-line reserve component of the U.S. Army and the U.S. Air Force, and it may be called into active federal service by the U.S. President to provide military personnel for war, for national emergencies, or to augment active forces in the interest of national security. Members provide emergency response support to law enforcement, support to civil

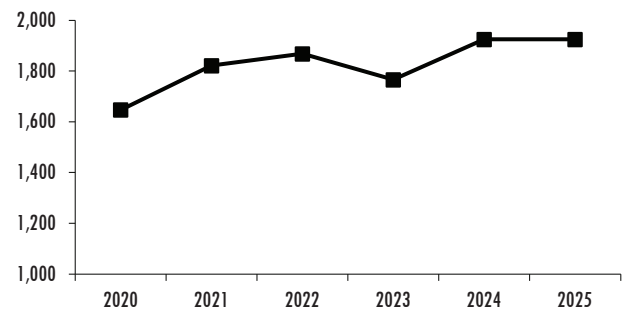
FIGURE 258
TEXAS NATIONAL GUARD MEMBERS
FISCAL YEARS 2020 TO 2025



NOTE: Amounts for fiscal years 2024 and 2025 are projected.

SOURCES: Legislative Budget Board; Texas Military Department.

FIGURE 259
TEXAS STATE GUARD MEMBERS
FISCAL YEARS 2020 TO 2025



NOTE: Amounts for fiscal years 2024 and 2025 are projected.

SOURCES: Legislative Budget Board; Texas Military Department.

authorities, cold weather operations support, and response to wildfire outbreaks, as needed. TXNG members currently are supporting major federal operations in the Middle East.

TXNG also has participated in border security missions in the state since fiscal year 2006, with missions primarily being funded federally until fiscal year 2014. The Eighty-eighth Legislature, Regular Session, 2023, appropriated a total of \$2,265.5 million in General Revenue Funds for TXNG's continued border security involvement as part of Operation Lone Star for the 2024–25 biennium; this replaces Other Funds from the Office of the Governor's Disaster, Deficiency, and Emergency Grants in the 2022–23 biennium.

The other component of the Texas military forces, TXSG, is an all-volunteer state defense force, subject to active duty when called by the Governor to serve Texas in time of emergency. **Figure 259** shows the number of TXSG members for fiscal years 2020 to 2025. During fiscal year 2023, approximately 1,766 TXSG members were in military units

typically placed with TXNG units. TMD estimates that personnel will complete 29,870 TXSG and TXNG training days per year for the 2024–25 biennium. Geographic restructuring and the effects of the COVID-19 pandemic decreased the number of TXSG members in fiscal year 2020.

FACILITIES MAINTENANCE AND OPERATIONS

The facilities maintenance and operations program includes the utilities, repair, and maintenance of military facilities and equipment owned or licensed by the state located on state or federal property. For the 2024–25 biennium, the agency will maintain approximately 4,000 buildings statewide, totaling more than 7.4 million square feet. Appropriations for the facilities maintenance program area total \$203.0 million in All Funds for the 2024–25 biennium, which represents a \$60.1 million increase from 2022–23 biennial spending levels.

The Eighty-eighth Legislature, 2023, appropriated \$15.0 million in All Funds for the State of Texas Armory Revitalization program to provide funding for the design and execution of two to four construction projects during the 2024–25 biennium, including \$10.0 million in General Revenue Funds and \$5.0 million in Federal Funds.

The Eighty-eighth Legislature, 2023, appropriated an additional \$20.0 million in General Revenue Funds for Camp Bowie Training Center Upgrades. The agency’s request was for billets, dining, administration, and medical facilities, and a secure entry control point.

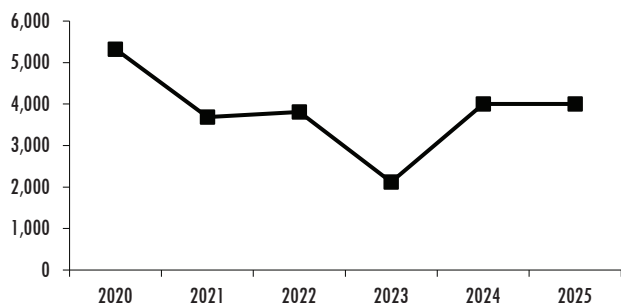
ADMINISTRATION

Administration programs include debt service on outstanding bonds, insurance, audit fees, and administrative fees to finance the state costs of armory construction and major maintenance and repair, and the central administration, finance, and human resource divisions of the agency. TMD is appropriated 135.8 full-time-equivalent positions to provide these services for all state military employees and TXMF members. Appropriations for the administration program area for the 2024–25 biennium total \$22.1 million.

EDUCATIONAL SERVICES

The educational services program area primarily consists of the ChalleNGe Academy program, the STARBASE program, and the military tuition assistance program. The ChalleNGe Academy is a five-month residential cooperative program and yearlong mentoring program between Texas and the National Guard Bureau. The ChalleNGe Academy is a military-style training, education, and skills program serving a projected 260

FIGURE 260
TEXAS MILITARY DEPARTMENT CLIENTS RECEIVING MENTAL HEALTH SERVICES, FISCAL YEARS 2020 TO 2025



NOTE: Fiscal years 2024 and 2025 client populations are projected.
 SOURCES: Legislative Budget Board; Texas Military Department.

youths per year. ChalleNGe targets youth ages 16 to 18 who have dropped out of high school or are at risk of not completing high school with the goal of helping them earn diplomas, certificates of high school general equivalency, or additional high school credits. The ChalleNGe Academy is funded through a combination of Federal Funds and an Interagency Contract from the Foundation School Program. The total All Funds appropriation for the ChalleNGe Academy is \$8.3 million for the 2024–25 biennium.

STARBASE is a five-week, in-class, interactive, academic outreach program that aims to increase middle school youths’ interest and knowledge in science, math, engineering, and technology fields. STARBASE is funded with Federal Funds from the National Guard Bureau, totaling \$4.1 million for the 2024–25 biennium.

Texas military forces members may use state military tuition assistance for tuition costs and mandatory fees associated with postsecondary education. The military tuition assistance program is the only type of educational assistance available for certain Texas military forces members. The Eighty-eighth Legislature, 2023, appropriated an additional \$5.0 million in General Revenue Funds for tuition assistance for the 2024–25 biennium, for a total of \$6.6 million in All Funds.

Appropriations for the educational services program area total \$19.4 million in All Funds for the 2024–25 biennium.

MILITARY SUPPORT SERVICES

The military support services program area includes the mental health services program, which provides counseling services to service members of TXNG and TXSG. The program previously provided counseling services for National Guard and State Guard members, families, and veterans.

Figure 260 shows the actual number of individuals served

through TMD's mental health services from fiscal years 2020 to 2023 and projected for 2024–25. The number of clients receiving services is lower in fiscal year 2023 due to staff counselor vacancies, which the Legislature funded for the 2024–25 biennium. This measure previously included group training and now is defined as individual sessions. Appropriations for the military support services program area total \$7.8 million in General Revenue Funds, including \$4.6 million for family readiness services and \$1.2 million for a sexual offense prevention and response program.

SIGNIFICANT LEGISLATION

House Bill 90 – Texas Military Forces benefits. The legislation provides a lump-sum payment to certain survivors or members of Texas military forces who died on or after March 6, 2021, but before September 1, 2023, and whose deaths were connected to operations initiated to address criminal activity in the border region.

TEXAS DEPARTMENT OF PUBLIC SAFETY

PURPOSE: To enforce laws protecting and promoting public safety by the prevention and detection of crime and terrorism; improve highway safety and public safety communications; and provide regulatory and licensing services.

ESTABLISHED: 1935

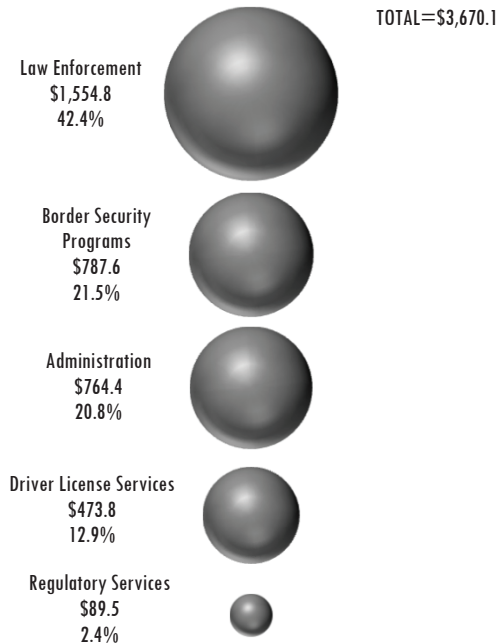
AUTHORIZING STATUTE: The Texas Government Code, §411.002

GOVERNANCE: Five-member board appointed by the Governor and confirmed by the Senate; members must have and maintain a secret security clearance granted by the U.S. government

FIGURE 261
TEXAS DEPARTMENT OF PUBLIC SAFETY BY METHOD OF FINANCE

METHOD OF FINANCE	(IN MILLIONS)				APPROPRIATED FULL-TIME-EQUIVALENT POSITIONS
	ESTIMATED/BUDGETED 2022–23	APPROPRIATED 2024–25	BIENNIAL CHANGE	PERCENTAGE CHANGE	
General Revenue Funds	\$2,616.1	\$3,405.3	\$789.2	30.2%	2024 11,713.2 2025 11,713.2
General Revenue–Dedicated Funds	\$22.7	\$24.7	\$2.0	8.8%	
Federal Funds	\$221.5	\$80.1	(\$141.4)	(63.8%)	
Other Funds	\$155.2	\$159.9	\$4.7	3.0%	
Total, All Methods of Finance	\$3,015.6	\$3,670.1	\$654.5	21.7%	

AGENCY PROGRAM AREAS BY APPROPRIATION (IN MILLIONS)



SIGNIFICANT DEVELOPMENTS

Appropriations include \$27.1 million in General Revenue Funds to **expand statewide intelligence** through proactive threat identification and data analytic tools and 42.0 additional full-time-equivalent positions.

Border security funding totals \$1,234.6 million in All Funds, which includes \$151.4 million for the biennialization of Operation Lone Star surge costs and \$75.7 million for the statewide salary adjustment.

Funding totals \$35.0 million in General Revenue Funds for the Department of Public Safety to **conduct a minimum of six trooper recruit schools** for the 2024–25 biennium and provide \$5,000 onetime bonuses to graduating troopers.

Appropriations provide \$381.5 million in General Revenue Funds for the **construction and expansion** of the Williamson County Training Academy facility; additional funds are appropriated for a canine kennel and to plan a new headquarters in El Paso.

SOURCE: Legislative Budget Board.

MAJOR FUNDING

Appropriations for the Department of Public Safety (DPS) for the 2024–25 biennium total \$3,670.1 million in All Funds, which is a net increase of \$654.5 million, or 21.7 percent, from the 2022–23 biennial spending level. Appropriations increases include the following amounts in General Revenue Funds:

- \$381.5 million for the expansion of the Williamson County Training Academy facility;
- \$151.4 million for the biennialization of Operation Lone Star 52-week surge costs;
- \$128.6 million for the statewide salary adjustment, including commissioned peace officer positions;
- \$31.1 million for 50.0 commissioned peace officer full-time-equivalent (FTE) positions and 17.0 support staff positions;
- \$27.1 million for the expansion of statewide intelligence and analytical support efforts;
- \$23.8 million for communication radio infrastructure improvements and equipment leases;
- \$23.7 million for a Special Threat Training Facility in Montgomery County;
- \$22.5 million for the implementation of a new License to Carry and agency licensing platform;
- \$19.0 million for 22.5 FTE positions, cybersecurity infrastructure, and software equipment upgrades;
- \$18.9 million for three additional recruit schools and onetime recruitment payments not to exceed \$5,000 for graduates of the agency’s training academy;
- \$15.6 million for 41.0 FTE positions and crime laboratory equipment to reduce the forensic toxicology testing backlog;
- \$15.5 million for deferred maintenance and facility upgrades;
- \$12.8 million for ballistic-resistant windshields and windows for Texas Highway Patrol vehicles;
- \$12.8 million for the creation of DNA records for certain felony offenses;
- \$10.0 million for a perimeter fence at the Austin Headquarters facility; and

- \$10.0 million for planning and preparation of a new regional headquarters in El Paso.

These increases are offset by decreases in General Revenue Funds from onetime funding projects, such as \$107.6 million for vehicle replacement and \$4.4 million for the League City Driver License Office. Other decreases primarily include \$22.0 million in Other Funds related to bullet-resistant windshields for highway patrol vehicles, \$8.8 million in General Obligation Bond Proceeds expended during the 2022–23 biennium, and \$3.0 million for the construction of a consolidated law enforcement office in Brazoria County.

Additionally, \$138.1 million in Federal Funds is replaced by the same amount of General Revenue Funds in the 2024–25 biennium to cover salaries and benefits in response to the COVID-19 pandemic. Other Federal Fund changes include a decrease of \$10.1 million for vehicle replacements, and an increase of \$17.2 million for the Motor Carrier Safety Assistance Program.

Senate Bill 30, Eighty-eighth Legislature, Regular Session, 2023, provides DPS with the following increases in fiscal year 2023:

- \$119.5 million in General Revenue Funds, \$10.1 million in Federal Funds, and \$0.5 million in Other Funds for the purchase of motor vehicles;
- \$47.3 million in General Revenue Funds for Operation Lone Star border security deployment;
- \$21.2 million in General Revenue Funds for aircraft replacement, including two helicopters and one fixed-wing airplane; and
- \$3.0 million in General Revenue Funds for an equine facility.

Senate Bill 3, Eighty-eighth Legislature, Fourth Called Session, 2023, provides a \$40.0 million increase in Interagency Contracts from Trusteed Programs within the Office of the Governor for border security operations, including overtime expenses and costs due to increased law enforcement presence.

FULL-TIME-EQUIVALENT POSITIONS

As shown in **Figure 262**, the total number of FTE positions employed by DPS increased by 28.9 percent, from 9,088.0 positions during fiscal year 2016 to 11,713.2 appropriated positions for fiscal year 2025. Included in these total positions is an increase in the number of commissioned peace officers

from 3,717.0 FTE positions to 4,728.0 positions, or 27.2 percent, primarily attributable to increases in state trooper presence along the Texas–Mexico border and new human trafficking and anti-gang task forces. During the same period, the number of noncommissioned staff increased from 5,371.0 FTE positions to 6,985.2 positions, or 30.1 percent, primarily attributed to increased staffing to support the new state troopers. The Eighty-eighth Legislature, Regular Session, 2023, appropriated \$128.6 million for a 5.0 percent salary increase each fiscal year for agency staff, including commissioned peace officer positions.

DPS replenishes its cadre of active troopers by operating recruit schools at various times of the year. DPS trains qualified trooper applicants through a 29-week recruit school that graduates successful recruits as probationary troopers. DPS is appropriated \$32.0 million to conduct a minimum of six recruit school classes during the 2024–25 biennium with an estimated graduation rate of 92 new troopers per class. In order to address attrition, the Eighty-eighth Legislature, Regular Session, 2023, appropriated \$3.0 million to provide bonuses of up to \$5,000 to graduating troopers.

PROGRAMS

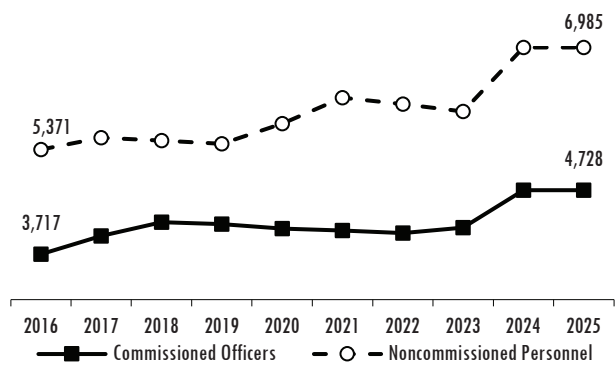
DPS is organized into 19 major divisions: Texas Highway Patrol, Texas Rangers, criminal investigations, aircraft operations, driver license, finance, general counsel, information technology, infrastructure operations, intelligence and counterterrorism, crime lab, crime records, training operations, regulatory services, executive office, chief auditor’s office, office of inspector general, cybersecurity, and media and government relations.

DPS accomplishes its mission of preventing crime and terrorism, saving lives, protecting property, maintaining public order, and providing secure licensing services through five major program areas: (1) law enforcement; (2) administration; (3) border security; (4) driver license services; and (5) regulatory services.

LAW ENFORCEMENT

The law enforcement program area focuses on the agency’s core mission to promote improved public safety outcomes by eliminating high-threat criminal organizations, enhancing highway security, providing forensic evidence analysis and access to criminal justice and emergency information, facilitating interoperable public safety communications, and conducting investigations that result in the incarceration of corrupt public officials and high-threat criminals.

FIGURE 262
DEPARTMENT OF PUBLIC SAFETY COMMISSIONED AND NONCOMMISSIONED STAFF, FISCAL YEARS 2016 TO 2025



NOTES:
 (1) Positions shown for fiscal years 2016 to 2023 are actual, filled full-time-equivalent (FTE) positions.
 (2) Positions shown for fiscal years 2024 and 2025 are appropriated FTE positions.
 SOURCES: Legislative Budget Board; Department of Public Safety.

Appropriations for the law enforcement program area for the 2024–25 biennium total \$1,554.8 million in All Funds. The main functions are accomplished through 16 programs such as traffic enforcement, criminal investigations, intelligence, crime laboratory services, crime records services, and anti-human trafficking.

TRAFFIC ENFORCEMENT

The largest program within the law enforcement program area is traffic enforcement, which is part of the Texas Highway Patrol Division (THPD). THPD protects public safety in Texas through the enforcement of traffic and criminal laws. It also has regulatory responsibilities in the areas of commercial vehicle and motor carrier regulations. THPD assists in disaster-response activities and provides security and law enforcement for the Capitol and the Capitol Complex. Program-level funding for traffic enforcement totals \$541.1 million in All Funds for the 2024–25 biennium; appropriations for THPD are included in several programs, including traffic enforcement, and total \$695.6 million for the 2024–25 biennium with an anticipated staffing level for fiscal year 2025 of 2,981.5 FTE positions, including commissioned officers and support staff.

CRIMINAL INVESTIGATIONS

The criminal investigation functions of the agency include the Texas Rangers and Criminal Investigations divisions. The Criminal Investigations Division (CID) is responsible

for conducting criminal enterprise investigations targeting organized criminal groups that constitute the greatest threats to the state. CID includes programs focused on human and drug trafficking, gang activity, and other specialized investigations such as fraud, cargo theft, vehicle theft, illegal gambling, sex offenders and other violent fugitives. CID also provides polygraph services and technical investigative support within DPS and to other law enforcement agencies. Appropriations for the 2024–25 biennium for programs within the Criminal Investigations Division total \$196.4 million in All Funds, with an anticipated fiscal year 2025 staffing level of 877.5 FTE positions.

The Texas Rangers Division's (TRD) primary responsibilities include major crime investigation and investigation of public corruption and criminal conduct by DPS staff. TRD also assists local police agencies with investigating felony offenses such as murder, sexual assault, and robbery, and operates the Unsolved Crimes Investigation Program (UCIP) and the Public Integrity Unit (PIU). UCIP investigates murders, missing persons cases, or linked criminal transactions that are no longer active within other law enforcement agencies. PIU conducts public corruption investigations and includes fiscal and criminal analytical resources. During fiscal year 2023, criminal investigations by the Texas Rangers resulted in 373 arrests, including 122 arrests that were the result of special response teams. Appropriations for the 2024–25 biennium for TRD totals \$52.4 million in All Funds, with an anticipated fiscal year 2025 staffing level of 192.0 FTE positions.

TRD also includes a Special Operations Group that oversees the agency's Special Weapons and Tactics Team, Regional Special Response Teams, Ranger Reconnaissance Team, Crisis Negotiations Unit, Explosive Ordinance Disposal Unit, Joint Operations Intelligence Centers, and the Border Security Operations Center.

INTELLIGENCE

DPS's Intelligence and Counterterrorism Division (ICT) serves as a statewide intelligence entity that leverages DPS's intelligence and fusion capabilities with those of other intelligence entities. ICT gathers and disseminates criminal intelligence information related to terrorist activities to advance homeland security initiatives. It also is responsible for the Texas Fusion Center, located in Austin, which works with federal, state, regional, and local law enforcement and serves as the state repository for homeland security

information and incident reporting. The Texas Fusion Center provides intelligence support to law enforcement and public safety authorities and consolidates information regarding suspicious activities that may represent threats to the public. Appropriations for the 2024–25 biennium for intelligence programs total \$66.2 million in All Funds, with an anticipated fiscal year 2025 staffing level of 192.0 FTE positions. Appropriations increases primarily include \$22.2 million for the expansion of statewide intelligence and analytical support efforts, \$4.7 million for 26.0 FTE positions to support expanded intelligence efforts, and \$2.1 million for positions to support newly commissioned peace officer positions. The Eighty-eighth Legislature, General Appropriations Act (GAA), 2024–25 Biennium, also includes \$5.0 million in General Revenue Funds to biennialize the expansion of the agency's Fusion Center research and capabilities.

CRIME LABORATORY SERVICES

DPS provides forensic and analytical services to law enforcement agencies investigating crimes through a system of 16 crime laboratories in locations across Texas, including two statewide programs related to the DNA database and breath alcohol testing. The agency provides analysis of biological evidence or DNA evidence; seized drugs; toxicology, including alcohol and drug; trace evidence, such as hair, fibers, gunshot residue, and fire debris; and evidence from other forensic disciplines. Crime laboratory personnel also provide expert testimony regarding analysis of evidence and interpretation of technical data and findings. Appropriations for the 2024–25 biennium for crime laboratory services total \$178.0 million in All Funds, with an anticipated fiscal year 2025 staffing level of 662.0 FTE positions. Appropriations increases primarily include \$15.6 million for 41.0 FTE positions and crime laboratory equipment to reduce the forensic toxicology testing backlog; \$12.8 million and 15.0 FTE positions for DNA record creation related to the enactment of House Bill 3956, Eighty-eighth Legislature, Regular Session, 2023; \$6.8 million for the reconfiguration and improvement of the Crime Laboratory in Austin; and \$3.2 million and 7.0 FTE positions for a Forensic Laboratory Discovery Portal.

Figure 263 shows the number of sexual assault kit and drug toxicology tests the lab completed from fiscal years 2016 to 2023. In fiscal year 2023, DPS reported a backlog of 9,384 drug toxicology kits, and no backlog for sexual assault kits. Drug toxicology kits are considered backlogged if not tested

within 60 days and sexual assault kits are considered backlogged if not tested within 90 days.

CRIME RECORDS SERVICE

DPS administers statewide information systems to provide criminal justice information to authorized users in a rapid and usable format. The Crime Records Service collects information regarding criminal history and fingerprinting records, sex offender identification, and crime statistics. The Crime Records Service relies significantly upon information sharing among local, state, and federal law enforcement agencies. During fiscal year 2023, the Crime Records Service processed more than 1.2 million fingerprint criminal history checks and 7.3 million criminal justice, public site, and secure site name searches.

ADMINISTRATION

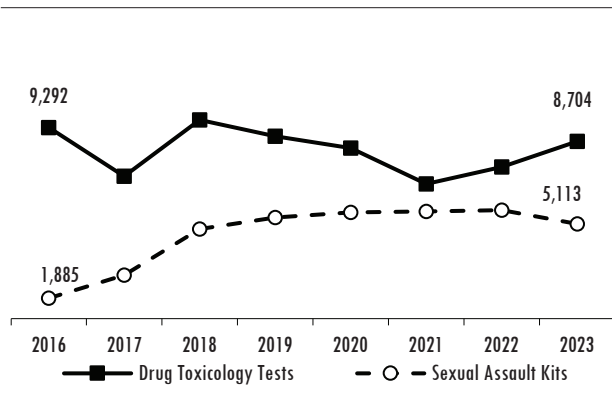
The administration program area includes programs relating to direct or indirect administration at DPS. These programs include facilities management, financial management, headquarters administration, human resources, information technology, regional administration, and training academy and development. Appropriations for the administration program area total \$764.4 million in All Funds for the 2024–25 biennium, which is an increase of \$465.4 million, or 155.7 percent. The increase is primarily attributable to \$381.5 million to expand the Williamson County Training Academy Facility, \$25.5 million for perimeter fence and facilities maintenance at the Austin Headquarters, \$23.7 million for a special threat training facility, \$23.5 million for cybersecurity and information technology, \$18.9 million for three recruit schools and trooper bonuses, and \$10.0 million to plan a regional headquarters facility in El Paso. This is offset by a \$12.1 million decrease in Other Funds for various items including a law enforcement center in Brazoria County and general obligation bonds.

BORDER SECURITY PROGRAMS

The border security programs include activities centering on Operation Lone Star (OLS) and other efforts responding to law enforcement threats in the border region. Historically, the Legislature has made significant fiscal investments in state and local efforts to enhance border security. The Eighty-eighth Legislature, Regular Session, 2023, appropriated \$151.4 million in General Revenue to biennialize OLS and \$75.5 million for salary adjustments.

The Border Security program area represents \$787.6 million in All Funds. An additional \$447.0 million in border

FIGURE 263
DEPARTMENT OF PUBLIC SAFETY CRIME LABORATORY
SERVICES' SEXUAL ASSAULT KIT AND DRUG TOXICOLOGY
TESTS COMPLETED, FISCAL YEARS 2016 TO 2023



SOURCES: Legislative Budget Board; Department of Public Safety.

security-related funds is appropriated to other goals and program areas, primarily Law Enforcement, for trooper salaries and overtime. DPS's border security funding in the 2024–25 GAA is allocated for the following items across all goals and program areas:

- \$693.1 million appropriated to the agency prior to the Eighty-seventh Legislature for border security efforts such as 500 additional troopers, human trafficking prevention, anti-gang activities, and a mandatory 50-hour work week;
- \$56.7 million for 100 additional border troopers; \$38.0 million for mobile command and control systems, tactical airboats, aircraft, and drawbridge cameras; and \$154.8 million and 79.0 FTE positions appropriated by the Eighty-seventh Legislature, Regular Session, 2021, for OLS 52-week surge costs and marine unit vessels; and
- \$151.4 million to biennialize OLS 52-week surge costs in the 2024–25 biennium, and \$75.5 million for salary adjustments.

In addition to these amounts, Senate Bill 30, Eighty-eighth Legislature, Regular Session, 2023, provides DPS with \$47.3 million for border security and \$14.4 million for two helicopters and \$6.8 million for a fixed-wing airplane as supplemental appropriations in fiscal year 2023. DPS also allocated \$23.6 million to capital budget projects related to OLS and \$1.5 million to drones for border security purposes during the Eighty-seventh legislative interim. In addition, Senate Bill 3, Eighty-eighth Legislature, Fourth Called

Session, 2023, provides a \$40.0 million increase in Interagency Contracts from Trusteed Programs within the Office of the Governor for border security operations, including overtime expenses and costs due to increased law enforcement presence.

DRIVER LICENSE SERVICES

The Driver License Division (DL) serves license-qualified drivers and removes privileges from unsafe drivers; provides accurate records and documents in a timely manner to eligible customers; and supports law enforcement and criminal justice partners. DL regulates the competency of Texas drivers by testing new drivers and determining the eligibility of renewal applicants. It administered 5.2 million driver license examinations during fiscal year 2023. DL also is responsible for issuing most of the state identification used for voter identification purposes. During fiscal year 2023, 62.2 percent of those applying for a driver license or identification card experienced wait times of less than 45.0 minutes.

Appropriations for DL total \$473.8 million in All Funds and 3,115.3 FTE positions for the 2024–25 biennium, which is an increase of \$7.2 million in All Funds related to 45.0 additional FTE positions and funding to establish one new driver license office location.

REGULATORY SERVICES

The regulatory services program area provides regulatory services to all external and internal customers, and improves responsiveness, customer focus, and modern business practices in the delivery of all services. Appropriations for the regulatory services program area total \$89.5 million in All Funds for the 2024–25 biennium, which is an increase of \$21.3 million, or 31.2 percent. The increase is primarily attributable to funding for a new License to Carry and licensing platform to replace legacy systems. The regulatory programs at DPS include regulatory service compliance and safety education. Program area functions are administered by the Regulatory Services Division and carried out through several programs including the Private Security Program, handgun licensing, the vehicle inspection program, and the Texas metals program.

PRIVATE SECURITY PROGRAM

The Private Security Program (PSP) is an advisory committee that regulates the private security industry in Texas. State regulations for this industry include licensing private security companies and registering individuals

employed by those companies. The former standalone Texas state agency that licensed and regulated private security ultimately had its functions transferred to DPS, which then established PSP. PSP is associated with the statutorily established Texas Private Security Board, a seven-member board appointed by the Governor, which was established to hear appeals from applicants in accordance with the Texas Private Security Act. In addition, the board sets rules to administer the act. During fiscal year 2023, PSP issued 110,602 licenses and registrations.

HANDGUN LICENSING PROGRAM

DPS administers the Handgun Licensing Program as authorized by the Texas Government Code, Chapter 411, Subchapter H. DPS licenses individuals to carry handguns within Texas, evaluates the eligibility of applicants through criminal history background checks, and monitors those licensed to confirm their continued eligibility. DPS also trains and certifies instructors that teach the required courses to applicants. House Bill 1927, Eighty-seventh Legislature, Regular Session, 2021, removed the handgun license requirement for individuals 21 years of age or older not otherwise prohibited by state or federal law from possessing, carrying, transporting, or storing a firearm or other weapon. The legislation did not repeal the License to Carry program and citizens still may apply for a handgun license, although it is not a requirement.

VEHICLE INSPECTION PROGRAM

The DPS Vehicle Inspection Program (VIP) certifies vehicle inspectors and inspection stations, monitors compliance with inspection standards, and supervises vehicle emission programs intended to meet federal clean air requirements. VIP has the authority to deny certification of inspectors and stations and to suspend or revoke station and inspector certification. VIP also is responsible for the sale and fulfillment of orders for inspection certificates. During fiscal year 2023, 42,167 certified inspectors at 11,911 licensed inspection stations performed 23.3 million inspections.

METAL RECYCLING ENTITIES

Pursuant to the Texas Occupations Code, Chapter 1956, DPS is responsible for registering all metal recycling entities operating in Texas. Registered entities are required to collect certain identifying information from sellers of recycled material to aid law enforcement in tracking entities and individuals that are buying or selling stolen material. The information collected in DPS's Metals Registration Program

database records reported metals transactions across Texas. DPS has the authority to deny applications for certificates of registration to entities that do not meet the agency's criteria. During fiscal year 2023, DPS issued 427 metal registration certifications. DPS also has the authority to reprimand registrants and suspend or revoke certificates of registration for reasons set in state statute and for failure to comply with DPS rules.

SIGNIFICANT LEGISLATION

House Bill 1846 – Commercial driver's license skills test.

The legislation requires DPS to conduct a skills test for an individual that holds a commercial learner's permit issued by another state or jurisdiction. The Eighty-eighth Legislature, Regular Session, 2023, appropriated \$5.0 million in General Revenue Funds and 10.0 FTE positions for this purpose.

House Bill 3297– Vehicle Safety Inspection Program. The legislation eliminates the Vehicle Safety Inspection Program for certain noncommercial vehicles and establishes an equivalent vehicle inspection replacement fee to be paid at the time of vehicle registration.

House Bill 3956 – Establish DNA records for certain offenses. The legislation authorizes DPS to establish a DNA record for individuals arrested for any felony offense and requires the DNA record's immediate destruction and removal from the database upon acquittal, dismissal, grant of relief, or expunction of the offense. The Eighty-eighth Legislature, Regular Session, 2023, appropriated \$12.8 million in General Revenue Funds and 15.0 FTE positions for this purpose.

House Bill 4879 – Texas Crime Information System. The legislation directs DPS to require that local law enforcement agencies implement an incident-based reporting system that meets certain federal requirements. House Bill 4879 also establishes the Texas Crime Information System, which collects information from the incident-based reporting system and directs DPS to produce a report regarding criminal activities in Texas.

House Bill 5202 – Central database relating to certain violent offenders. The legislation requires DPS to establish a central database of offenders who have been convicted of certain violent offenses.

Senate Bill 224 – Provisions related to catalytic converters.

The legislation increases the offense for illegally obtaining a catalytic converter to a felony and requires metal recycling

entities to maintain a fixed location and a record of each catalytic converter transaction.

Senate Bill 991 – Crime laboratory portal. The legislation authorizes DPS to establish a crime laboratory portal system to facilitate the process for requesting, publishing, and transferring crime laboratory records.

Senate Bill 1484 – Border operations training program.

The legislation directs DPS to establish a border operations training program for peace officers employed by local law enforcement agencies.

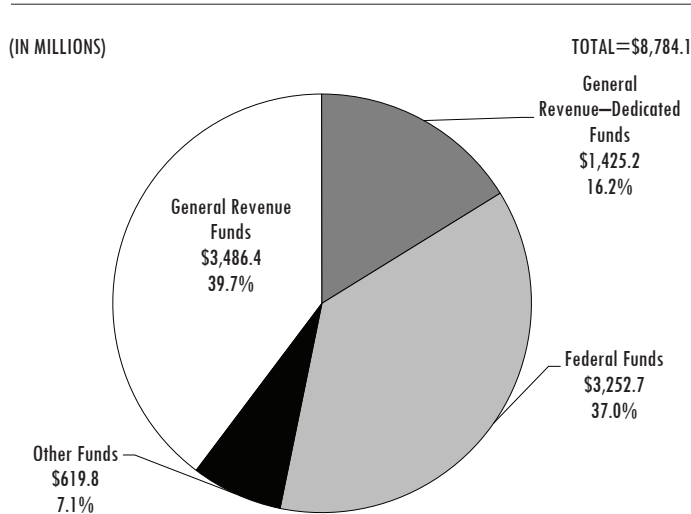
9. NATURAL RESOURCES

Natural Resource agencies play a major role in the state's economy and in maintaining a healthy environment for Texans. State agencies charged with the responsibility of influencing the management and development of these resources do so through scientific research, planning, education, preservation, regulation, remediation, and financial assistance. These activities are directed to the achievement of state goals such as clean air; clean water; safe management of waste; conservation and development of water through resource planning and financial assistance; safe production, fair pricing, and transportation of energy resources; supporting state and local parks and outdoor activities; development of agribusiness; administering child and special nutrition programs; managing state-owned lands and assets; and many others.

FIGURE 264
ARTICLE VI – NATURAL RESOURCES, BY METHOD OF FINANCE

METHOD OF FINANCE	(IN MILLIONS)			
	ESTIMATED/BUDGETED 2022–23	APPROPRIATED 2024–25	BIENNIAL CHANGE	PERCENTAGE CHANGE
General Revenue Funds	\$1,542.7	\$3,486.4	\$1,943.7	126.0%
General Revenue–Dedicated Funds	\$1,281.8	\$1,425.2	\$143.5	11.2%
Federal Funds	\$7,788.1	\$3,252.7	(\$4,535.4)	(58.2%)
Other Funds	\$1,461.3	\$619.8	(\$841.6)	(57.6%)
Total, All Methods of Finance	\$12,073.9	\$8,784.1	(\$3,289.8)	(27.2%)

SHARE OF FUNDING BY METHOD OF FINANCE (IN MILLIONS)



SIGNIFICANT DEVELOPMENTS

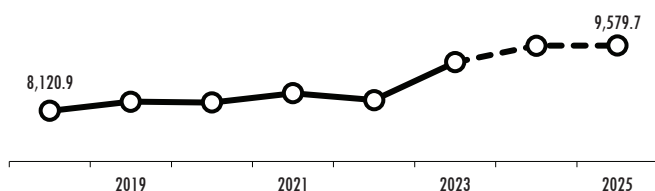
Disaster recovery funding totals **\$1.2 billion in All Funds**, a decrease of **\$4.2 billion in Federal Funds** related primarily to **flooding** and **Hurricane Harvey** recovery. Funding includes **\$294.3 million** for housing projects and **\$907.0 million** for infrastructure projects.

General Revenue Funds provide **\$1.8 billion for water, flood, and water infrastructure funding** in Senate Bill 30, Eighty-eighth Legislature, Regular Session, 2023, including **\$1.0 billion** for the **Texas Water Fund**; **\$624.9 million** for the **Flood Infrastructure Fund**, **\$73.9 million** for the **Drinking Water State Revolving Fund**, and **\$51.1 million** for the **Clean Water State Revolving Fund**.

General Revenue Funds provide **\$1.0 billion** for the new **Centennial Parks Conservation Fund** to establish and improve state parks, pursuant to Senate Bill 1648 and voter approval of Senate Joint Resolution 74, Eighty-eighth Legislature, Regular Session, 2023.

Funding for **state and local parks** totals **\$295.6 million in All Funds**, a decrease of **\$135.8 million** primarily related to onetime funding and anticipated decreases in Federal Funds and Appropriated Receipts (Other Funds). Total funding includes **\$161.3 million** to operate **88 state parks**.

FULL-TIME-EQUIVALENT POSITIONS



NOTES:

- (1) Excludes Interagency Contracts.
- (2) Full-time-equivalent (FTE) positions show actual positions for fiscal years 2018 to 2022, budgeted positions for fiscal year 2023, and appropriated positions for fiscal years 2024 and 2025.

SOURCES: Legislative Budget Board; State Auditor's Office.

FIGURE 265
ARTICLE VI – NATURAL RESOURCES APPROPRIATIONS BY AGENCY, ALL FUNDS

(IN MILLIONS)	ESTIMATED/BUDGETED 2022–23	APPROPRIATED 2024–25	BIENNIAL CHANGE	PERCENTAGE CHANGE
Texas Department of Agriculture	\$1,691.3	\$1,651.1	(\$40.2)	(2.4%)
Texas Animal Health Commission	\$34.3	\$37.2	\$3.0	8.6%
Texas Commission on Environmental Quality	\$675.3	\$750.9	\$75.6	11.2%
General Land Office and Veterans' Land Board	\$6,259.8	\$2,674.6	(\$3,585.2)	(57.3%)
Low-level Radioactive Waste Disposal Compact Commission	\$0.9	\$1.0	\$0.1	12.4%
Texas Parks and Wildlife Department	\$1,375.6	\$1,957.5	\$581.9	42.3%
Railroad Commission of Texas	\$370.1	\$480.5	\$110.4	29.8%
Texas State Soil and Water Conservation Board	\$76.4	\$165.2	\$88.8	116.3%
Texas Water Development Board	\$1,172.6	\$559.6	(\$613.0)	(52.3%)
Subtotal, Natural Resources	\$11,656.3	\$8,277.7	(\$3,378.5)	(29.0%)
Employee Benefits and Debt Service	\$451.2	\$527.3	\$76.2	16.9%
Less Interagency Contracts	\$33.5	\$20.9	(\$12.6)	(37.5%)
Total, All Functions	\$12,073.9	\$8,784.1	(\$3,289.8)	(27.2%)

NOTES:

(1) May include anticipated supplemental spending adjustments.

(2) Biennial change and percentage change are calculated on actual amounts before rounding. Therefore, figure totals may not sum due to rounding.

SOURCE: Legislative Budget Board.

MAJOR FUNDING

The Eighty-eighth Legislature, Regular and Called sessions, 2023, appropriated \$8.8 billion in All Funds for Natural Resources agencies, which is a decrease of \$3.3 billion, or 27.2 percent, from the 2022–23 biennium.

Funding for the **General Land Office** decreases by \$3.6 billion in All Funds primarily due to the following changes:

- a decrease of \$4.3 billion in Federal Funds primarily for disaster recovery, including a decrease of \$4.2 billion for short-term and community housing and infrastructure projects. This decrease represents the spending down of historical disaster recovery funds awarded to the state;
- a net increase of \$758.9 million in General Revenue Funds, which primarily includes increases of \$550.0 million to provide grants, oversight, and coordination to the Gulf Coast Protection District (GCPD) and state matching funds, and \$400.0 million to complete the Alamo Plan and associated construction, offset by a decrease of \$200.0 million in onetime funds appropriated for matching funds

for studies and coastal projects conducted by the U.S. Army Corps of Engineers and the GCPD pursuant to Senate Bill 1160, Eighty-seventh Legislature, Regular Session, 2021;

- a net increase of \$67.9 million in General Revenue–Dedicated Funds primarily due to increases of \$60.0 million from General Revenue–Dedicated Account No. 5176, Coastal Erosion Response, to administer the agency’s Coastal Erosion Planning and Response Act (CEPRA) program and expand erosion response projects and studies, and \$7.1 million in anticipated balances from General Revenue–Dedicated Account No. 5152, Alamo Complex, carried forward into the 2024–25 biennium for Alamo operations;
- a net decrease of \$84.9 million in Other Funds primarily including the following changes:
 - a decrease of \$171.5 million in Appropriated Receipts due to decreases in National Fish and Wildlife Foundation, the Resources and Ecosystems Sustainability, Tourist Opportunities, and the Revived Economies of the Gulf Coast

States (RESTORE) Act, and the Natural Resource Damage Assessment Trustee program coastal erosion projects; legal costs associated with the defense and prosecution of Permanent School Fund lands; capital budget projects; and Alamo Complex commercial lease revenues that are not anticipated to be available in the 2024–25 biennium;

- a decrease of \$50.0 million in onetime funding from the Economic Stabilization Fund appropriated in House Bill 2, Eighty-seventh Legislature, Regular Session, 2021, for the Alamo Complex and the Alamo Master Plan; and
- an increase of \$132.9 million in estimated surface damage revenues and funds from Veterans Land Program Administration, Fund No. 522, and Texas Veterans Home Administration, Fund No. 374, anticipated to be necessary to administer various veterans' programs.

Funding for the **Texas Water Development Board** (TWDB) decreases by \$613.0 million in All Funds primarily due to the following changes:

- an increase of \$624.9 million in Other Funds from the Flood Infrastructure Fund (FIF), Fund No. 194, in fiscal year 2023 pursuant to Senate Bill 30, Eighty-eighth Legislature, Regular Session, 2023;
- an increase of \$138.1 million in General Revenue Funds for various flood and water infrastructure projects across the state;
- an increase of \$36.2 million in All Funds and 81.5 full-time-equivalent (FTE) positions to improve agency operations; to provide additional staff resources and support for agency growth, financial assistance programs, water planning, flood planning activities, rural project funding, and web-based resource and groundwater monitoring technology; and to provide salary adjustments and targeted salary increases;
- a net decrease of \$73.9 million in All Funds for debt service on water bond programs, including an increase of \$11.6 million in All Funds for Economically Distressed Areas Program bond debt service and a decrease of \$85.5 million in All Funds for Water Infrastructure Fund bond debt service;
- a decrease of \$51.6 million in General Revenue Funds for the discontinuation of onetime funding, which

primarily includes \$50.0 million for the removal of siltation from Lake Houston; and

- a decrease of \$34.8 million in Other Funds from the Texas Infrastructure Resiliency Fund, Fund No. 175, due to the spending down of available balances for flood mapping and planning activities.

Senate Bill 30 provides an additional \$1.8 billion in General Revenue Funds to the Comptroller of Public Accounts for required deposits to TWDB-administered funds that are both inside and outside the Treasury and include the following amounts:

- \$1.0 billion to capitalize the new Texas Water Fund for disbursement to other TWDB funds to finance water infrastructure projects, pursuant to Senate Bill 28 and voter approval of the constitutional amendment proposed by Senate Joint Resolution 75, Eighty-eighth Legislature, Regular Session, 2023; at least \$250.0 million of this initial appropriation is required to be deposited to the New Water Supply for Texas Fund, established by Senate Bill 28;
- \$624.9 million for required deposit to the FIF;
- \$73.9 million, which is anticipated to draw down an additional \$451.2 million in Federal Funds, for deposit to the Drinking Water State Revolving Fund for water infrastructure projects; and
- \$51.1 million, which is anticipated to draw down an additional \$302.8 million in Federal Funds for deposit to the Clean Water State Revolving Fund for water infrastructure projects.

Funding for the **Texas Department of Agriculture** (TDA) decreases by \$40.2 million in All Funds primarily due to the following significant changes:

- a decrease of \$119.9 million in onetime Federal Funds provided during the COVID-19 pandemic that is no longer anticipated to be available;
- a net increase of \$53.7 million in General Revenue Funds and General Revenue–Dedicated Funds primarily due to the following changes:
 - an increase of \$25.7 million in General Revenue Funds for Texans Feeding Texans programs. Surplus Agricultural Products Grant program funding totals \$30.2 million in addition to unexpended balance authority provided in fiscal

year 2023 for any remaining Federal Funds appropriated during the COVID-19 pandemic for this purpose to authorize expenditure of these funds through the 2024–25 biennium. Funding for the Home-delivered Meal Grant Program totals \$26.5 million in addition to unexpended balance authority provided in fiscal year 2023 for any remaining General Revenue Funds appropriated during the 2022–23 biennium for this purpose to authorize expenditure of these funds through the 2024–25 biennium;

- an increase of \$8.9 million in General Revenue Funds and 69.0 FTE positions for the Plant Health program, which primarily includes \$7.1 million and 60.0 FTE positions to operate new regional agricultural and livestock critical entry point stations to inspect plants coming into Texas and \$1.1 million and 6.0 FTE positions for additional inspectors and equipment in citrus canker quarantine zones;
- an increase of \$8.2 million in General Revenue Funds for information technology enhancements, which primarily includes \$6.0 million to provide a new licensing system to replace the current 20-year-old system;
- an increase of \$7.6 million in General Revenue Funds and General Revenue–Dedicated Funds for the Rural Health program to enable rural hospitals to purchase additional equipment, to establish a Rural Nursing Recruitment/Retention Stipend Program, and to establish sustainable paramedicine programs within local emergency medical service organizations that extend a pilot project related to the COVID-19 pandemic; and
- an increase of \$2.0 million in General Revenue Funds in fiscal year 2023 in Senate Bill 30, which includes \$1.0 million for the Brighter Bites program to provide fresh produce and nutrition education materials to eligible Texans and \$1.0 million for vehicle replacements; and
- a net increase of \$18.9 million in Other Funds, primarily including an increase of \$19.9 million from the Texas Economic Development Fund, Fund No. 183, for TDA’s economic development loans and grants programs, and a decrease of \$2.3 million from

Appropriated Receipts for Rural Health program grants due to anticipated revenue decreases.

Funding for the **Texas Animal Health Commission** increases by a net \$3.0 million in General Revenue Funds primarily due to an increase of \$2.7 million for salary increases; an increase of \$2.5 million and 10.0 FTE positions to assist TDA in operating new regional Agriculture and Livestock Entry Point Inspection Stations; and a decrease of \$1.8 million for the acquisition of motor vehicles that subsequently was appropriated to the agency in fiscal year 2023 through Senate Bill 30.

Funding for the **Texas State Soil and Water Conservation Board** increases by \$88.8 million in All Funds, primarily due to the following changes:

- an increase of \$77.4 million in All Funds for flood control dam construction and maintenance, including \$58.0 million in General Revenue Funds and \$19.4 million in Federal Funds; total funding provides \$115.2 million for flood control dams;
- an increase of \$9.8 million in All Funds for soil and water conservation district operations and assistance including the following amounts:
 - an increase of \$7.6 million in All Funds to fund agency conservation efforts, including providing grants and assistance to soil and water conservation districts and educating the public; this amount includes an increase of \$4.1 million in General Revenue Funds for soil and water conservation district operations and reimbursements; and
 - an increase of \$2.2 million in General Revenue Funds for soil and water conservation districts to provide planning assistance and financial incentives to agricultural producers to implement best management practices and obtaining whole farm certified water quality management plans; and
- a net increase of \$1.7 million in All Funds for carrizo cane eradication efforts, which includes an increase of \$4.3 million in General Revenue Funds offsetting a decrease of \$2.6 million in onetime grant funding provided through the Office of the Governor that is no longer anticipated to be available.

Funding for the **Texas Parks and Wildlife Department** (TPWD) increased by \$581.9 million in All Funds primarily due to the following changes:

- a net increase of \$862.9 million in General Revenue Funds primarily due to the following changes:
 - the Legislature appropriated \$441.5 million, or 100.0 percent, of the Sporting Goods Sales Tax (SGST) estimated to be available to the agency for the biennium, including amounts for employee benefits and debt service payments but excluding certain amounts anticipated to be paid from SGST balances. These appropriations represent a decrease of \$4.1 million from 2022–23 biennial spending levels and include \$370.3 million for agency operations, capital programs, and grants, and \$71.2 million for employee benefits and debt service payments. Appropriations also include an additional \$10.0 million in unexpended balances remaining from fiscal year 2023;
 - an increase of \$1.0 billion for a transfer to the Centennial Parks Conservation Fund outside of the Treasury pursuant to Senate Bill 1648 and voter approval of the constitutional amendment proposed by Senate Joint Resolution 74, Eighty-eighth Legislature, Regular Session, 2023;
 - an increase of \$125.0 million for state park acquisition funded in fiscal year 2023 in Senate Bill 30; and
 - a decrease of \$5.5 million for onetime grants for the Texas State Railroad, the Center for Urban Ecology at Quinta Mazatlán, and the Texas State Aquarium Wildlife Rescue Center that are not assumed for the 2024–25 biennium;
 - a decrease of \$235.2 million in Federal Funds due to the spending down of allotment balances from the 2022–23 biennium and conservative agency projections of federal funding for the 2024–25 biennium;
 - a decrease of \$38.3 million in Other Funds that are no longer anticipated to be available, primarily due to the following changes:
 - a decrease of \$30.2 million from Appropriated Receipts related to the acceptance of donations, reimbursements, and legal settlement funds with programmatic effects concentrated in Artificial Reef, Construction and Major Repairs, Land Conservation, Wildlife Conservation, and State Park Operations;
 - a decrease of \$5.5 million from grant funding received from the Office of the Governor for Operation Lone Star during the 2022–23 biennium;
 - a decrease of \$1.7 million from General Obligation Bond Proceeds due to debt service payments ending in fiscal year 2021;
 - a decrease of \$0.4 million from the License Plate Trust Fund; and
 - a decrease of \$0.5 million from Interagency Contracts primarily related to completion of contracts with the Texas Department of Transportation, TWDB, the Department of Public Safety, and the University of Texas; and
 - a net decrease of \$7.5 million in General Revenue–Dedicated Funds primarily due to the following changes:
 - decreases from onetime funding not anticipated for the 2024–25 biennium and items funded in fiscal year 2023 in Senate Bill 30, Eighty-eighth Legislature, Regular Session, 2023, including \$21.9 million for vehicles (\$9.8 million from Account No. 64, State Parks, and \$12.1 million from Account No. 9, Game, Fish, and Water Safety (Account No. 9)), and \$15.7 million from Account No. 9 for two fixed-wing aircrafts;
 - an increase of \$10.0 million from Account No. 544, Lifetime License Endowment, and \$6.7 million from Account No. 9 for capital construction, maintenance, and repairs to Sea Center Texas;
 - an increase of \$10.0 million from Account No. 9 for priority migratory game bird habitat acquisition;
 - an increase of \$1.6 million from Account No. 5166, Deferred Maintenance, for deferred maintenance activities at the Perry R. Bass Marine Fisheries Research Center; and
 - various increases related to statewide and targeted salary adjustments, information technology legacy modernization activities, and the Oyster License Buyback Program.
- Funding for the **Texas Commission on Environmental Quality** (TCEQ) increases by \$75.6 million in All Funds. Significant issues include the following changes:

- an increase of \$87.8 million in General Revenue Funds and General Revenue–Dedicated Funds, including \$20.8 million in General Revenue Funds and \$67.0 million in General Revenue–Dedicated Funds, primarily due to the following changes:
 - an increase of \$57.4 million for salary increases in General Revenue and General Revenue–Dedicated Funds accounts, including an increase of \$28.0 million for targeted salary increases and \$29.4 million for the statewide salary adjustment;
 - an increase of \$22.1 million in General Revenue Funds and various General Revenue–Dedicated Funds to provide improvements in agency operations, functions, and services pursuant to Sunset Advisory Commission (SAC) staff review findings used to develop SAC statutory change recommendations. This funding includes \$6.0 million to implement the provisions of TCEQ’s Sunset legislation, Senate Bill 1397, Eighty-eighth Legislature, Regular Session, 2023;
 - an increase of \$10.0 million in General Revenue Funds to capitalize the Leaking Water Wells Fund pursuant to House Bill 4256, Eighty-eighth Legislature, Regular Session, 2023;
 - an increase of \$6.1 million for additional lease, maintenance, and security costs;
 - an increase of \$4.4 million in General Revenue Funds in litigation funding for the Rio Grande Compact Commission; appropriations provide a total of \$10.5 million for the 2024–25 biennium;
 - an increase of \$2.8 million for additional bays-and-estuary programming activities;
 - a decrease of \$12.3 million for onetime items funded during the 2022–23 biennium that are not continued, including upgrades to the Houston Regional Office, environmental remediation at a closed battery-recycling facility, an Occupational Licensing and Integrated Database, remediation of the Donna Reservoir and Canal System Federal Superfund Site, State Implementation Plan Modeling costs, vehicle replacements, and modernization of the Air and Water Monitoring Data Management System;

- an increase of \$7.6 million in various General Revenue–Dedicated Funds pursuant to Senate Bill 30 in fiscal year 2023 for the following purposes: \$6.8 million in General Revenue–Dedicated Funds from Account No. 550, Hazardous and Solid Waste Remediation Fee, to provide \$3.8 million for Hazardous and Solid Waste Remediation from additional revenues anticipated to be available and \$3.0 million for environmental remediation efforts at a closed battery-recycling facility; and \$0.9 million in various General Revenue–Dedicated Funds for vehicle replacements;
- a net decrease of \$8.3 million in Other Funds primarily including decreases of \$3.8 million from Appropriated Receipts from cost recoveries for remediation of Superfund sites and \$4.1 million from an Interagency Contract with TWDB from the Drinking Water State Resolving Fund during the 2022–23 biennium that is not anticipated to continue, partially offset by an increase of \$0.6 million from the Leaking Water Wells Fund to implement the provisions of House Bill 4256; and
- a decrease of \$3.8 million in Federal Funds from the 2022–23 biennium that no longer are anticipated to be available for the 2024–25 biennium.

Funding for the **Railroad Commission of Texas** increases by \$110.4 million in All Funds. Funding maximizes all available General Revenue–Dedicated Funds accounts related to oil and gas regulation and cleanup. Significant issues include the following changes:

- an increase of \$98.8 million in Federal Funds from the Infrastructure Investment and Jobs Act of 2021 (IIJA) for the plugging of orphan oil and gas wells in the 2024–25 biennium, which is offset partially by IIJA amounts appropriated in fiscal year 2023;
- a net increase of \$13.4 million in General Revenue Funds for various new and existing projects and operating costs, including the following amounts:
 - an increase of \$27.8 million to provide for salary adjustments, pipeline safety, electricity supply chain mapping automation, establishing the Office of Public Engagement, expanding public access to historical records, and supporting increased obligations for Data Center Services;

- an increase of \$7.0 million for vehicle replacements funded in fiscal year 2023 by Senate Bill 30, Eighty-eighth Legislature, Regular Session, 2023;
- a decrease of \$8.3 million in onetime costs identified from amounts appropriated to the agency pursuant to Senate Bill 3 and House Bill 1520, Eighty-seventh Legislature, Regular Session, 2021; a decrease of \$3.0 million in General Revenue–Dedicated Funds from Account No. 5155, Oil and Gas Regulation and Cleanup, for vehicle replacements alternately funded in fiscal year 2023 in Senate Bill 30; and
- an increase of \$1.2 million in Other Funds including \$0.9 million from Appropriated Receipts and \$0.3 million from the Anthropogenic Carbon Dioxide Storage Trust Fund to promote energy resource development and regulate alternative fuel resources.

TEXAS DEPARTMENT OF AGRICULTURE

PURPOSE: To partner with Texas farmers, ranchers, and agribusiness to expand markets while protecting public health; protect consumers by enforcing standards; fund child and adult nutrition programs; support research relating to Texas-produced food and fibers; and administer programs promoting rural health and community and economic development.

ESTABLISHED: 1907

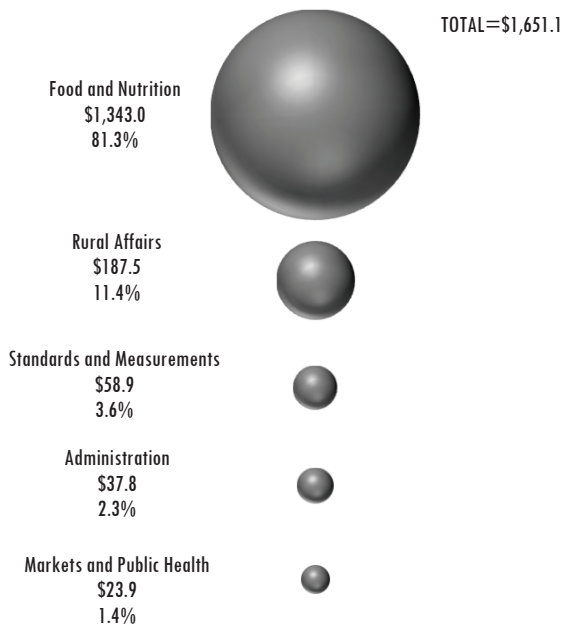
AUTHORIZING STATUTE: The Texas Agriculture Code, Chapters 11 and 12

GOVERNANCE: Commissioner, statewide-elected official

FIGURE 266
TEXAS DEPARTMENT OF AGRICULTURE BY METHOD OF FINANCE

METHOD OF FINANCE	(IN MILLIONS)				APPROPRIATED FULL-TIME-EQUIVALENT POSITIONS				
	ESTIMATED/BUDGETED 2022–23	APPROPRIATED 2024–25	BIENNIAL CHANGE	PERCENTAGE CHANGE					
General Revenue Funds	\$106.0	\$155.0	\$49.0	46.2%	<table border="1"> <tr> <td>2024</td> <td>770.2</td> </tr> <tr> <td>2025</td> <td>770.2</td> </tr> </table>	2024	770.2	2025	770.2
2024	770.2								
2025	770.2								
General Revenue–Dedicated Funds	\$4.6	\$9.4	\$4.7	102.5%					
Federal Funds	\$1,554.8	\$1,441.9	(\$112.9)	(7.3%)					
Other Funds	\$25.9	\$44.8	\$18.9	73.2%					
Total, All Methods of Finance	\$1,691.3	\$1,651.1	(\$40.2)	(2.4%)					

AGENCY PROGRAM AREAS BY APPROPRIATION (IN MILLIONS)



SIGNIFICANT DEVELOPMENTS

Funding for **child and adult nutrition programs** totals **\$1.3 billion in All Funds**, a net decrease of **\$8.5 million in Federal Funds**, primarily due to a decrease of **\$117.0 million** for the **School Nutrition Program** offset by an increase of **\$108.5 million** for the **Community Nutrition Program**.

Funding for the **Texans Feeding Texans – Surplus Agricultural Products Grant Program** totals **\$30.2 million in All Funds**. The program provides surplus agricultural products to food banks and other charitable organizations that serve needy or low-income individuals.

Funding for the **Texans Feeding Texans – Home-delivered Meal Grant Program** totals **\$26.5 million in All Funds** for support to supplement and extend home-delivered meal programs for senior and disabled Texans.

SOURCE: Legislative Budget Board.

MAJOR FUNDING

Appropriations for the Texas Department of Agriculture (TDA) total \$1.7 billion in All Funds, which is a decrease of \$40.2 million, or 2.4 percent, from 2022–23 biennial spending levels and includes several changes.

A net decrease of \$112.9 million in Federal Funds is due primarily to the following changes:

- a decrease of \$119.9 million in onetime federal funding related to increases provided during the COVID-19 pandemic that no longer are anticipated to be available; and
- a net increase of \$7.0 million in various other Federal Funds primarily related to child and adult nutrition programs.

A net increase of \$53.7 million in General Revenue Funds and General Revenue–Dedicated Funds includes \$49.0 million in General Revenue Funds and \$4.7 million in General Revenue–Dedicated Funds primarily due to the following changes:

- an increase of \$25.7 million in General Revenue Funds for Texans Feeding Texans programs in the following amounts:
 - \$20.0 million for the Surplus Agricultural Products Grants program, including \$10.0 million to purchase surplus agricultural products and \$10.0 million for a food bank facility in Houston. This amount partially offsets a decrease in onetime Federal Funds provided during the COVID-19 pandemic that no longer are anticipated to be available; and
 - \$5.7 million for the Home-delivered Meal Grant Program to provide additional meals for seniors and disabled Texans. This amount offsets a \$5.0 million decrease in onetime Federal Funds provided during the pandemic that no longer are anticipated to be available;
- an increase of \$8.9 million in General Revenue Funds and 69.0 full-time-equivalent (FTE) positions for the Plant Health program includes the following amounts:
 - \$7.1 million and 60.0 FTE positions to operate new regional agricultural and livestock critical entry point stations to inspect plants transported

into Texas to prevent the spread of plant pests and diseases that threaten the agricultural industry. TDA will operate the new stations in coordination with Texas Animal Health Commission (TAHC) staff, which will inspect livestock entering the state at these locations;

- \$1.1 million and 6.0 FTE positions for additional inspectors and equipment in citrus canker quarantine zones; and
- \$0.7 million and 3.0 FTE positions to operate U.S. Department of Agriculture (USDA) equipment for fruit-fly trap lines in the Lower Rio Grande Valley to keep fly populations low and decrease treatments for trade purposes;
- an increase of \$8.2 million in General Revenue Funds for information technology enhancements, including \$6.0 million to provide a new licensing system to replace the current 20-year-old system and \$2.2 million to use Department of Information Resources' Data Center Services (DCS) for servers, management, and security services provided through the state data center and related contracts;
- an increase of \$7.6 million in General Revenue Funds and General Revenue–Dedicated Funds from Account No. 5047, Permanent Fund Rural Health Facility Capital Improvement (Account No. 5047), for the Rural Health program, which includes the following amounts:
 - \$4.7 million from Account No. 5047 to enable rural hospitals to purchase additional equipment;
 - \$1.9 million in General Revenue Funds to establish a Rural Nursing Recruitment/Retention Stipend Program to provide \$15,000 stipends directly to eligible rural healthcare facilities for nurses working full-time in their facilities for three years; and
 - \$1.0 million in General Revenue Funds to establish sustainable paramedicine programs within local emergency medical service organizations and to extend a pilot project initiated during the COVID-19 pandemic;
- an increase of \$4.1 million in General Revenue Funds and General Revenue–Dedicated Funds from Account No. 5178, State Hemp Program (Account No. 5178), for the statewide salary adjustment,

including \$4.1 million in General Revenue Funds and \$50,621 from Account No. 5178;

- an increase of \$0.5 million in General Revenue Funds and 3.0 FTE positions to expand the Structural Pest Control cost-recovery program due to demand growth;
- an increase of \$0.3 million in General Revenue Funds for the Livestock Export Facilities and Go Texan programs;
- a decrease of \$1.0 million in General Revenue Funds, which includes the following onetime costs:
 - \$0.7 million for vehicle replacements. Appropriations totaling \$1.0 million were increased in fiscal year 2023 pursuant to Senate Bill 30, Eighty-eighth Legislature, Regular Session, 2023; and
 - \$0.3 million in onetime funding for the Trade Agricultural Inspection Grant Program, which expires September 1, 2025, unless continued by the Legislature, pursuant to House Bill 1371, Eighty-seventh Legislature, Regular Session, 2021; and
- an increase of \$1.0 million in General Revenue Funds for fiscal year 2023, provided in Senate Bill 30, Eighty-eighth Legislature, Regular Session, 2023, for the Brighter Bites program to provide fresh produce and nutrition education materials to eligible Texans.

A net increase of \$18.9 million in Other Funds is due primarily to the following changes:

- an increase of \$19.9 million from the Texas Economic Development Fund to appropriate the remaining balances of the fund for use in TDA’s economic development loans and grants programs;
- an increase of \$0.5 million from the Permanent Endowment Fund for the Rural Community Health Care Investment Program to appropriate the remaining balances of the fund to add recruitment of healthcare professionals to rural communities;
- an increase of \$0.5 million from the Pesticide Disposal Fund to appropriate the remaining balances of the fund for pesticide waste and the collection of canceled, unregistered, or otherwise unwanted pesticide products and containers;

FIGURE 267
TEXAS DEPARTMENT OF AGRICULTURE’S COST-RECOVERY PROGRAMS, 2024–25 BIENNIUM

PROGRAM AREA	APPROPRIATION
Standards and Measurements	
Agricultural Pesticide Regulation	\$11,674,980
Plant Health	\$19,324,532
Weights, Measures, and Metrology	\$9,166,198
Structural Pest Control	\$5,041,104
Hemp	\$1,066,798
Egg Quality Regulation	\$1,015,744
Grain Warehouse	\$685,698
Organic Certification	\$959,228
Prescribed Burn	\$43,694
Markets and Public Health	
International and Domestic Trade	\$5,947,754
Handling and Marketing of Perishable Commodities	\$30,864
Total for all programs	\$54,956,594

SOURCE: Legislative Budget Board.

- an increase of \$0.3 million from the Texas Agricultural Fund to appropriate the remaining balances of the fund to provide financial assistance to eligible agricultural business; and
- a decrease of \$2.3 million in Appropriated Receipts for Rural Health program grants due to anticipated decreases in revenues not expected to continue for the 2024–25 biennium.

TDA is appropriated 770.2 FTE positions for each year of the 2024–25 biennium.

COST-RECOVERY PROGRAMS

Appropriations for TDA’s 11 cost-recovery programs total \$55.0 million in All Funds, an increase of \$5.9 million, or 11.9 percent from 2022–23 biennial spending levels. Apart from specific statutory or legislative authority, these programs are funded with fee-generated revenues, the use of which is limited to the program for which the revenues were collected. Revenue collections totaling \$31.9 million are required to cover direct appropriations made from General Revenue Funds and General Revenue–Dedicated Funds from Account No. 5178 for these purposes. Revenue collections also are required to cover \$8.1 million appropriated elsewhere in the General Appropriations Act for other direct and indirect costs, such as employee benefits. **Figure 267** shows funding for TDA’s cost-recovery programs.

The Livestock Export Pen program that previously was a stand-alone program during the 2022–23 biennium was consolidated into the International and Domestic Trade program beginning in the 2024–25 biennium.

PROGRAMS

The agency has five major program areas: (1) food and nutrition; (2) rural affairs; (3) standards and measurements; (4) markets and public health; and (5) administration.

FOOD AND NUTRITION

TDA carries out its responsibilities in the food and nutrition program area through the following four programs that provide funding and technical assistance statewide: (1) Child Nutrition – Community Nutrition; (2) Child Nutrition – School Nutrition; (3) Texans Feeding Texans – Home-delivered Meal Grant Program and (4) Texans Feeding Texans – Surplus Agricultural Products Grant Program.

CHILD NUTRITION – COMMUNITY NUTRITION

This program provides state administration and funding for federal nutrition programs that provide meals or food packages to qualifying individuals through private nonprofit organizations, governmental agencies, for-profit organizations, residential childcare facilities, schools, and food banks. The following funding and activities are included through the program:

- \$1.0 billion for the Child and Adult Care Food program, which reimburses childcare centers, day-care home providers, and adult day-care centers for part of the cost associated with serving approved meals and snacks to children and adults;
- \$68.6 million for the Summer Food Service program, which provides meals to qualifying children during the summer months;
- \$25.2 million for the Emergency Food Assistance program, which distributes commodities from the USDA to emergency food organizations such as food pantries, soup kitchens, and housing authorities;
- \$13.0 million for the Commodity Supplement Food program, which provides food packages that local organizations distribute for home consumption;
- \$2.7 million for the Farmers Market Nutrition program, which provides vouchers to participating farmers' market associations to certain qualified

participants in the USDA's Special Supplemental Nutrition Program for Women, Infants, and Children; and

- \$0.2 million for the Senior Farmers' Market Nutrition program, which provides vouchers for participating farmers' market associations to qualifying seniors.

Program funding totals \$1.2 billion in All Funds, including 98.3 FTE positions, which represents an increase of \$108.5 million, or 10.2 percent, from 2022–23 biennial spending levels. This increase is due primarily to Federal Funds increases from various federal programs anticipated in the 2024–25 biennium.

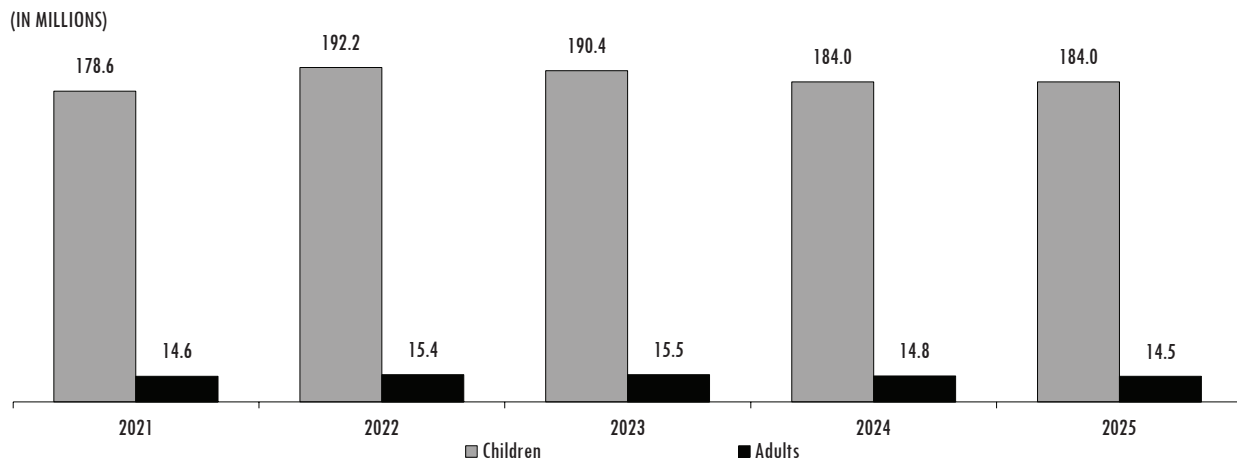
CHILD NUTRITION – SCHOOL NUTRITION

This program provides administration of federally assisted meal programs operated by school food authorities (SFA) in public, charter, and nonprofit private school and residential childcare institutions. SFAs receive USDA food commodities and cash reimbursement based on household eligibility and program guidelines. The following amounts are appropriated for activities included through the program:

- \$23.4 million for the National School Lunch program, including the Seamless Summer Option, which serves free or reduced-price lunches to qualifying students in public and nonprofit private schools in Texas throughout the school year and during the summer for schools opting to extend the program throughout the year;
- \$11.7 million for the School Breakfast program, which provides free or reduced-price breakfasts to qualifying students in public and nonprofit private schools in Texas throughout the school year;
- \$26.4 million for the Fresh Fruit and Vegetable program, which serves students at selected Texas elementary schools free fresh fruits and vegetables outside of regular meal times; and
- \$6,000 for the Special Milk program, which makes milk available to qualifying children at schools, camps, and childcare centers that do not participate in a school meal program.

Program funding totals \$115.9 million in All Funds, including 141.2 FTE positions, which is a decrease of \$117.0 million, or 50.2 percent, from 2022–23 biennial spending levels. This decrease includes a net change across various Federal Funds.

FIGURE 268
AVERAGE DAILY NUMBER OF CHILDREN AND ADULTS SERVED MEALS THROUGH THE CHILD AND ADULT CARE FOOD PROGRAM, FISCAL YEARS 2021 TO 2025



NOTE: Amounts for fiscal years 2024 and 2025 are projected.
 SOURCE: Texas Department of Agriculture.

Since fiscal year 2003, TDA has administered the Child Nutrition Programs through an Interagency Contract with the Texas Education Agency (TEA). Reimbursement payments for the programs are budgeted at TEA. Funding includes \$4.3 billion in Federal Funds and \$27.2 million in General Revenue Funds.

TEXANS FEEDING TEXANS – HOME-DELIVERED MEAL GRANT PROGRAM

This program provides support to supplement and extend home-delivered meal programs for seniors and disabled Texans. Governmental and nonprofit agencies are eligible for this grant program. Program funding totals \$26.5 million in General Revenue Funds, an increase of \$0.1 million from 2022–23 biennial spending levels, including 2.1 FTE positions. Additional General Revenue Funds appropriations offset a onetime decrease in Federal Funds provided during the COVID-19 pandemic that no longer are anticipated to be available. Senate Bill 30 provides unexpended balance authority beginning in fiscal year 2023 for any remaining General Revenue Funds provided during the 2022–23 biennium for this purpose. The legislation authorizes expenditure of these funds to continue through the 2024–25 biennium.

TEXANS FEEDING TEXANS – SURPLUS AGRICULTURAL PRODUCTS GRANT PROGRAM

This program was established to provide surplus agricultural products to food banks and other charitable organizations that serve needy or low-income individuals.

TDA awards grant funding to help offset the costs of harvesting, gleaning, and transporting Texas products to food banks. Program funding totals \$30.2 million in General Revenue Funds, including 1.1 FTE positions, an increase of \$20.0 million, or 197.0 percent, from 2022–23 biennial spending levels. The increase includes \$10.0 million for the purpose of purchasing additional surplus agricultural products and \$10.0 million for a food bank facility in Houston. Additional General Revenue Funds appropriations offset a onetime decrease in Federal Funds provided during the COVID-19 pandemic that no longer are anticipated to be available. Senate Bill 30 provides unexpended balance authority beginning in fiscal year 2023 to authorize expenditure of any remaining Federal Funds provided during the pandemic for this purpose through the 2024–25 biennium.

Figure 268 shows the number of children and adults meals served through the Child and Adult Care Food Program from fiscal years 2021 to 2023 and the projected amounts for fiscal years 2024 and 2025.

Food and nutrition program area appropriations total \$1.3 billion in All Funds, a decrease of \$82.7 million, or 5.8 percent, from 2022–23 biennial spending levels, primarily due to decreases in Federal Funds provided during the COVID-19 pandemic that no longer are anticipated to be available. These appropriations contribute 81.3 percent of the agency’s total appropriations.

RURAL AFFAIRS

The rural affairs program area consists of two programs: (1) Rural Community and Economic Development; and (2) Rural Health.

RURAL COMMUNITY AND ECONOMIC DEVELOPMENT

The majority of the funding for the agency's Rural Community and Economic Development program is provided from federal Community Development Block Grant (CDBG) funds distributed to the state by the U.S. Department of Housing and Urban Development (HUD) and General Revenue Funds for required matching funding. TDA provides grants through HUD for community and economic development projects in rural areas, principally for low-income to moderate-income populations. CDBG funds that TDA administers assist nonentitlement areas of the state, which consist of cities with populations of less than 50,000 and counties that have a nonmetropolitan population of less than 200,000 and are not eligible for direct CDBG funding from HUD. Program funding also includes appropriations of Other Funds from the Texas Economic Development Fund for economic development loan and grant activities.

Program appropriations total \$169.0 million in All Funds, an increase of \$20.1 million, or 13.5 percent, from 2022–23 biennial spending levels, which provide for 39.1 FTE positions. The increase is due primarily to a \$19.9 million appropriation increase in Other Funds from the Texas Economic Development Fund to provide available fund balances for economic development loans and grants.

RURAL HEALTH

Through the Rural Health program in the State Office of Rural Health, TDA works to ensure access to and quality of healthcare services by administering programs and technical assistance to approximately 150 rural hospitals, which include the state's 89 critical access hospitals. The agency supports the recruitment and retention of trained medical professionals in rural areas of the state through financial assistance for medical, dental, and allied health educations and through submission of expedited license requests to the Texas Medical Board for physicians. Additionally, the agency provides grants to rural health facilities for the acquisition, construction, or improvement of facilities, equipment, or real property used to provide health services.

Program appropriations total \$18.5 million in All Funds and 9.4 FTE positions. This amount includes a net

increase of \$5.3 million from 2022–23 biennial spending levels. Funding changes include an increase of \$4.7 million from Account No. 5047 to enable rural hospitals to purchase additional equipment; an increase of \$2.9 million in General Revenue Funds to establish a Rural Nursing Recruitment/Retention Stipend Program to provide \$15,000 stipends directly to eligible rural healthcare facilities for nurses working full-time in a facility for three years and to establish sustainable paramedicine programs within local emergency medical service organizations and extend a COVID-19 pandemic pilot project; an increase of \$0.5 million from the Permanent Endowment Fund for Rural Communities Health Care Investment Program to add recruitment of healthcare professionals to rural communities with remaining fund balances; and a decrease of \$2.3 million in Appropriated Receipts for Rural Health program grants due to anticipated decreases in revenues not expected to continue during the 2024–25 biennium.

The rural affairs program area appropriations total \$187.5 million in All Funds, or 11.4 percent of the agency's total appropriations, including 48.5 FTE positions. This amount includes an increase of \$25.4 million, or 15.7 percent, from 2022–23 biennial spending levels.

STANDARDS AND MEASUREMENTS

TDA is responsible for protecting consumers by regulating industries and services; establishing and enforcing standards; and increasing the likelihood that goods sold in Texas are measured, priced, and marketed properly through 12 programs in the standards and measurements program area, which include: (1) Agricultural Pesticide Regulation; (2) Plant Health; (3) Weights, Measures, and Metrology; (4) Structural Pest Control; (5) Pesticide Data; (6) Hemp; (7) Egg Quality Regulation; (8) Pesticide Disposal; (9) Grain Warehouse; (10) Organic Certification; (11) Texas Cooperative Inspection Program; and (12) Prescribed Burn.

Standards and measurements program area appropriations total \$58.9 million in All Funds, including 356.4 FTE positions, an increase of \$8.1 million, or 15.9 percent, from 2022–23 biennial spending levels. These appropriations contribute 3.6 percent of the agency's total appropriations. This increase is due primarily to establishing five new mobile inspection stations in partnership with TAHC and to add new inspectors and equipment in citrus canker quarantine zones.

AGRICULTURAL PESTICIDE REGULATION

TDA provides regulatory oversight of pesticide laws, certification of applicators, registration of pesticides, and protection and education of pesticide workers and handlers. The Agricultural Pesticide Regulation program investigates complaints and provides laboratory analysis of pesticide residue samples. The agency expects to investigate 150 pesticide complaints during each fiscal year of the 2024–25 biennium. Appropriations for the cost-recovery program total \$11.7 million in All Funds, which provides for 70.7 FTE positions, an increase of \$0.1 million from 2022–23 biennial spending levels.

PLANT HEALTH

TDA regulates the licensing for nurseries and florists, provides phytosanitary inspection, ensures that consumers receive the quality and type of seed for which they pay, and makes available a quality source of seeds and vegetative propagating materials. The agency expects to analyze approximately 4,500 seed samples during each fiscal year of the 2024–25 biennium.

The agency enforces quarantine restrictions that prevent destructive pests and plant diseases that affect nursery and floral products from being shipped out of quarantined areas or into pest-free areas within the state. In addition, the agency prevents destructive pests and plant diseases from being transported into the state by establishing road stations at strategic points periodically along the Texas border to stop shipments of pest-infested plants from entering the state. The agency expects to conduct 8,000 nursery and floral establishment inspections during each fiscal year of the 2024–25 biennium. Appropriations for the cost-recovery program total \$19.3 million in All Funds, which includes 127.1 FTE positions. This amount includes an increase of \$7.4 million, or 62.1 percent, from 2022–23 biennial spending levels, which is due primarily to General Revenue Funds increases provided to implement mobile inspection stations in partnership with TAHC, with 60.0 FTE positions, and to add 6.0 FTE positions for additional inspectors and equipment in citrus canker quarantine zones.

WEIGHTS, MEASURES, AND METROLOGY

Through the Weights, Measures, and Metrology program, TDA ensures that weighing and measuring devices perform within acceptable tolerances and that packages are labeled properly before sale to bring equity to the marketplace to promote fair economic trade. TDA is the

state agency responsible for certifying weights and measures standards for mass and volume that are supported by national and international standards. TDA inspects various devices ranging from bulk meters used at airports for fueling airplanes to scales at grocery stores. Liquefied petroleum gas meters used to fill small tanks for backyard grills and those used to fill storage tanks at businesses or homes also are inspected. In addition, packaging ranging from cereal boxes to packaged polyethylene sheeting is weighed or measured to determine whether the contents meet or exceed the quantity stated on the label. The agency also oversees that the prices displayed on the shelf for consumer products are the same prices consumers pay at the checkout counter.

Appropriations for the cost-recovery program total \$9.2 million in All Funds, which includes 55.9 FTE positions. This amount includes a decrease of \$0.6 million, or 6.3 percent, from 2022–23 biennial spending levels.

STRUCTURAL PEST CONTROL

TDA licenses and regulates pest management professionals that apply pesticides in and around structures. During each fiscal year of the 2024–25 biennium, the program anticipates issuing 8,000 new licenses, resolving 105 complaints, and performing 250 school district inspections. Appropriations for the cost-recovery program total \$5.0 million in General Revenue Funds, including 34.2 FTE positions, which is an increase of \$0.2 million, or 3.0 percent, from 2022–23 biennial spending levels. This increase is due primarily to an increase of \$0.5 million and 3.0 FTE positions to provide for growth demands.

PESTICIDE DATA

TDA manages the collection, analysis, data entry, and reporting of pesticide residues on agricultural commodities in the U.S. food supply, with an emphasis on commodities that are consumed in large amounts by infants and children. Appropriations total \$1.6 million in Federal Funds, including 30.3 FTE positions, which is an increase of \$0.1 million from 2022–23 biennial spending levels.

HEMP

TDA monitors and regulates the production of hemp in Texas and certifies hemp seeds through the Hemp program. Appropriations for the cost-recovery program total \$1.1 million in All Funds, including 5.0 FTE positions, which continues funding at 2022–23 biennial spending levels.

EGG QUALITY REGULATION

TDA enforces egg quality standards by licensing egg packers, wholesalers, and distributors. The agency has entered into a memorandum of understanding with the Department of State Health Services that specifies each agency's inspection responsibilities to avoid duplication of efforts at retail stores. Appropriations for the cost-recovery program total \$1.0 million in General Revenue Funds, including 5.6 FTE positions, which is approximately the same as 2022–23 biennial spending levels.

PESTICIDE DISPOSAL

TDA organizes pesticide waste and pesticide container collection activities statewide in coordination with the Texas Commission on Environmental Quality and the Texas A&M AgriLife Extension Service through the Pesticide Disposal program. Appropriations for this program total \$1.6 million in Other Funds from the Pesticide Disposal Fund, which is an increase of \$0.5 million from 2022–23 biennial spending levels. The increase appropriates remaining fund balances to add recruitment of healthcare professionals to rural communities.

GRAIN WAREHOUSE

TDA is responsible for protecting the producers or other depositors of grain stored in public grain warehouses through the Grain Warehouse program. Inspectors monitor grain inventories, warehouse accounting practices, and risks associated with potential insolvency of public grain warehouses. Appropriations for the cost-recovery program total \$0.7 million in General Revenue Funds, including 3.0 FTE positions, which continues 2022–23 biennial spending levels.

ORGANIC CERTIFICATION

TDA oversees the integrity of organic agriculture products that are produced and manufactured in Texas by providing certification services to Texas producers and agribusinesses through the Organic Certification program. Appropriations for the cost recovery program total \$1.0 million in All Funds, including 5.3 FTE positions, which is approximately the same as 2022–23 biennial spending levels.

TEXAS COOPERATIVE INSPECTION PROGRAM

TDA conducts grading and standardization inspections of citrus fruits, vegetables, tree nuts, and peanuts through the Texas Cooperative Inspection Program. Program

appropriations total \$7.0 million in Other Funds from Appropriated Receipts, which is approximately the same as 2022–23 biennial spending levels. Program funding provides for 19.3 FTE positions.

PRESCRIBED BURN

TDA regulates certified and insured prescribed-burn managers that work to control vegetative fuels that can contribute to wildfires through the Prescribed Burn program. Appropriations for the cost-recovery program total \$43,694 in General Revenue Funds, maintaining 2022–23 biennial spending levels.

MARKETS AND PUBLIC HEALTH

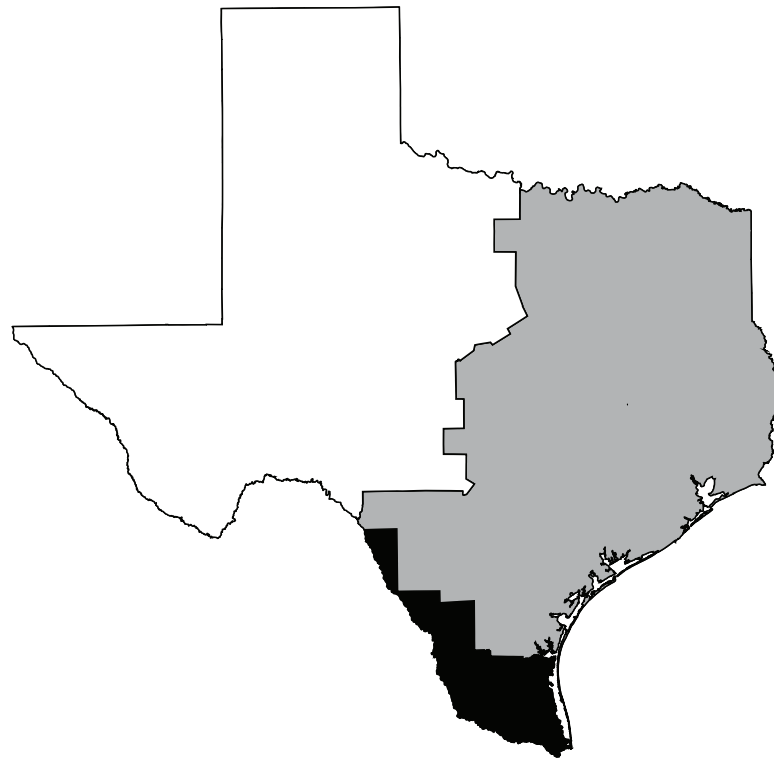
The markets and public health program area contains seven programs that enable Texas farmers, ranchers, and agribusiness to expand profitable markets for agricultural products while protecting public health and natural resources. These programs include: (1) Boll Weevil Eradication; (2) International and Domestic Trade; (3) Commodity Boards; (4) Handling and Marketing of Perishable Commodities; (5) License Plates; (6) Texas Agricultural Finance Authority; and (7) Agricultural Development.

Appropriations for the markets and public health program area total \$23.9 million in All Funds, including 30.1 FTE positions, which constitutes 1.4 percent of the agency's total appropriation. This amount represents a decrease of \$6.0 million, or 20.0 percent, from 2022–23 biennial spending levels, which is due to decreases in Federal Funds related to the COVID-19 pandemic and from various federal programs that are not anticipated to be available during the 2024–25 biennium.

BOLL WEEVIL ERADICATION

TDA oversees the Texas Boll Weevil Eradication Foundation, which is responsible for administering the Boll Weevil Eradication program. TDA approves budgets, posts agendas, receives annual reports, conducts elections for board members, and provides general oversight of foundation activities. At the beginning of fiscal year 2022, approximately 23,524 cotton growers in three regions, shown in **Figure 269**, participated in the program. The West Texas Maintenance Area and the East Texas Maintenance Areas have been declared eradicated, and the Lower Rio Grande Valley Eradication Zone remains in quarantine status.

FIGURE 269
TEXAS BOLL WEEVIL ERADICATION STATUS, FISCAL YEAR 2022



West Texas Maintenance Area – Eradicated
 East Texas Maintenance Area – Eradicated
 Lower Rio Grande Valley Eradication Zone – Quarantined

SOURCE: Texas Department of Agriculture.

Appropriations total \$9.9 million in General Revenue Funds, which represents a minimal increase of \$15,700, or 0.2 percent, from 2022–23 biennial spending levels.

INTERNATIONAL AND DOMESTIC TRADE

TDA promotes Texas agriculture through the GO TEXAN program to showcase Texas-made and Texas-raised products through the International and Domestic Trade program. GO TEXAN is a broad-based marketing program to increase awareness of products, culture, and communities of Texas domestically, nationally, and internationally. Appropriations for the cost-recovery program total \$5.9 million in All Funds, including 16.0 FTE positions, which is a decrease of \$1.6 million, or 21.3 percent, from 2022–23 biennial spending levels. The decrease is due to onetime Federal Funds provided during the COVID-19 pandemic that no longer are anticipated to be available.

COMMODITY BOARDS

TDA oversees 11 commodity boards in the state that collect producer assessments voluntarily for use in research, marketing, and education through the Commodity Boards program. Program appropriations total \$68,810 in General Revenue Funds, including 0.4 FTE position, which continues 2022–23 biennial spending levels.

HANDLING AND MARKETING OF PERISHABLE COMMODITIES

TDA ensures that producers of Texas-grown perishable commodities receive timely compensation for commodities they sell through the Handling and Marketing of Perishable Commodities program. Producers and sellers are authorized to recover a portion of their damages from the Produce Recovery Fund, a special account funded with a portion of the license fees paid. Appropriations for the cost-recovery program total \$30,864 in General Revenue Funds, including

2.0 FTE positions, which continues 2022–23 biennial spending levels.

LICENSE PLATES

Through the License Plates program, TDA acts as a nominating state agency for nonprofit organizations to receive and distribute funds collected by the Department of Motor Vehicles from the sale of specialized license plates. The grant program that TDA administers provides proceeds to the GO TEXAN program, American Quarter Horse Association, Masonic Grand Lodge of Texas, and Order of the Eastern Star. Appropriations for the program total an estimated \$0.1 million in Other Funds from the License Plate Trust Fund from revenue generated from license plate sales.

TEXAS AGRICULTURAL FINANCE AUTHORITY

TDA provides financial assistance for the expansion, development, and diversification of agricultural products and further rural economic development in the state through the Texas Agricultural Finance Authority program. Appropriations for the program total \$2.1 million in Other Funds from the Texas Agricultural Fund, an increase of \$0.3 million, or 15.6 percent, from 2022–23 biennial spending levels. This increase appropriates remaining fund balances to provide financial assistance to eligible agricultural business.

AGRICULTURAL DEVELOPMENT

Through the Agriculture Development program, TDA provides food safety education, inspection activities, and activities related to enhancing agricultural crops and industries, including but not limited to specialty crops (fruits, vegetables, horticulture, and more), livestock, and commodities (cotton, corn, sorghum, etc.). Appropriations for the program total \$5.7 million in Federal Funds, a decrease of \$4.7 million, or 45.0 percent, from 2022–23 biennial spending levels. The decrease is due to decreases in Federal Funds related to the COVID-19 pandemic and from various federal programs that are not anticipated to be available in the 2024–25 biennium.

ADMINISTRATION

The administration program area includes two programs: (1) Indirect Administration; and (2) Salary Adjustments.

The Indirect Administration program provides administrative support for TDA operations. These operations include executive management, internal audit, legal, human

resources, accounting, budget, purchasing, facilities, fleet services, communications, external affairs, revenue collection, and information technology infrastructure support. Funding totals \$31.2 million in All Funds, which is an increase of \$8.3 million, or 36.4 percent, from 2022–23 biennial spending levels and 92.5 FTE positions. The increase in General Revenue Funds is for information technology enhancements including a new licensing system to replace the current 20-year-old system and DCS funding for servers, management, and security services provided through the state data center and related contracts.

The Salary Adjustments program appropriations total \$6.6 million in All Funds to provide a statewide salary increase for the 2024–25 biennium.

Appropriations for the administration program area total \$37.8 million in All Funds, including 92.5 FTE positions, which constitutes 2.3 percent of the agency's total appropriation. This amount represents an increase of \$15.0 million, or 65.4 percent, from 2022–23 biennial spending levels. The increase is due to information technology cost increases and the statewide salary adjustment.

TEXAS ANIMAL HEALTH COMMISSION

PURPOSE: To protect and enhance the health of Texas animal populations by preventing, controlling, and eliminating animal diseases; monitoring and diagnosing animal illnesses; responding to emergency situations involving animals; and promoting productivity and marketability while minimizing risks to human health.

ESTABLISHED: 1949

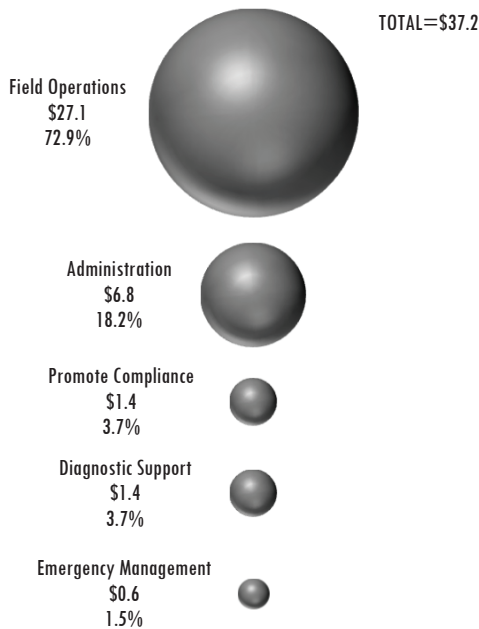
AUTHORIZING STATUTE: The Texas Agriculture Code, §161.021

GOVERNANCE: 13 members appointed by the Governor with the advice and consent of the Senate

FIGURE 270
TEXAS ANIMAL HEALTH COMMISSION BY METHOD OF FINANCE

METHOD OF FINANCE	(IN MILLIONS)				APPROPRIATED FULL-TIME-EQUIVALENT POSITIONS				
	ESTIMATED/BUDGETED 2022–23	APPROPRIATED 2024–25	BIENNIAL CHANGE	PERCENTAGE CHANGE					
General Revenue Funds	\$30.7	\$33.7	\$3.0	9.7%	<table border="1"> <tr> <td>2024</td> <td>225.2</td> </tr> <tr> <td>2025</td> <td>225.2</td> </tr> </table>	2024	225.2	2025	225.2
2024	225.2								
2025	225.2								
General Revenue–Dedicated Funds	\$0.0	\$0.0	\$0.0	N/A					
Federal Funds	\$3.6	\$3.5	(\$0.0)	(0.5%)					
Other Funds	\$0.0	\$0.0	\$0.0	N/A					
Total, All Methods of Finance	\$34.3	\$37.2	\$3.0	8.6%					

AGENCY PROGRAM AREAS BY APPROPRIATION (IN MILLIONS)



SIGNIFICANT DEVELOPMENTS

Cattle health program funding totals **\$9.1 million** in **All Funds**, maintaining 2022–23 biennial spending levels and continuing **\$8.0 million** for **cattle fever tick prevention, control, and eradication activities**.

Funding includes **\$2.5 million in General Revenue Funds** and 10.0 full-time-equivalent positions to assist the Department of Agriculture in operating five statewide **agricultural and livestock inspection stations** and to conduct an estimated **70,000 livestock inspections** each fiscal year.

Anticipated fee-generated General Revenue Funds collections from health certificates, chronic wasting disease inspections, and fowl registrations totaling **\$1.7 million** will fund **25.9 percent** of field operations and animal management and assurance program expenditures, excluding salaries and wages and other personnel costs.

Funding for **cattle fever tick mitigation clinical trials** totals **\$0.3 million in General Revenue Funds** for treatment testing.

SOURCE: Legislative Budget Board.

MAJOR FUNDING

Appropriations for the Texas Animal Health Commission (TAHC) total \$37.2 million in All Funds for the 2024–25 biennium, an increase of \$3.0 million, or 8.6 percent, from 2022–23 biennial spending levels. This funding change is due primarily to a net General Revenue Funds increase that includes the following:

- an increase of \$2.7 million for salary increases, including \$1.8 million for the statewide salary adjustment, \$0.8 million for targeted salary increases of administrative assistants and livestock inspectors, and \$0.1 million for an executive director salary increase;
- an increase of \$2.6 million for livestock inspection cost increases, which include \$2.5 million and 10.0 full-time-equivalent (FTE) positions to assist the Department of Agriculture (TDA) in operating new agriculture and livestock entry point inspection stations for five regional entry points at which TAHC staff will inspect livestock entering the state, and \$0.1 million for TAHC to contract with law enforcement to assist with livestock inspections;
- an increase of \$0.5 million for anticipated increases in fee-generated revenues from health certificates, chronic wasting disease inspections, and fowl registrations;
- an increase of \$0.3 million for TAHC to establish an interagency contract with a state university in Texas to conduct cattle fever tick (CFT) mitigation clinical trials;
- an increase of \$0.3 million to address increased laboratory testing costs with the Texas A&M Veterinary Medical Diagnostic Laboratory (TVMDL);
- an increase of \$0.1 million for enhancements to TAHC web-based applications; and
- a decrease of \$1.8 million in motor vehicle acquisition funding that was appropriated to the agency for fiscal year 2023 through Senate Bill 30, Eighty-eighth Legislature, Regular Session, 2023, the supplemental appropriations bill.

PROGRAMS

TAHC carries out its responsibilities of enhancing the health of Texas animal populations and facilitating productivity and marketability while minimizing risks to human health through five program areas: (1) field

operations; (2) administration; (3) diagnostic support; (4) promoting compliance; and (5) emergency management.

FIELD OPERATIONS

The field operations program area constitutes the primary workload of TAHC, including various methods to prevent, monitor, diagnose, control, and eradicate diseases within livestock herds and flocks. The program area includes field offices, which serve as bases of operations for inspectors and other agency personnel who perform their duties at auction sites, ranches, and other remote locations. Within this program area, the agency performs the following duties:

- conducts inspections at concentration points such as livestock auctions and slaughterhouses;
- inspects, tests, and quarantines infected herds and flocks;
- inspects livestock shipments;
- issues movement permits and monitors livestock movements;
- maintains databases containing animal, herd, and premises information;
- serves as a resource regarding disease and management problems for the livestock and poultry industries;
- registers certain poultry sellers, distributors, and transporters; and
- depopulates certain infected herds and flocks when necessary.

TAHC allocates a portion of its field operations budget toward specific species, diseases, or parasites. **Figure 271** shows the biennial funding amounts specified for certain programs within the field operations program area to represent anticipated spending by species. Minor funding changes are made across these programs each biennium to reallocate funding and resources to areas in greater need based on the status of different diseases across the state at given times each fiscal year.

The agency assesses fees that are deposited to the General Revenue Fund and cover certain inspection costs. These fees support field operations programs such as Cervid Health and Avian Health, but do not provide for salaries. **Figure 272** shows fees that TAHC assesses, actual revenue collections for the 2022–23 biennium, and estimated collections for the 2024–25 biennium. The agency is appropriated \$1.7 million from these revenues, which is equal to the amount of revenue

**FIGURE 271
FIELD OPERATIONS PROGRAMS AND FUNDING BY SPECIES, 2024–25 BIENNIUM**

PROGRAM	DESCRIPTION	APPROPRIATIONS
Cattle Health	Rapidly detect and survey for foreign and emerging disease trends and threats affecting cattle. Respond to disease outbreaks; provide timely and accurate information; develop disease control and eradication plans; advise regarding management of disease trends, potential threats, and mitigation strategies.	\$9,083,957
Equine Health	Rapidly detect and survey for foreign and emerging disease trends and threats affecting equines. Respond to disease outbreaks; provide timely and accurate information; develop disease control and eradication plans; advise regarding management of disease trends, potential threats, and mitigation strategies.	\$444,775
Swine Health	Rapidly detect and survey for foreign and emerging disease trends and threats affecting swine. Respond to disease outbreaks; provide timely and accurate information; develop disease control and eradication plans; advise regarding management of disease trends, potential threats, and mitigation strategies.	\$702,055
Avian Health	Monitor for and respond to outbreaks of infectious diseases through surveillance, testing, diagnosis, promotion of biosecurity, and identification of poultry populations at greatest risk of infection. Develop disease control and eradication plans. Manage poultry registration program.	\$547,160
Cervid Health	Increase chronic wasting disease surveillance in farmed deer and in elk; decrease the risk of the introduction of chronic wasting disease; provide early disease detection.	\$281,414
Sheep/Goat Health	Rapidly detect and survey for foreign and emerging disease trends and threats affecting sheep and goats. Respond to disease outbreaks; provide timely and accurate information; develop disease control and eradication plans; advise regarding management of disease trends, potential threats, and mitigation strategies.	\$177,840
Total		\$11,237,201

SOURCE: Legislative Budget Board.

the agency was estimated to generate in the Texas Comptroller of Public Accounts’ 2024–25 Biennial Revenue Estimate (BRE). Any revenue collected that is greater than the BRE amount also is appropriated to TAHC.

The most recent U.S. Department of Agriculture (USDA) National Agricultural Statistics Service, 2017 Census of Agriculture, ranked Texas first in the country in overall production of livestock and poultry, and specifically cattle and calves. The total market value of Texas livestock, poultry, and their products sold during calendar year 2017 totaled \$18.0 billion. Of this amount, \$12.3 billion, or 68.2 percent, was from cattle and calves, \$3.0 billion, or 16.6 percent, was from poultry and eggs, and \$2.2 billion, or 12.0 percent, was from milk from cows.

The remaining three programs in the field operations program area include Field Operations Administration, Animal Disease Traceability, and Salary Adjustments. Both the Field Operations Administration and Animal Disease Traceability programs apply to multiple species, and funding totals \$14.1 million in All Funds. All field operations program area FTE positions are budgeted through these two programs. The Salary Adjustments program funding totals

**FIGURE 272
TEXAS ANIMAL HEALTH COMMISSION FEES
2022–23 AND 2024–25 BIENNIA**

FEE	ACTUAL 2022–23	ESTIMATED 2024–25
Health Certificate	\$1,244,426	\$1,588,400
Chronic Wasting Disease Inspection	\$26,850	\$19,600
Fowl Registration Fees	\$156,116	\$112,000
Total Collected	\$1,427,392	\$1,720,000

SOURCES: Texas Animal Health Commission; Comptroller of Public Accounts’ Biennial Revenue Estimate.

\$1.8 million and provides for the statewide salary adjustment for TAHC employees.

The Field Operations Administration program is appropriated \$11.9 million in All Funds, an increase of \$0.5 million, or 4.7 percent, from 2022–23 biennial spending levels, and supports 175.2 FTE positions. The program includes regional offices that serve as localized bases of operations for field staff that provide TAHC services to livestock and poultry producers across the state. TAHC has six regional offices located in Amarillo, Beeville,

Laredo, Rockdale, Stephenville, and Sulphur Springs. The net increase in funding is due primarily to increases provided for managing new livestock inspection stations, targeted salary increases, increased fee-generated revenues, and for TAHC to establish contracts to conduct CFT mitigation clinical trials. The increases are offset by a decrease in vehicle acquisition funding, which was appropriated to the agency in fiscal year 2023 through Senate Bill 30, the supplemental appropriations bill.

Through the Animal Disease Traceability program, TAHC traces animal disease outbreaks by assisting producers and dealers to register their premises with the agency and properly identify all animals held on those premises for more than seven days. Appropriations total \$2.2 million in All Funds, a decrease of \$31,143, or 3.7 percent, from 2022–23 biennial spending levels, and support 4.0 FTE positions. This amount continues 2022–23 biennial spending levels.

Appropriations for the field operations program area total \$27.1 million in All Funds, an increase of \$2.3 million, or 9.1 percent, and provide for 179.2 FTE positions, which constitute 77.8 percent of the agency's total positions. The net All Funds increase is due primarily to the \$0.5 million net increase to the Field Operations Administration program discussed above and \$1.8 million provided for the statewide salary adjustment.

ADMINISTRATION

The administration program area includes the Central Administration, Information Resources, and Other Support Services programs. These programs provide for the agency's general administrative functions, including commissioners, executive administration, information technology resources, and other support services based in the Austin office. Appropriations for the Central Administration program total \$3.7 million, an increase of \$0.2 million, or 4.9 percent, from 2022–23 biennial spending levels, and support 19.0 FTE positions. Appropriations for the Information Resources program total \$2.4 million, an increase of \$0.1 million, or 5.1 percent, and support 10.0 FTE positions. Appropriations for the Other Support Services program total \$0.7 million, maintaining funding at 2022–23 biennial spending levels, and support 3.0 FTE positions.

Appropriations for the administration program area total \$6.8 million in All Funds, an increase of \$0.3 million, or 4.4 percent from 2022–23 biennial spending levels, and support 32.0 FTE positions. The increase is due to funding provided for targeted salary increases and to improve TAHC web-based applications.

DIAGNOSTIC SUPPORT

The diagnostic support program area includes the Diagnostic Administration program, which provides epidemiology services to assist in interpreting tests and diagnoses, develop disease control and eradication plans, and provide advice regarding management of potential threats and mitigation strategies. Since September 1, 2021, all diagnostic testing of samples submitted by field staff or other veterinarians has been conducted by the TVMDL due to the enactment of Senate Bill 705, Eighty-seventh Legislature, Regular Session, 2021, which closed the TAHC's State–Federal Laboratory and designated the TVMDL as the state's regulatory animal health laboratory. TAHC and TVMDL annually enter a memorandum of understanding that determines the scope of laboratory services and a fee structure between the agencies for each fiscal year. Appropriations for the Diagnostic Administration program total \$1.4 million, an increase of \$0.3 million, or 28.3 percent, from 2022–23 biennial spending levels, and support 5.0 FTE positions. The increase is due to funding provided to TAHC to address anticipated increases in testing costs and quantities.

PROMOTE COMPLIANCE

The promote compliance program area includes the agency's Legal and Compliance program, which provides public information and education for producers related to animal health regulations and statutes, legal counsel, and enforcement of intrastate and interstate regulations. The agency promotes voluntary compliance through education. When compliance is not forthcoming, TAHC's attorneys and investigators become involved. Appropriations for this program area total \$1.4 million in General Revenue Funds, an increase of \$0.1 million, or 10.5 percent, from 2022–23 biennial spending levels, and support 6.0 FTE positions. The increase is due to funding provided for TAHC to contract with state, county, and local law enforcement to assist with enforcement of livestock inspections across the state.

EMERGENCY MANAGEMENT

Appropriations for the emergency management program area total \$0.6 million in General Revenue Funds, a decrease of \$21,849, or 3.7 percent, from 2022–23 biennial spending levels, and support 3.0 FTE positions. The emergency management program assists in planning, coordination, transportation, sheltering, and care of animals during natural disasters or disease events. TAHC serves as the lead state agency for animal health issues during disasters, is a first responder for foreign and emergency diseases, and supports

industry biosecurity and response planning for catastrophic disease situations.

SIGNIFICANT LEGISLATION

House Bill 3257 – Confidentiality of sensitive information.

The legislation allows certain information held by and shared with TAHC related to biosecurity and other sensitive information to be confidential and excepted from disclosure except in certain cases.

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

PURPOSE: To strive to protect the state’s human and natural resources consistent with sustainable economic development through environmental assessment, planning, permitting, and monitoring, and through pollution prevention and remediation activities.

ESTABLISHED: 1993

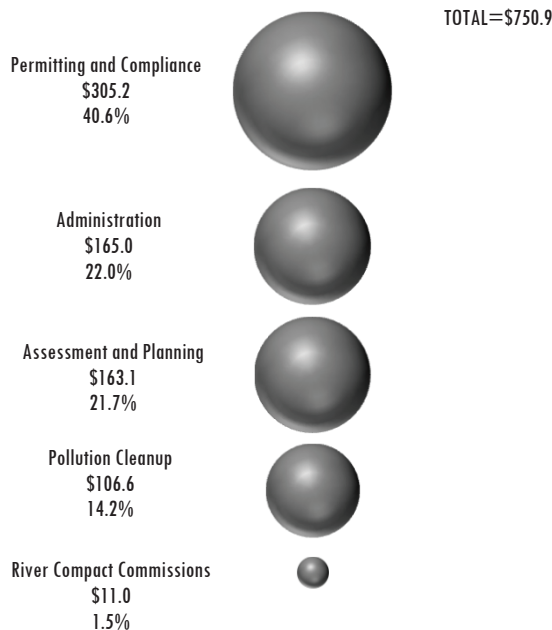
AUTHORIZING STATUTE: The Texas Government Code, the Texas Health and Safety Code, the Texas Local Government Code, the Texas Natural Resources Code, the Texas Occupations Code, the Texas Tax Code, and the Texas Water Code

GOVERNANCE: Three-member, full-time commission appointed by the Governor with the advice and consent of the Senate

FIGURE 273
TEXAS COMMISSION ON ENVIRONMENTAL QUALITY BY METHOD OF FINANCE

METHOD OF FINANCE	(IN MILLIONS)				APPROPRIATED FULL-TIME-EQUIVALENT POSITIONS
	ESTIMATED/BUDGETED 2022–23	APPROPRIATED 2024–25	BIENNIAL CHANGE	PERCENTAGE CHANGE	
General Revenue Funds	\$39.2	\$60.0	\$20.8	53.0%	2024 2,876.3 2025 2,878.3
General Revenue–Dedicated Funds	\$522.9	\$589.9	\$67.0	12.8%	
Federal Funds	\$82.8	\$78.9	(\$3.9)	(4.7%)	
Other Funds	\$30.5	\$22.2	(\$8.3)	(27.2%)	
Total, All Methods of Finance	\$675.3	\$750.9	\$75.6	11.2%	

AGENCY PROGRAM AREAS BY APPROPRIATION (IN MILLIONS)



SIGNIFICANT DEVELOPMENTS

Funding provides **\$28.0 million in various General Revenue–Dedicated Funds for targeted salary increases**, including \$23.6 million for mission-critical staff in the following classifications: natural resource specialist, geoscientist, engineering specialist, and hydrologist; and \$4.4 million for all other employees.

Funding provides **\$22.1 million in All Funds** to provide improvements in agency operations, functions, and services pursuant to Sunset Advisory Commission recommendations and **to implement the provisions of Senate Bill 1397**, Eighty-eighth Legislature, 2023, continuing the agency for 12 years until September 1, 2035.

Funding provides **\$10.5 million in General Revenue Funds** for ongoing litigation between New Mexico and Texas **regarding water apportionment** from the Rio Grande. The litigation is anticipated to conclude in fiscal year 2024 contingent on the U.S. Supreme Court hearing arguments of the pending case.

Funding provides **\$10.0 million in General Revenue Funds** to capitalize the new **Leaking Water Wells Fund** and to operate the associated new grant program established by **House Bill 4256, Eighty-eighth Legislature, 2023**.

SOURCE: Legislative Budget Board.

MAJOR FUNDING

Appropriations for the Texas Commission on Environmental Quality (TCEQ) total \$750.9 million in All Funds, an increase of \$75.6 million, or 11.2 percent, from 2022–23 biennial spending levels.

Significant funding changes from amounts in the 2022–23 biennium include increases of \$20.8 million in General Revenue Funds and \$67.0 million in General Revenue–Dedicated Funds and 52.0 full-time-equivalent (FTE) positions, primarily due to the following changes:

- an increase of \$57.4 million in General Revenue Funds and various General Revenue–Dedicated Funds for salary increases, which includes \$29.4 million for a statewide salary adjustment consisting of \$4.2 million in General Revenue Funds and \$25.2 million in various General Revenue–Dedicated Funds; and \$28.0 million for targeted salary increases in various General Revenue–Dedicated Funds, which includes \$23.6 million for mission-critical staff in natural resource specialist, geoscientist, engineering specialist, and hydrologist classifications, and \$4.4 million for all other employees;
- an increase of \$22.1 million in General Revenue Funds and various General Revenue–Dedicated Funds to provide improvements in agency operations, functions, and services pursuant to Sunset Advisory Committee (SAC) staff review findings used to develop SAC statutory change recommendations, which include the following amounts:
 - \$1.2 million in General Revenue Funds and \$5.9 million in General Revenue–Dedicated Funds to increase access to public records;
 - \$6.3 million in various General Revenue–Dedicated Funds and 9.0 FTE positions to increase the agency’s website usability;
 - \$6.0 million in various General Revenue–Dedicated Funds and 28.0 FTE positions to improve the agency’s website to enable the posting of permit application materials and notification and to establish a small business and local government enforcement diversion program pursuant to Senate Bill 1397, Eighty-eighth Legislature, Regular Session, 2023;
- \$1.6 million in General Revenue–Dedicated Funds from Account No. 153, Water Resource Management (Account No. 153), and 10.0 FTE positions to inspect high-hazard and significant-hazard dams; and
- \$1.1 million in various General Revenue–Dedicated Funds and 5.0 FTE positions to increase the frequency of updating compliance history ratings;
- an increase of \$10.0 million in General Revenue Funds to capitalize the newly established Leaking Water Wells Fund, an Other Fund, pursuant to House Bill 4256, Eighty-eighth Legislature, Regular Session, 2023;
- an increase of \$6.1 million in General Revenue Funds and various General Revenue–Dedicated Funds for TCEQ additional lease, maintenance, and security costs including the following amounts:
 - \$3.6 million in various General Revenue–Dedicated Funds and \$30,531 in General Revenue Funds to provide for higher lease costs at 14 regional offices and one state laboratory; and
 - \$2.5 million in various General Revenue–Dedicated Funds, which include \$1.5 million for maintenance contract cost increases and \$1.0 million for security contract increases.
- an increase of \$2.4 million in General Revenue Funds for the Rio Grande Compact Commission for anticipated costs of the ongoing litigation between New Mexico and Texas regarding water apportionment from the Rio Grande;
- an increase of \$2.8 million in General Revenue Funds for the Bays and Estuary program;
- an increase of \$2.5 million in General Revenue–Dedicated Account No. 151, Clean Air (Account No. 151), for air quality planning activities to reduce fine particulate matter in nonattainment counties;
- an increase of \$1.4 million in General Revenue–Dedicated Funds from Account No. 5071, Texas Emissions Reduction Plan (TERP account);
- a decrease of \$12.3 million in various General Revenue–Dedicated Funds for the discontinuation

of the following onetime funding included in the 2022–23 biennium:

- \$4.1 million for an Occupational Licensing and Integrated Database provided in House Bill 2, Eighty-seventh Legislature, 2021;
- \$3.0 million for environmental remediation efforts at a closed battery-recycling facility due to the implementation of House Bill 2708, Eighty-seventh Legislature, 2021;
- \$2.0 million for the remediation of the Donna Reservoir and Canal System Federal Superfund Site;
- \$1.3 million for the modernization of the Air and Water Monitoring Data Management System;
- \$0.9 million for upgrades to the Houston Regional Office;
- \$0.9 million for vehicle replacements that were reallocated from 2024–25 biennial appropriations to fiscal year 2023 in the supplemental bill, Senate Bill 30, Eighty-eighth Legislature, Regular Session, 2023. Although these funds are not appropriated in fiscal year 2024, expenditures from the fiscal year 2023 appropriation will continue through the 2024–25 biennium;
- \$0.1 million for furniture, equipment, computers, and vehicles provided to implement Senate Bill 3, Eighty-seventh Legislature, Regular Session, 2021; and
- \$0.1 million for State Implementation Plan Modeling.

Significant funding changes from amounts in the 2022–23 biennium also include an increase of \$7.6 million in various General Revenue–Dedicated Funds in Senate Bill 30 in fiscal year 2023. Although these funds are not appropriated in fiscal year 2024, expenditures from the fiscal year 2023 appropriation will continue through the 2024–25 biennium. These increases support the following purposes:

- \$6.8 million in General Revenue–Dedicated Funds from Account No. 550, Hazardous and Solid Waste Remediation Fee (Account No. 550) to provide \$3.8 million for Hazardous and Solid Waste Remediation from additional revenues anticipated to be available;

and \$3.0 million for environmental remediation efforts at a closed battery-recycling facility; and

- \$0.9 million in various General Revenue–Dedicated Funds for vehicle replacements.

Significant funding changes from amounts in the 2022–23 biennium include a net decrease of \$8.3 million in Other Funds primarily due to the following changes:

- a decrease of \$4.1 million through Interagency Contracts for a Texas Water Development Board grant from the Drinking Water State Resolving Fund that is not anticipated to continue;
- a decrease of \$4.0 million in Appropriated Receipts from cost recovery fees for remediation of Superfund sites in the 2022–23 biennium that are not anticipated to continue;
- a decrease of \$0.8 million in Appropriated Receipts from disaster relief expenditures for Hurricane Harvey and for the fire in the City of West that are not anticipated to continue; and
- an increase of \$0.6 million from the Leaking Water Wells Fund and 2.0 FTE positions to implement the provisions of House Bill 4256.

Significant funding changes from amounts in the 2022–23 biennium also include a decrease of \$3.9 million in Federal Funds from the 2022–23 biennium that are no longer anticipated to be available in the 2024–25 biennium, which primarily include a Lead Testing Drinking Water Grant provided by the U.S. Environmental Protection Agency (EPA) and Non-point Source Implementation Grants and leaking Underground Storage Tank Trust Fund grants related to Hurricane Harvey.

TCEQ fulfills its responsibilities through five major program areas: (1) assessment and planning; (2) permitting and compliance; (3) administration; (4) pollution cleanup; and (5) river compact commissions.

ASSESSMENT AND PLANNING

The assessment and planning program area functions to reduce toxic releases in the state and guide the state's regulatory framework. The agency performs assessment and planning in air, water, waste, and radioactive materials management. It also provides oversight of the safe drinking program. Assessment and planning program area funding includes \$163.1 million, or 21.7 percent, of the agency's All

Funds appropriations, and supports 513.6 FTE positions. This amount includes an increase of \$8.1 million, or 5.2 percent, from 2022–23 biennial spending levels.

AIR QUALITY

TCEQ assesses the effect of air emissions and develops solutions for regional air quality problems. The air quality subarea includes the following programs: (1) Air Monitoring; (2) Air Quality Planning; (3) Vehicle Emission Inspections, also known as the Vehicle Emissions Inspection and Maintenance Program (VEIMP); and (4) Texas Emissions Reduction Plan (TERP).

The Air Monitoring program has established an extensive statewide monitoring network that includes over 230 air-monitoring sites, depending on the time of year and other factors. The program collects air samples and analyzes data to determine pollutant levels in air throughout the state. Many of the monitoring sites have multiple sampling instruments. The Texas network has approximately 1,075 individual samplers, three-quarters of which are controlled predominantly by TCEQ. Like the number of sites, the number of sampling instruments changes occasionally as interest in different parameters fluctuates. These stations contain specialized instrumentation that provides continuous and non-continuous measurements of air pollutant levels and meteorological conditions. The data from these stations are transmitted to the agency's headquarters in Austin and published on the agency's website. Periodically, TCEQ uses air-sampling aircraft to monitor air quality and air emissions to supplement the data gathered by the ground-based monitoring network. Appropriations for the Air Monitoring program total \$45.1 million in All Funds, a net decrease of \$0.6 million in various General Revenue–Dedicated Funds, or 1.4 percent, from 2022–23 biennial spending levels and provide for 153.8 FTE positions. The decrease is due to the following changes:

- an increase of \$1.4 million for targeted salary increases;
- a decrease of \$0.2 million for vehicle replacements that were reallocated from 2024–25 biennial appropriations to fiscal year 2023 in Senate Bill 30;
- a decrease of \$0.1 million for the removal of onetime costs related to the State Modeling Implementation Plan; and
- a decrease of \$0.9 million due to reallocations between agency programs.

Through the Air Quality Planning program, the agency develops the State Implementation Plan (SIP) and associated regulatory actions to help ensure that all areas of Texas either comply or will comply with National Ambient Air Quality Standards (NAAQS). The agency updates an inventory of all emissions, including point, area, and mobile air pollution sources, for submission to the EPA every three calendar years. In addition, the point-source inventory is updated every year and submitted to the EPA. These inventories assist in development of the SIP for all areas in the state that EPA designates as nonattainment areas for NAAQS. To bring such areas into compliance with federal standards, the agency develops control strategies through the SIP, such as vehicle emissions and inspection testing; point-source emissions limitations, including emissions cap-and-trade programs; and idling restrictions for heavy-duty vehicle engines. TCEQ uses computer models to test the effectiveness of various pollution-control strategies when determining what control measures would be effective and appropriate for an area. After the control measures are implemented, progress in air quality is measured by the extent to which monitors detect reduced levels of air pollution.

Appropriations for the Air Quality Planning program total \$33.1 million in All Funds, an increase of 3.1 million in various General Revenue–Dedicated Funds, or 10.2 percent, from 2022–23 biennial spending levels, and provide for 118.6 FTE positions. The increase is primarily due to funding for targeted salary increases and air quality planning activities to reduce fine particulate matter in nonattainment counties.

Figure 274 shows air quality measured in nonattainment and near-nonattainment areas during calendar years 2014 to 2022, based on the three-year average of the annual fourth-highest daily-maximum eight-hour ozone. Design values provide a metric of a location's air-quality status relative to the NAAQS level.

The agency assists the Texas Department of Public Safety in implementing the VEIMP through the Vehicle Emission Inspections program. Tailpipe emissions inspections are required pursuant to the federal Clean Air Act based on the severity of each city's nonattainment status level. In addition, any area can participate in VEIMP voluntarily. VEIMP is implemented in 17 Texas counties: Brazoria, Collin, Dallas, Denton, Ellis, El Paso, Fort Bend, Galveston, Harris, Johnson, Kaufman, Montgomery, Parker, Rockwall, Tarrant, Travis, and Williamson; Travis and Williamson counties participate voluntarily. Appropriations for the Vehicle

FIGURE 274
EIGHT-HOUR OZONE LEVELS IN SELECTED TEXAS AREAS
THREE-YEAR AVERAGES, CALENDAR YEARS 2014 TO 2022

(IN PARTS PER BILLION)

REGION	2014–16	2015–17	2016–18	2017–19	2018–20	2019–21	2020–22
Dallas–Fort Worth	80	79	76	77	76	76	77
Houston–Galveston	79	81	78	81	79	77	78
Beaumont–Port Arthur	68	67	67	70	68	66	63
San Antonio	73	74	72	73	72	73	75
El Paso	70	71	73	75	76	75	73
Austin	66	69	68	69	65	63	64
Tyler–Longview	66	65	65	66	65	64	65
Victoria	65	65	N/V	N/V	N/V	61	60
Waco	63	N/V	N/V	N/V	64	64	64
Corpus Christi	64	62	61	61	61	62	62
Hood County	69	67	66	67	66	64	69

NOTE: Amounts exceeding the calendar year 2015 ozone standard of 70 parts per billion (ppb), which is based on the three-year average of the annual fourth-highest daily-maximum eight-hour ozone, are shaded. Previous standards included 85ppb since calendar year 1997 and 75ppb since calendar year 2008. Values are based on data from regulatory monitors. N/V indicates that the data from that year does not meet the data validity criteria.

SOURCE: Texas Commission on Environmental Quality.

Emission Inspections program total \$4.2 million in General Revenue–Dedicated Funds from Account No. 151, an increase of \$0.2 million, or 4.4 percent, from the 2022–23 biennial spending level due to funding for targeted salary increases and lease and maintenance cost increases. Program funding provides for 16.1 FTE positions.

The TERP program implements multiple grant programs targeting nonattainment areas and other areas in the state to promote reduced emissions from on-road vehicles, nonroad heavy-duty equipment, locomotives, marine vessels, and stationary engines.

House Bill 3745, Eighty-sixth Legislature, 2019, extended the sources of funding for the TERP program after August 31, 2019, until each active or revoked ozone NAAQS area in Texas has been designated by the EPA as being in attainment or non-classifiable. Most of the revenue supporting the TERP program comes from a portion of the certificate of title fee (\$20 in nonattainment areas, \$15 in all other areas) that is deposited to the Texas Mobility Fund; the TERP account is reimbursed with an equal transfer from the State Highway Fund. Other sources of revenue to TERP include: the Limited Sales and Use Tax, which is a fee on the sale or lease of diesel equipment; the Motor Vehicles Sales and Use Tax, which is a fee on the sale and use of on-road diesel vehicles; the Commercial Motor Vehicle Registration Fee,

which is a 10.0 percent surcharge on the registration of a commercial vehicle; and the Commercial Motor Vehicle Inspection Fee, which is a \$10 fee on inspections of commercial vehicles. The deposit of fees and surcharges to the credit of the TERP account and transfers from the State Highway Fund deposited to the credit of TERP were continued until September 1, 2021.

After this date, the legislation established the TERP Fund as a trust fund held outside of the Treasury by the Comptroller of Public Accounts and administered by TCEQ. This fund consists of revenues from fees and surcharges previously deposited to the TERP account, including transfers from the State Highway Fund. The legislation authorizes TCEQ to spend money in the TERP Fund without legislative appropriation and directs TCEQ to deposit any remaining unencumbered balances to the TERP account inside the Treasury at the end of each biennium.

The TERP program appropriations total \$1.4 million in General Revenue–Dedicated Funds from the TERP account, which is an increase of \$1.4 million from 2022–23 biennial levels. The TERP program is required to return any funds appropriated back to the General Revenue–Dedicated account out of revenue collected and deposited to the credit of the TERP fund held outside the Treasury. TCEQ anticipates that a net \$166.7 million in fiscal year 2024, and

\$170.1 million in fiscal year 2025, totaling \$336.8 million for the biennium, will be available for the TERP program after statutorily required transfers are made to the State Highway Fund. In addition, \$1.4 million in General Revenue–Dedicated Funds from the TERP account also is appropriated for temporary cash flow purposes in the first fiscal year to cover initial operating costs while revenues are being collected in the TERP Fund because the TERP Fund is statutorily required to begin each biennium with a zero balance. Any expenditures from the temporary cash flow appropriation must be repaid from the TERP Fund to the General Revenue–Dedicated TERP account by the end of the fiscal year.

Appropriations for the air quality subarea total \$83.7 million in All Funds and support 288.5 FTE positions. This is a decrease of \$4.0 million from 2022–23 biennial spending levels due primarily to the targeted salary increases and funding for air quality planning activities to reduce fine particulate matter.

WATER QUALITY

TCEQ protects the state’s water quality by monitoring and evaluating water quality in lakes, streams, and groundwater and by establishing water-quality standards to protect aquatic life, human health, drinking water, and recreation. TCEQ develops and coordinates water-quality improvement strategies with other state agencies and local stakeholders. The water quality subarea includes the following programs: (1) Water Assessment and Planning; (2) Water Quality Assessment and Planning – Total Maximum Daily Load (TMDL); (3) Clean Rivers Program; (4) Groundwater Protection and Management; (5) Protection and Restoration of Bays and Estuaries; (6) Water Quality Assessment and Planning – Nonpoint Source Program; (7) Dam Safety; and (8) Water Quality Standards.

The Water Assessment and Planning program assesses water quality and coordinates monitoring for surface water in Texas. The agency has 31 continuous water quality-monitoring sites established as of October 2023. As with the air-quality sites, data from the continuous water quality-monitoring sites is transmitted to the agency’s headquarters and is shown on the agency’s website. TCEQ expects to complete 100 surface water assessments and 108 groundwater assessments during the 2024–25 biennium. The Water Assessment and Planning program is appropriated \$26.9 million in All Funds, a decrease of \$1.1 million, or 4.1 percent, from 2022–23 biennial spending levels. Program funding provides for 139.6 FTE

positions. This net decrease is primarily due to the following changes in Account No. 153:

- an increase of \$1.7 million for targeted salary increases;
- an increase of \$0.3 million for increased lease and maintenance costs;
- a decrease of \$0.1 million for vehicle replacements that were reallocated from 2024–25 biennial appropriations to fiscal year 2023 in Senate Bill 30; and
- a decrease of \$0.3 million due to the removal of onetime costs for the Air and Water Monitoring Data Management legacy system.

TCEQ is also responsible for developing plans to restore polluted bodies of water to acceptable surface water-quality standards by developing total maximum daily loads through its TMDL program. A TMDL value establishes the maximum level of a pollutant that a body of water can assimilate and still meet water-quality standards. The Texas State Soil and Water Conservation Board (TSSWCB) and other state agencies, including the Texas Parks and Wildlife Department and institutions of higher education, assist TCEQ in TMDL development. TCEQ is responsible for overall TMDL development, and stakeholders are responsible for developing an implementation plan with steps to improve water quality. For example, TSSWCB’s responsibilities focus on TMDLs specifically affected by agricultural and silvicultural (forestry-related) practices. The TMDL program is appropriated \$4.5 million in All Funds and 9.0 FTE positions, remaining consistent with the 2022–23 biennial spending level.

The Clean Rivers Program implements a statewide framework through which 15 regional partners, including river authorities and others, collect water quality data and provide a public forum for managing water quality in each Texas river basin. The Clean Rivers Program funding totals \$10.7 million in All Funds, maintaining appropriations from Account No. 153 at the 2022–23 biennial spending level, to enable the 15 regional partners to provide water quality data for the agency to use in federal water quality standards reporting. Program funding supports 5.0 FTE positions. This funding also supports increased lab costs to process water quality samples, maintain current programs, add additional water quality parameters to sample, and increase monitoring and conduct water quality special studies.

The Groundwater Protection and Management program supports and coordinates Texas’ efforts to protect groundwater by designating priority groundwater

management areas and implementing oversight and implementation of groundwater district plans. These activities are coordinated through the Texas Groundwater Protection Committee, administered by TCEQ. The program is appropriated \$1.0 million in All Funds, an increase of \$0.1 million from 2022–23 biennial spending levels. Program funding also supports 5.0 FTE positions.

The Water Quality Assessment and Planning – Nonpoint Source program provides funds to protect and restore water quality affected by nonpoint source pollution, updates the State Water Quality Management Plan, and carries out planning activities. TSSWCB is the lead agency for agricultural and silvicultural nonpoint source pollution abatement; TCEQ focuses on all other nonpoint source pollution, such as land runoff, precipitation, and atmospheric deposition, and updates the State Water Quality Management Plan. The program is appropriated \$7.0 million in All Funds, a decrease of \$2.2 million, or 24.1 percent, from 2022–23 biennial spending levels. This decrease is due primarily to the completion of onetime federally funded grant projects. Program funding supports 9.2 FTE positions.

The Protection and Restoration of Bays and Estuaries program implements federally approved conservation management plans developed to protect and restore the health and productivity of Galveston and Coastal Bend bays and estuaries, while supporting continued economic growth and public use. Implementation is achieved with local partnerships and stakeholder involvement. The Protection and Restoration of Bays and Estuaries program is appropriated \$7.0 million in All Funds, an increase of \$2.7 million from 2022–23 biennial spending levels. This increase is due to an additional \$2.8 million in General Revenue Funds provided for program purposes. Program funding supports 8.1 FTE positions.

The Dam Safety program monitors and regulates private and public dams, inspects dams that pose a great or significant hazard, and provides recommendations and reports to responsible parties. The program is intended to ensure that these facilities are constructed, maintained, repaired, and removed safely. TCEQ also maintains the Texas Dam Inventory, a database with information regarding dam ownership, hazard classification, and location. TSSWCB and the Texas Water Development Board also have programs that offer funding options to assist with dam construction, maintenance, repair, and rehabilitation. Appropriations for the Dam Safety Program total \$9.0 million in All Funds, an increase of \$2.7 million, or 42.0 percent, from 2022–23

biennial spending levels and 41.1 FTE positions. The increase is primarily due to targeted salary increases and providing an additional 10.0 FTE positions to inspect high hazard dams.

The Water Quality Standards program provides funding for the development and coordination of the Texas Surface Water Quality Standards, which set the targets for water-quality management efforts in Texas. This responsibility includes establishing the uses and criteria for the streams, rivers, reservoirs, and estuaries of Texas. Appropriations for the Water Quality Standards program total \$1.0 million in All Funds, a decrease of \$0.4 million from 2022–23 biennial spending levels, with 4.9 FTE positions. The decrease is primarily due to reallocations within agency programs.

Appropriations for the water quality subarea total \$67.1 million in All Funds and provide for 221.9 FTE positions. This amount includes an increase of \$4.0 million, or 6.4 percent, from 2022–23 biennial spending levels.

WASTE DISPOSAL

TCEQ monitors the generation, treatment, and storage of solid waste; tracks the capacity of waste-disposal facilities; and provides technical assistance to municipal solid waste planning regions for the development and implementation of waste-reduction plans through the following waste disposal subarea programs: (1) Waste Assessment and Planning; and (2) Municipal Solid Waste Disposal Grant.

The Waste Assessment and Planning program assesses municipal solid waste disposal capacity, identifies waste-management trends, and assesses future waste-management needs across the state. Appropriations for the program total \$1.3 million in All Funds, a decrease of \$0.1 million from 2022–23 biennial spending levels, and support 3.2 FTE positions.

As a part of the Municipal Solid Waste Disposal Grant program, TCEQ's waste permits division collects and analyzes facility capacity data, provides technical assistance to the regulated community, and provides financial assistance to local and regional solid waste projects through four councils of government (COG). Each COG maintains a regional solid waste-management plan and also may maintain local solid waste-management plans. Each biennium, the COGs prepare a regional funding plan to identify funding priorities in their regions and their solid waste-management needs. The Municipal Solid Waste Disposal Grants program provides funding to the COGs for these priorities. Program appropriations total \$10.9 million in All Funds, a decrease of

\$0.1 million from 2022–23 biennial spending levels. Funding from General Revenue–Dedicated Account No. 5000, Solid Waste Disposal (Account No. 5000) decreased by \$11.0 million with a corresponding increase of an equivalent amount in General Revenue–Dedicated Account No. 549, Waste Management (Account No. 549), pursuant to House Bill 3461, Eighty-eighth Legislature, Regular Session, 2023, abolishing Account No. 5000 and transferring all balances and future revenues to Account No. 549 effective September 1, 2023.

Appropriations for the waste disposal subarea total \$12.3 million in All Funds, a \$0.1 million increase from 2022–23 biennial spending levels, and provide for 3.2 FTE positions.

PERMITTING AND COMPLIANCE

Through the permitting and compliance program area, TCEQ regulates discharges to air and water and the disposal of solid and hazardous waste. The agency plans and conducts assessments and inspections to reduce toxic releases for air, water, and waste, and conducts occupational licensing, compliance, pollution prevention, recycling, and enforcement duties. Appropriations for the permitting and compliance program area total \$305.2 million, or 40.7 percent of the agency’s All Funds appropriations, and support 1,661.5 FTE positions. This amount represents an increase of \$19.8 million, or 6.9 percent, from 2022–23 biennial spending amounts.

AIR QUALITY PERMITTING

Air quality permitting subarea programs are responsible for issuing permits to facilities that release pollutants into the air. TCEQ regulates air quality through three programs: (1) Air Permitting – Title V, Operating Permits; (2) Air Permitting – New Source Review; and (3) Air Pollution Control Equipment.

The Air Permitting – Title V, Operating Permits, program oversees facility compliance with Title V of the federal Clean Air Act amendments of 1990 by assessing and issuing permits to operate major sources and certain minor sources of air pollution. Title V requires all major sites to apply for an operating permit that codifies and consolidates all applicable regulations at that site into one permit. TCEQ expects to issue approximately 14,000 permits during the 2024–25 biennium. Appropriations for the Air Permitting – Title V, Operating Permits, program total \$19.0 million in All Funds, an increase of \$1.4 million from 2022–23 biennial spending levels due primarily to targeted salary increases. Program funding supports 120.3 FTE positions.

The Air Permitting – New Source Review program is responsible for ensuring that new or expanding air-pollution-emitting facilities use the best available control technology to control and reduce emissions, and that emissions do not have adverse health effects on surrounding areas. TCEQ expects to review 1,300 permits, amendments, renewals, standard permits, and permit-by-rule registrations during the 2024–25 biennium. Appropriations for the Air Permitting – New Source Review program total \$18.6 million in All Funds and 103.6 FTE positions, a net increase from 2022–23 biennial spending levels of \$1.8 million from Account No. 151 due primarily to the following changes:

- an increase of \$0.3 million to provide increased access to public records;
- an increase of \$1.0 million for targeted salary increases; and
- an increase of \$0.6 million to provide improvements in agency operations, functions, and services pursuant to SAC recommendations.

The Air Pollution Control Equipment program reviews applications for entities seeking a property tax exemption for pollution control equipment. If TCEQ determines that property qualifies as pollution-control property, a positive use determination is sent to the applicant and the appropriate local property tax appraisal authority for a final determination. The program is funded through application fees deposited to the General Revenue Fund. Appropriations for the program total \$0.5 million with 2.0 FTE positions, an amount equal to 2022–23 biennial expenditures.

Appropriations for the air quality permitting subarea total \$38.0 million in All Funds for the 2024–25 biennium, an increase of \$3.2 million from 2022–23 biennial spending levels, and provide for 225.9 FTE positions.

WATER RESOURCE PERMITTING

TCEQ has three water resource permitting subarea programs: (1) Water Resource Permitting; (2) Watermaster Administration; and (3) Edwards Aquifer Protection. These programs are charged with reviewing permits and other authorizations relating to the quality and uses of the state’s water. TCEQ ensures that streams, lakes, bays, and estuaries meet federal and state water-quality standards by issuing permits regulating wastewater and storm water discharges. The agency anticipates reviewing approximately 25,500 water-quality permit applications during the 2024–25 biennium.

The Water Resource Permitting program processes permits to divert, use, or store surface water, and permits to discharge wastewater and storm water. The wastewater and storm water permitting activities include permits for storm water runoff from construction sites, industrial facilities, and certain storm sewers; and permits for wastewater discharge into state water through the Texas Pollutant Discharge Elimination System permits and Texas Land Application permits. To administer surface water rights, TCEQ evaluates water availability, conservation and drought contingency plans, and the environmental effects of the diversion of state water. TCEQ anticipates reviewing 1,280 water rights permits during the 2024–25 biennium. Additionally, TCEQ anticipates reviewing 12,970 applications to address water quality impacts in fiscal year 2024, and 12,530 in fiscal year 2025. Appropriations for the program total \$27.5 million in All Funds, a net increase of \$2.6 million in General Revenue–Dedicated Funds from Account No. 153, or 10.3 percent, from 2022–23 biennial spending levels. Program funding supports 151.0 FTE positions. The increase includes \$1.5 million for targeted salary increases and \$0.2 million for increased lease costs and other reallocations between agency programs.

The Watermaster Administration program oversees four Watermaster programs in the state: Brazos, Concho River, Rio Grande, and South Texas. These programs are concerned specifically with the allocation and use of surface water within each Watermaster area. Watermasters ensure compliance with water rights in their designated service areas, which is necessary especially during times of drought conditions and diminished stream flows. Appropriations for the program total \$4.7 million in All Funds, an increase of \$0.2 million in General Revenue–Dedicated Funds from Account No. 158, Watermaster Administration, for targeted salary increases. Program funding supports 31.0 FTE positions.

The Edwards Aquifer is a groundwater system in Central-South Texas. The Edwards Aquifer program reviews applications and construction plans submitted to the agency for construction projects in the recharge, transition, or contributing zones of the aquifer. Approved plans are also monitored, and fees are charged to applicants to cover the cost of the program. Appropriations for the program total \$3.3 million in All Funds, an increase of \$0.5 million from 2022–23 biennial spending levels. The increase includes \$0.3 million for targeted salary increases and \$0.2 million for increased lease costs. Program funding supports 21.2 FTE positions.

Appropriations for the water resource permitting subarea total \$35.5 million, a net increase of \$3.3 million, or 31.6 percent, from 2022–23 biennial spending levels, and provide for 203.2 FTE positions.

WASTE MANAGEMENT AND PERMITTING

TCEQ regulates all industries engaged in the generation, treatment, storage, and disposal of hazardous, industrial, and municipal waste. Permit issuance provides a mechanism for ensuring that waste management protects human health and the environment. Waste management and permitting subarea programs include: (1) Municipal Solid Waste; (2) Registration and Reporting; and (3) Underground Injection Control.

The Municipal Solid Waste program oversees the management and disposal of municipal solid waste sites across the state. It is a permitting program that regulates industries engaged in the generation, treatment, storage, and disposal of municipal solid waste. Program appropriations total \$9.1 million in All Funds, an increase of \$1.6 million from 2022–23 biennial spending levels. Program funding supports 47.5 FTE positions. This increase primarily includes \$0.6 million for increased access to public records, \$0.5 million for targeted salary increases, and \$0.3 million to implement the provisions of Senate Bill 1397, TCEQ’s Sunset legislation. Appropriations are supported by fees imposed on industrial solid or hazardous waste generation owners or operators of permitted facilities and other fees related to waste management.

The Registration and Reporting program processes registrations and provides information and customer service for the following TCEQ registration activity areas: industrial and hazardous waste; medical waste; enclosed containers; used oil recycling; sludge transporters; and television manufacturing recycling registration. Appropriations for the program total \$3.3 million in All Funds, an increase of \$0.6 million, or 23.7 percent, from 2022–23 spending levels. Program funding supports 24.6 FTE positions. The increase is primarily due to an increase of \$0.3 million in General Revenue Funds for targeted salary increases and reallocations between agency programs.

The objective of the Underground Injection Control (UIC) program is to protect underground sources of drinking water (USDW) through permitting of underground injection of fluids through the permitting of classes I, III, IV, and V injection wells. Regulation of wells used for underground injection must maintain the quality of fresh water to an extent consistent with public health and welfare and the

operation of existing industries. Through permit issuance, the UIC program regulates site location, construction, operation, maintenance, monitoring, and closure of the following classes of injection wells:

- Class I, which are used to inject hazardous and nonhazardous wastes into deep, isolated rock formations underneath USDWs;
- Class III, which are used to inject fluids to dissolve and extract minerals (e.g., uranium, sulfur, and sodium sulfate);
- Class IV, which are shallow wells used to inject hazardous or radioactive wastes into or above a geologic formation that contains a USDW. These wells typically are banned by state and federal law, but they may be used in certain environmental cleanup operations in accordance with EPA and TCEQ rules; and
- Class V, which typically includes shallow wells used to inject nonhazardous fluids to clean up groundwater contamination.

The Railroad Commission of Texas regulates Class II wells, which are used exclusively to inject fluids associated with oil and gas production, and Class VI wells, used to inject carbon dioxide into underground subsurface rock formations for long-term storage or geologic sequestration.

Appropriations for the UIC program total \$2.5 million in All Funds, an increase of \$0.6 million, or 35.1 percent, from 2022–23 biennial spending levels. Program funding supports 10.0 FTE positions. The increase is primarily due to \$0.6 million provided to implement the provisions of Senate Bill 1397, TCEQ’s Sunset legislation.

Appropriations for the waste management and permitting subarea total \$14.9 million in All Funds, an increase of \$2.9 million from the 2022–23 biennium, and provide for 82.1 FTE positions.

OCCUPATIONAL LICENSING

The Occupational Licensing program issues permits and registrations for the following occupations: backflow prevention assembly testers; customer service inspectors; landscape irrigators; irrigation technicians and irrigation inspectors; corrective action specialists and project managers for leaking petroleum storage tanks; municipal solid waste facility supervisors; onsite sewage facility installers; designated

representatives, apprentices, maintenance providers, maintenance technicians, and site evaluators; public water system operators and operations companies; wastewater operators and operations companies; water treatment specialists; underground storage tank contractors and onsite supervisors; and training providers for visible emissions evaluators. The program develops and holds training sessions, develops and administers proficiency examinations, approves basic and continuing education training, issues occupational licenses, and monitors licenses. Appropriations for the Occupational Licensing program total \$2.9 million in All Funds and provide for 22.5 FTE positions. This amount increases funding by \$0.3 million from 2022–23 biennial spending levels. The increase is primarily due to increased funding to provide targeted salary increases.

ENVIRONMENTAL ASSISTANCE

The Environmental Assistance program provides accurate, comprehensive, and timely responses and technical assistance to agency customers without the threat of enforcement, focusing on small businesses and local governments, with the goal of improving compliance with state environmental regulations. Appropriations for the Environmental Assistance program total \$4.5 million in All Funds, an increase of \$0.5 million in various General Revenue–Dedicated Funds from the 2022–23 biennial spending level. Program funding supports 32.8 FTE positions. This increase is primarily due to increased funding for targeted salary increases.

RADIOACTIVE MATERIALS AND WASTE MANAGEMENT

The agency has two radioactive materials management subarea programs: (1) Radioactive Materials; and (2) Low Level Radioactive Waste.

The Radioactive Materials program licenses, permits, and regulates source material recovery (uranium mining), commercial radioactive waste processing and storage, by-product material disposal, disposal of naturally occurring radioactive waste materials that are not related to oil and gas production, and classes I and III UIC wells. Additionally, the program is responsible for oversight of the reclamation of historic radioactive materials, burial sites, and other sites contaminated with radioactive material, including former uranium recovery sites. Program appropriations total \$6.2 million in All Funds, an increase of \$0.2 million from 2022–23 biennial spending levels, and supports 15.5 FTE positions. The increase is primarily due to funding to implement the provisions of Senate Bill 1397 and to provide targeted salary increases. This appropriation includes \$3.0 million in

General Revenue–Dedicated Funds from Account No. 5158, Environmental Radiation and Perpetual Care, for cleanup of two former uranium recovery sites. TCEQ is authorized to spend additional revenues deposited into this account during the 2024–25 biennium.

The Low-level Radioactive Waste program performs technical reviews, issues licenses, and monitors compliance for the low-level radioactive waste disposal site in Andrews County. During fiscal year 2009, TCEQ issued a license to Waste Control Specialists, LLC (WCS), a private waste management company, for the operation of the low-level radioactive waste disposal facility. The facility has two components, the Compact Waste Disposal Facility (CWF) and the Federal Waste Disposal Facility (FWF). The CWF accepts commercial low-level radioactive waste from the Texas Compact generators of Texas and Vermont and nonparty generators located outside those states. The FWF accepts low-level radioactive waste that is the responsibility of the federal government and is required to be transferred to the U.S. Department of Energy upon decommissioning.

Pursuant to Texas statute, Texas owns the land and the CWF facilities, and WCS serves as the operator of the site. The facility became operational in April 2012 and since has collected approximately \$75.3 million in fee revenues that have been remitted to the state from facility operations. Appropriations for the Low-level Radioactive Waste program total \$3.2 million in All Funds, an increase of \$0.2 million from 2022–23 biennial spending levels, and support 15.0 FTE positions. The increase is primarily due to funding for the statewide salary adjustment.

Appropriations for the Radioactive Materials and Waste Management subarea total \$9.4 million in All Funds and provide for 30.5 FTE positions, effectively continuing 2022–23 biennial spending levels.

SAFE DRINKING WATER OVERSIGHT

Safe drinking water oversight subarea programs protect public health and the environment by ensuring the delivery of safe drinking water, providing regulation, and promoting regional water strategies. Safe Drinking Water Oversight subarea programs include: (1) Drinking Water Quality and Standards (DWQS); and (2) Utility Regulation/District Applications.

The DWQS program implements the federal State Drinking Water Act through implementing measures to protect the quality of drinking water for Texans served by public drinking

water systems. It conducts sampling from public water systems to monitor the quality of drinking water. By definition, a public drinking water system serves at least 15 connections or at least 25 individuals for a minimum of 60 days per year. Approximately 7,000 public water systems serve more than 27.3 million Texas residents. During the 2024–25 biennium, TCEQ expects to collect and analyze 113,226 water samples to monitor the safety and integrity of the state’s public drinking water supply. The agency also provides free onsite financial, managerial, and technical assistance to utilities and public water systems to achieve compliance with agency rules. Appropriations for the program total \$44.3 million in All Funds, a decrease of \$3.9 million, or 8.1 percent, from 2022–23 biennial spending levels. Program funding supports 125.0 FTE positions. This decrease is due primarily to a decrease of \$4.1 million from an Interagency Contract with the Texas Water Development Board’s Drinking Water State Revolving Fund.

The Utility Regulation/District Applications program supervises, inspects, responds to complaints, and investigates regulated utility districts, which provide water, sewage, and other utility-related services. Appropriations for the program total \$3.9 million in All Funds, an increase of \$0.8 million, or 24.2 percent from 2022–23 biennial spending levels. Program funding supports 20.4 FTE positions. The increase is primarily due to increased funding for targeted salary increases.

Appropriations for the Safe Drinking Water Oversight subarea total \$48.3 million in All Funds, a decrease of \$3.2 million, and support 145.4 FTE positions.

FIELD INSPECTIONS AND COMPLAINT RESPONSE

TCEQ conducts field investigations and responds to complaints from the public through its Field Inspections and Complaint Response program. The agency maintains 16 regional offices, three satellite offices, and laboratories in Houston and Austin to monitor and assess air and water quality, investigate facilities, respond to complaints, promote voluntary compliance through education and technical assistance, and respond to emergencies such as accidental releases of chemicals into the environment. The agency anticipates that regional staff will perform 212,000 investigations during the 2024–25 biennium. **Figure 275** shows the number and types of investigations that TCEQ performed from fiscal years 2019 to 2023.

Appropriations for the Field Inspections and Complaint Response program total \$113.9 million in All Funds, a net

increase of \$6.1 million, or 5.6 percent, from 2022–23 biennial spending levels. Program funding supports 705.9 FTE positions. This net increase is due primarily to funding for targeted salary increases.

ENFORCEMENT AND COMPLIANCE

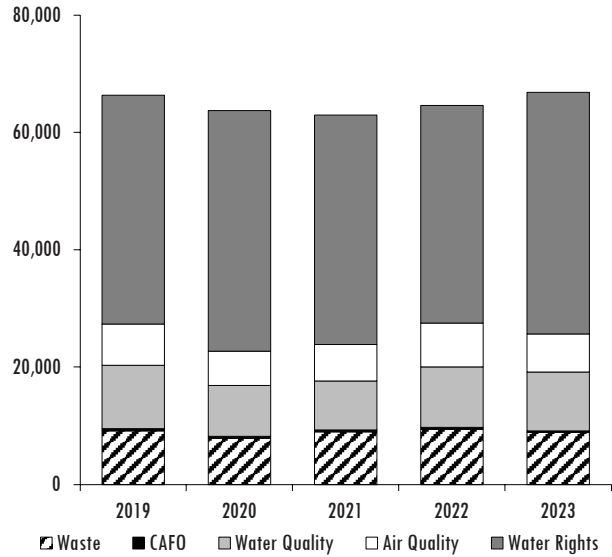
The agency’s enforcement and compliance subarea includes the following programs: (1) Enforcement; (2) Tier II Chemical Reporting; and (3) Environmental Laboratory Accreditation. These programs serve to respond to complaints, coordinate multimedia inspections, and prosecute violators.

The Enforcement program determines penalties, tracks compliance with orders, and monitors the progress of supplemental environmental projects that are sponsored or undertaken by violators seeking to defer or mitigate their fines through TCEQ-approved environmental projects. TCEQ conducts several enforcement activities offering specific assistance to certain regulated communities that have special needs. Federal and state laws require TCEQ to provide compliance assistance to small businesses; the agency also offers this service to small local governments. The service is confidential, except in the case of an imminent threat to the environment. Appropriations for the Enforcement program total \$27.9 million in All Funds, an increase of \$6.0 million, or 27.4 percent, in various General Revenue–Dedicated Funds, with 174.9 FTE positions, primarily due to the following:

- an increase of \$0.2 million to implement the provisions of Senate Bill 1397, Eighty-eighth Legislature, 2023;
- an increase of \$0.5 million for increased access to public records;
- an increase of \$0.2 million for increased lease and maintenance costs;
- an increase of \$1.9 million for targeted salary increases; and
- an increase of \$1.2 million to increase the frequency of compliance history ratings.

The Tier II Chemical Reporting program maintains the state repository for the federally required hazardous chemical inventory reports called Texas Tier II Reports, pursuant to the federal Emergency Planning and Community Right-to-Know Act. The program maintains electronic files that contain facility and owner–operator

FIGURE 275
TEXAS COMMISSION ON ENVIRONMENTAL QUALITY
FIELD INVESTIGATIONS BY TYPE
FISCAL YEARS 2019 TO 2023



NOTE: CAFO=concentrated animal feeding operation.
 SOURCES: Legislative Budget Board; Texas Commission on Environmental Quality.

identification information, and detailed data regarding hazardous chemicals stored at reporting facilities within the state. Emergency response personnel, such as firefighters and healthcare providers, can use this data to protect workers and the community during an emergency. The program promotes compliance with federal and state laws and supports local communities’ right-to-know planning and education. Appropriations for the program total \$2.4 million in All Funds, which continues 2022–23 biennial spending levels. Program funding supports 12.1 FTE positions.

The Environmental Laboratory Accreditation program inspects and accredits environmental laboratories across the state. Fees associated with application review and inspections fund the program’s appropriations. Appropriations total \$1.5 million in General Revenue–Dedicated Funds from Account No. 5065, Environmental Testing Lab Accreditation, which continues funding at 2022–23 biennial spending levels. Program funding supports 6.7 FTE positions.

Appropriations for the enforcement and compliance program subarea total \$31.8 million for the 2024–25

biennium, an increase of \$6.1 million, and support 193.7 FTE positions.

POLLUTION PREVENTION AND RECYCLING

The agency's functions for pollution prevention, recycling, and education include two subarea programs: (1) Pollution Prevention and Recycling; and (2) Seminars for the Regulated Community.

The Pollution Prevention and Recycling program consists of mandatory, voluntary, and educational programs promoting recycling and pollution prevention through a combination of technical assistance, performance-based regulation, and public education. The program includes the following major pollution prevention efforts: (1) the administrative rules implementing the Waste Reduction Policy Act; (2) the hazardous household waste collection program; (3) the Resource Exchange Network for Eliminating Waste program; (4) the Don't Mess With Texas Waters program; and (5) the Take Care of Texas program. In addition, several state statutes require TCEQ to implement programs that encourage recycling. Several of these programs include: (1) the Computer Equipment Recycling program; (2) the Television Recycling program; (3) the Recycling Market Development Implementation program; and (4) technical assistance to the public regarding the understanding of recycling regulations and the establishment of a recycling business. Appropriations for the Pollution Prevention and Recycling program total \$4.2 million in All Funds, an increase of \$0.2 million from 2022–23 biennial spending amounts. Program funding supports 19.5 FTE positions. This increase is primarily due to funding for targeted salary increases.

The Seminars for Regulated Community program administers cost-recovery compliance assistance workshops, seminars, and conferences for entities that TCEQ regulates. Appropriations for the program total \$1.9 million in All Funds, continuing 2022–23 biennial spending levels.

Appropriations for the pollution prevention and recycling program subarea total \$6.1 million in All Funds and support 19.5 FTE positions, an increase of \$0.2 million from 2022–23 biennial spending levels.

POLLUTION CLEANUP

The pollution cleanup program area protects public health and the environment by identifying, assessing, and prioritizing contaminated sites for cleanup and remediation.

Pollution cleanup appropriations total \$106.6 million, or 14.2 percent, of the agency's All Funds appropriations, continuing 2022–23 biennial spending levels, and support 237.9 FTE positions in fiscal year 2024 and 239.9 FTE positions in fiscal year 2025.

PETROLEUM STORAGE TANK CLEANUP

The subarea to address petroleum storage tank cleanup consists of the following programs: (1) Petroleum Storage Tank (PST); (2) Petroleum Storage Tank Administration and Regulatory (PSTAR); and (3) Performance Standards for Safety at Storage Vessels.

The PST program identifies leaking PST sites and manages the remediation of soil and groundwater contamination according to state and federal health and safety standards. The program oversees the cleanup of leaks from storage tanks conducted by the responsible parties and the state. Approximately 400 PST sites are expected to be cleaned up during the 2024–25 biennium. The PST program is appropriated \$23.4 million in All Funds, a net decrease of \$0.8 million in General Revenue–Dedicated Funds from Account No. 655, Petroleum Storage Tank Remediation (Account No. 655). The decrease is due primarily to onetime funding decreases and reallocations between programs.

The PSTAR program processes registrations for underground and above-ground storage tanks; provides delivery certification for self-certified underground tanks; offers technical assistance to tank owners and operators; interprets and reviews requests for variance from rule requirements; and maintains a registry for PSTs. As of November 2021, approximately 48,400 underground storage tanks and 25,200 above-ground storage tanks are registered at more than 31,700 active facilities in Texas. The PSTAR program is appropriated \$9.5 million in All Funds, a net increase of \$0.3 million in General Revenue–Dedicated Funds from Account No. 655, and 58.5 FTE positions. The increase is primarily due to funding reallocations.

The Performance Standards for Safety at Storage Vessels program promotes the safety of storage vessels by adopting requirements for their design, construction, operation, and maintenance, with the objective of protecting groundwater and surface water resources in the event of accidents and natural disasters. The Performance Standards for Safety at Storage Vessels program is appropriated \$0.6 million in General Revenue Funds, a net increase of \$0.4 million, including 5.0 FTE positions.

Appropriations for the PST cleanup subarea total \$33.5 million in All Funds, effectively continuing the 2022–23 spending levels and supporting 63.5 FTE positions.

HAZARDOUS MATERIALS CLEANUP

The agency administers four programs in its subarea regarding hazardous materials cleanup: (1) Superfund Assessment and Cleanup; (2) Voluntary Cleanup and Other Remediation; (3) Dry Cleaning Assessment and Remediation; and (4) Industrial Hazardous Waste.

The Superfund Assessment and Cleanup program consists of state and federal efforts to investigate and evaluate the release or threatened release of hazardous substances, identify responsible parties, and remediate federal and state Superfund sites. The federal Superfund program identifies and ranks the most serious hazardous waste sites on the federal National Priorities List (NPL). Texas has 56 NPL sites. Sites that are not eligible for the NPL may be included on TCEQ's State Superfund Registry. Texas has 43 sites proposed for listing or listed on this registry. TCEQ expects to complete remedial actions at a combined four state and federal sites during the 2024–25 biennium. The Superfund Assessment and Cleanup program is appropriated \$34.4 million in All Funds, a decrease of \$12.3 million, or 26.3 percent, from the 2022–23 spending level due primarily to a reduction of \$3.8 million in Appropriated Receipts from cost recoveries for remediation of Superfund sites in the 2022–23 biennium that are not anticipated to continue and the removal of onetime funding. Program funding supports 58.4 FTE positions.

The Voluntary Cleanup and Other Remediation program provides a process through which sites can be cleaned up voluntarily in a timely manner while protecting human health and the environment. The program provides administrative, technical, and legal incentives to participants for investigation, cleanup, and redevelopment. It also provides a certificate to innocent owners and operators if property is contaminated from a source that is not located on the property, and they did not cause the contamination. TCEQ approves voluntary cleanup agreements submitted by program applicants, oversees cleanup actions, and certifies cleanup completion; 2,694 sites have been completed as of September 2023. Certification by the agency releases future landowners and lenders from liability caused by past contamination. TCEQ anticipates issuing 122 certificates of completion through the program during the 2024–25 biennium. Appropriations for the Voluntary Cleanup and

Other Remediation program total \$9.2 million in All Funds, a net increase of \$1.0 million, or 11.3 percent, primarily due to funding for targeted salary increases. Program funding supports 55.4 FTE positions.

The Dry Cleaning Assessment and Cleanup program was established to regulate and pay for state-conducted soil and groundwater cleanups of solvent releases at dry cleaner sites. The program consists of dry cleaner facility registration requirements, fees, performance standards, distributor registration, revenue disbursements, and a prioritization list of dry cleaner release sites that are being assessed or remediated through the program. Sites that meet TCEQ regulatory standards are placed on a closure list. As of September 2023, 110 sites have been remediated, and 147 of the 247 sites on the prioritization list are on active status. The Dry Cleaning Assessment and Cleanup program is appropriated \$7.3 million in All Funds, continuing 2022–23 biennial spending levels. Program funding supports 4.1 FTE positions.

The Industrial Hazardous Waste program is a permitting program for governing the management and disposal of industrial and hazardous waste sites across the state. The program regulates industries engaged in the generation, treatment, storage, and disposal of hazardous and industrial waste and performs several functions, including the corrective action program, the federal Resource Conservation Recovery Act (RCRA)/Non-RCRA Industrial Corrective Action Program, the Natural Resource Trustee Program, and the federal Resources and Ecosystems Sustainability, Tourist Opportunities, and Revived Economies of the Gulf Coast States Act. The RCRA/Non-RCRA Industrial Corrective Action Program oversees soil and groundwater cleanup activities at industrial and hazardous waste facilities to ensure that the cleanups protect human health and the environment. Most facilities have multiple sites that need remediation. Cleanup is considered complete when the cleanup goals of all closure or remediation projects at industrial solid waste and municipal hazardous waste facilities have been achieved. As of September 2023, the agency reports that 1,007 active sites are involved in the Industrial Corrective Action Program.

The Natural Resource Trustee Program works cooperatively with responsible parties and other state and federal natural resource agencies to restore natural resources that have been affected by oil spills and releases of hazardous materials. As of September 2023, the program had negotiated final natural resource restoration settlements at 50 sites and has one final settlement pending. The program continues to be involved

in assessment and restoration projects associated with the BP Deepwater Horizon oil spill in April 2010.

Appropriations for the Industrial Hazardous Waste program total \$11.5 million in All Funds, an increase of approximately \$0.8 million, or 7.5 percent, from 2022–23 biennial spending levels. Program funding supports 56.5 FTE positions. This increase is due primarily to funding for targeted salary increases, increasing access to public records, and implementing Senate Bill 1397, TCEQ’s Sunset legislation.

Appropriations for the hazardous materials cleanup subarea total \$62.5 million in All Funds, a decrease of \$10.5 million from 2022–23 spending levels, and support 174.4 FTE positions.

LEAKING WATER WELL

The Leaking Water Well program provides grants to eligible applicants to plug leaking water wells in counties that have a population of 16,000 or less and are adjacent to at least seven counties with a population of less than 15,000 people. The program was established in fiscal year 2024 pursuant to House Bill 4256, Eighty-eighth Legislature, Regular Session, 2023. Appropriations for the Leaking Water Well program total \$10.6 million. Funding includes \$10.0 million in General Revenue Funds that was deposited to Other Funds in the newly established Leaking Water Wells Fund, and \$0.6 million from that fund to implement the program. The program supports 2.0 FTE positions in fiscal year 2025.

RIVER COMPACT COMMISSIONS

The river compact commissions’ program area includes the River Compact Commissions program, which is made up of five signatory interstate compacts that apportion river and stream waters flowing through Texas and other states. These compacts are the Canadian River Compact, the Pecos River Compact, the Red River Compact, the Rio Grande Compact, and the Sabine River Compact.

The shared mission of the Texas River Compact Commissions is to ensure that Texas residents receive their share of river waters as allocated by the various compact agreements. Each river compact is administered by its own commission, which includes representatives of each signatory state and one presidential appointee. Of the seven Texas River Compact Commissioners, the Governor appoints six, and the executive director of TCEQ serves in an ex officio capacity in accordance with statutory provisions. Commissioners engage in activities to protect Texas’ water interests and to ensure

that Texas receives its share of water from the various compacts. Those activities include the following protective actions: (1) negotiating with signatory states to resolve disputes regarding compact interpretation; (2) investigating and monitoring water resource data collection; (3) conducting surveys to determine the effect of upstream water diversions on water deliveries; (4) working with state, federal, and local entities to address environmental and endangered species issues involving interstate waters; and (5) implementing programs to increase the quantity and improve the quality of water available to Texas.

Appropriations for the river compact commissions’ program area total \$11.0 million in General Revenue Funds, an increase of \$4.4 million, or 66.6 percent, from 2022–23 biennial spending levels, and provide for 7.0 FTE positions. The increase is due to restoration of the portion of the \$5.0 million appropriated in the supplemental appropriations bill, House Bill 2, Eighty-seventh Legislature, Regular Session, 2021, to reimburse other strategies used to transfer General Revenue–Dedicated Funds expended in fiscal year 2021 to pay for the litigation, and \$2.0 million in General Revenue Funds to reimburse other programs from which General Revenue–Dedicated funds were transferred in the 2022–23 biennium fund to pay for Rio Grande litigation costs.

Funding for Rio Grande Compact litigation expenses during the 2024–25 biennium totals \$10.5 million in General Revenue Funds, an increase of \$4.4 million from the 2022–23 biennial spending level. In 2013, Texas filed the initial motion with the U.S. Supreme Court, alleging that New Mexico’s water permitting policies deprive Texas of water apportioned to it under the compact. The Supreme Court ruled that the U.S. may pursue the compact-related claims in March 2018, and a trial has commenced. As of August 31, 2023, Texas has spent \$32.6 million in litigation costs on this case since fiscal year 2013.

ADMINISTRATION

TCEQ’s administration program area operates divisions that support the agency’s four other program areas indirectly. The three programs in the administration program area are (1) Central Administration; (2) Information Resources; (3) Other Support Services; and (4) Salary Adjustments. Central administration includes the Office of General Counsel, Alternative Dispute Resolution, Office of Administrative Services, Office of the Chief Clerk, Internal Audit, Office of Public Assistance, and Office of Public Interest Counsel. Appropriations for the administration program area total

\$165.0 million, or 22.0 percent of the agency's All Funds appropriations, and support 456.3 FTE positions. This amount includes an increase of \$43.5 million in various General Revenue–Dedicated Funds, or 35.8 percent, from 2022–23 biennial spending levels that is primarily due to the following changes:

- an increase of \$29.4 million for the statewide salary adjustment;
- an increase of \$6.3 million for agency website usability enhancements;
- an increase of \$4.1 million for increasing access to public records;
- an increase of \$3.3 million for increased lease, maintenance, and security costs; and
- an increase of \$4.1 million for targeted salary increases.

SIGNIFICANT LEGISLATION

House Bill 3461 – Consolidation of accounts. The legislation abolishes Account No. 5000 and transfers all balances and future revenues to Account No. 549 effective September 1, 2023. As a result, 100.0 percent of solid waste disposal fees are deposited to Account No. 549, producing an anticipated increase of \$158.3 million for fiscal year 2024 and \$11.8 million for fiscal year 2025. Before enactment of the legislation, 33.3 percent of these revenues were deposited into Account No. 5000.

House Bill 4256 – Leaking water wells remediation. The legislation establishes the new Leaking Water Wells Fund and grant program to plug leaking water wells in certain counties. The fund will be used to provide grants to offset the cost of plugging water wells in a groundwater conservation district in a county that has a population of less than 16,000 and is adjacent to at least seven counties with populations of less than 15,000 and to pay the administrative costs of the new leaking water well plugging program at TCEQ.

Senate Bill 1397 – TCEQ Sunset legislation. The legislation continues TCEQ for 12 years until September 1, 2035, and incorporates recommendations intended to improve the agency, which include changing violation criteria and increasing the maximum penalty amount per day for each violation involving a release of a harmful level of pollutants or an unlawful diversion of water; requiring a

36-hour public comment period following a public hearing on air permit applications; requiring TCEQ to post permit information online; requiring certain information to be included on public notices; requiring notification to state representatives and senators regarding certain applications; creating certain permits; requiring the adoption of a biennial statewide work plan for updating environmental flow standards; and establishing a diversion plan for small businesses and local governments.

GENERAL LAND OFFICE AND VETERANS' LAND BOARD

PURPOSE: The agency manages oil and gas leases on state lands; investments of the Permanent School Fund; appraisals of state-owned property; coastal erosion grants; archives of historical land records; and the Alamo Complex. The Texas General Land Office (GLO) is the lead agency for oil spill prevention and response, and disburses disaster-related grants for rebuilding housing and infrastructure. The Veterans' Land Board (VLB) administers land and housing loans and long-term care, and manages cemeteries for Texas veterans.

ESTABLISHED: 1837 (GLO); 1946 (VLB)

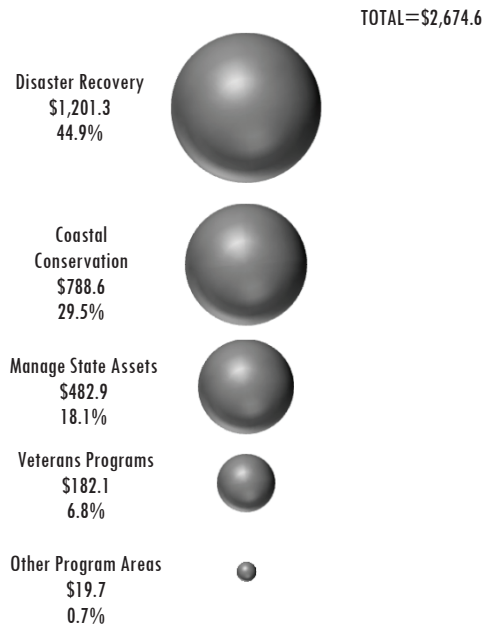
AUTHORIZING STATUTE: The Texas Constitution, Articles III, IV, and XIV; the Texas Natural Resources Code

GOVERNANCE: Commissioner, statewide elected official

FIGURE 276
GENERAL LAND OFFICE AND VETERANS' LAND BOARD BY METHOD OF FINANCE

METHOD OF FINANCE	(IN MILLIONS)				APPROPRIATED FULL-TIME-EQUIVALENT POSITIONS				
	ESTIMATED/BUDGETED 2022-23	APPROPRIATED 2024-25	BIENNIAL CHANGE	PERCENTAGE CHANGE					
General Revenue Funds	\$230.4	\$989.4	\$758.9	329.3%	<table border="1"> <tr> <td>2024</td> <td>856.0</td> </tr> <tr> <td>2025</td> <td>856.0</td> </tr> </table>	2024	856.0	2025	856.0
2024	856.0								
2025	856.0								
General Revenue-Dedicated Funds	\$32.8	\$100.7	\$67.9	207.3%					
Federal Funds	\$5,538.1	\$1,210.9	(\$4,327.2)	(78.1%)					
Other Funds	\$458.5	\$373.7	(\$84.9)	(18.5%)					
Total, All Methods of Finance	\$6,259.8	\$2,674.6	(\$3,585.2)	(57.3%)					

AGENCY PROGRAM AREAS BY APPROPRIATION (IN MILLIONS)



SIGNIFICANT DEVELOPMENTS

Disaster recovery funding totals **\$1.2 billion in All Funds**, a decrease of **\$4.2 billion in Federal Funds** related primarily to **flooding** and **Hurricane Harvey** recovery. Total funding includes \$294.3 million for housing projects and \$907.0 million for infrastructure projects.

The Alamo is funded with \$418.0 million in All Funds for the preservation and maintenance of the Alamo and Alamo Complex. Of this amount, **\$400.0 million** in General Revenue Funds is appropriated to complete the development and construction of the Alamo Complex and the Alamo Master Plan.

Coastal Management and Coastal Erosion Project funding totals **\$768.2 million in All Funds**, including **\$550.0 million** to provide funding to the **Gulf Coast Protection District** for various construction and development activities, as well as for matching funds for studies and coastal projects conducted by the U.S. Army Corps of Engineers.

SOURCE: Legislative Budget Board.

MAJOR FUNDING

All Funds appropriations to the General Land Office (GLO) decreased by \$3.6 billion, or 57.3 percent, from 2022–23 biennial spending levels. Major funding adjustments include the following changes:

- a net decrease of \$4.3 billion in Federal Funds, which primarily includes the following decreases:
 - \$4.2 billion in disaster recovery funding for short-term housing, community housing, and infrastructure projects;
 - \$51.0 million for onetime federal pandemic-related funding allocated to cover operational costs for Texas State Veterans' Homes, including \$35.0 million received through Senate Bill 8, Eighty-seventh Legislature, Third Called Session, 2021, to fund: heating, ventilation, and air conditioning upgrades; negative pressure COVID-19 wards; and mobile high efficiency particulate air filtration units; and
 - \$45.0 million for certain coastal erosion and management and marine debris removal projects;
- a net increase of \$758.9 million in General Revenue Funds and 4.0 full-time-equivalent (FTE) positions, due primarily to the following changes:
 - an increase of \$550.0 million and 3.0 FTE positions to provide grants, oversight, and coordination to the Gulf Coast Protection District, including \$350.0 million for matching funds for studies and coastal projects conducted by the U.S. Army Corps of Engineers (USACE);
 - an increase of \$400.0 million to complete the Alamo Plan and associated construction and development of the Alamo Complex;
 - an increase of \$10.0 million to offset increased operational costs within Texas State Veterans' Homes to minimize resident room rate changes;
 - an increase of \$2.2 million and 1.0 FTE position to support operational costs for a new State Veterans Cemetery in Lubbock and to provide appropriate personnel onsite;
 - an increase of \$1.2 million for the statewide salary adjustment;
- a decrease of \$200.0 million in onetime funding appropriated to provide matching funds for studies and coastal projects conducted by USACE and the Gulf Coast Protection District pursuant to Senate Bill 1160, Eighty-seventh Legislature, Regular Session, 2021; and
- a decrease of \$6.0 million generated in Earned Federal Funds carried forward from fiscal year 2021 into the 2022–23 biennium;
- an increase of \$67.9 million in General Revenue–Dedicated funds, primarily due to the following increases:
 - \$60.0 million from General Revenue–Dedicated Account No. 5176, Coastal Erosion Response (Account No. 5176) to administer the agency's Coastal Erosion Planning and Response Act (CEPRA) program and expanding erosion response projects and studies;
 - \$5.6 million from General Revenue–Dedicated Account No. 5152, Alamo Complex (Account No. 5152) for preserving and maintaining the Alamo due to anticipated revenue increases; and
 - \$2.2 million from General Revenue–Dedicated Account No. 27, Coastal Protection (Account No. 27) for coastal management projects and the statewide salary adjustment;
- a net decrease of \$84.9 million in Other Funds, primarily due to the following changes:
 - an increase of \$122.8 million from estimated surface damage revenues and funds from the Veterans Land Program Administration Fund and the Texas Veterans Home Administration Fund to administer various veterans' programs and for the statewide salary adjustment;
 - an increase of \$12.2 million from the Permanent School Fund (PSF), primarily for anticipated increases in surface damage receipts and for the statewide salary adjustment;
 - a decrease of \$169.9 million in Other Funds from Appropriated Receipts, primarily due to decreases in funding for coastal erosion projects from the National Fish and Wildlife Foundation, the federal RESTORE (Resources and Ecosystems

Sustainability, Tourist Opportunities, and Revived Economies of the Gulf Coast States) Act, and the Natural Resource Damage Assessment Trustee program; legal costs associated with the defense and prosecution of matters pertaining to PSF lands; capital budget projects; and Alamo Complex commercial lease revenues not anticipated to be available for the 2024–25 biennium; and

- a decrease of \$50.0 million in onetime funding from the Economic Stabilization Fund (ESF) appropriated in House Bill 2, Eighty-seventh Legislature, Regular Session, 2021, for the Alamo Complex and the Alamo Master Plan.

In addition to appropriated amounts, the Veterans' Land Board administers \$2.5 billion in investments outside of the state Treasury that are used for the following purposes: (1) to originate low-interest housing and land loans to eligible Texas veterans; and (2) to fund the construction and ongoing maintenance of cemeteries and long-term skilled nursing facilities for eligible Texas veterans.

PROGRAMS

Agency activities are carried out in five major program areas: (1) disaster recovery; (2) managing state assets; (3) coastal conservation; (4) veterans' programs; and (5) other program areas.

DISASTER RECOVERY

GLO is the state's lead agency for administering disaster recovery funding using Community Development Block Grants from the U.S. Department of Housing and Urban Development. The disaster recovery program includes multiple housing activities to assist households recovering from natural disasters such as the 2011 Central Texas wildfires; flooding during calendar years 2015, 2016, 2018, and 2019; Hurricane Harvey, which made landfall in August 2017; and the 2021 winter storms. Housing activities include single-family home repair, reconstruction, new construction, demolition, acquisition, and code enforcement. GLO also manages a multifamily affordable housing rental repair and reconstruction program.

Non-housing activities include infrastructure projects, repairs, public facilities ranging from roads to seawalls, drainage, energy generators, equipment acquisition and installation, and economic development. Firms specializing in design engineering, grant administration, and

environmental services provide local services. The agency estimates completing 269 disaster recovery infrastructure projects during the 2024–25 biennium.

Appropriations for the disaster recovery program area total \$1.2 billion in All Funds, or 44.9 percent of total agency appropriations, including 298.0 FTE positions. This amount is a decrease of \$4.2 billion, or 77.9 percent, from 2022–23 biennial spending levels.

MANAGE STATE ASSETS

The program area to manage state assets includes seven programs that provide funding to enhance the value of state assets and the revenues they generate through management, acquisition, and investments of agency and state-owned land, minerals, and other assets. The programs in this area include subarea activities related to the following tasks: (1) maintenance and oversight of the Alamo and facilities in the Alamo Complex program; (2) state-owned land value enhancement and revenue generation; and (3) the sale and purchase of real property, including sales and purchases to enhance the values of the PSF.

ALAMO COMPLEX

GLO was placed in charge of operations and maintenance of the Alamo Complex effective September 1, 2011, pursuant to House Bill 3726, Eighty-second Legislature, Regular Session, 2011. Through the Alamo Complex program, GLO has established an agreement with a nonprofit endowment for the management, operation, and financial support of the Alamo and surrounding facilities. Revenues from the operation of the Alamo, grants, donations, and investment income are deposited into Account No. 5152. GLO is authorized to use the account for expenses related to the Alamo, which also includes salaries and benefits for commissioned peace officers beginning in fiscal year 2024, pursuant to Senate Bill 2612, Eighty-eighth Legislature, Regular Session, 2023.

Appropriations for the Alamo Complex program total \$418.0 million in All Funds, including 4.0 FTE positions. This amount is a net increase of \$354.6 million, or 559.4 percent, from 2022–23 biennial spending levels for preservation, maintenance, and operation of the Alamo Complex and for implementation of the Alamo Master Plan. This net increase primarily includes an increase of \$400.0 million in General Revenue Funds to acquire real property and to complete planned construction, restoration, and development of various projects that are part of the Alamo Master Plan, offset by a

decrease of \$50.0 million in Other Funds no longer available from the ESF that were provided for similar activities in House Bill 2, Eighty-seventh Legislature, Regular Session, 2021, and carried forward into the 2022–23 biennium.

The Alamo Master Plan has been under development since 2016. In addition to the amounts discussed previously, the Eighty-fourth Legislature, 2015, appropriated \$25.0 million in General Revenue Funds, and the Eighty-fifth Legislature, 2017, appropriated \$75.0 million in Other Funds from the ESF for the implementation of the Alamo Master Plan. In October 2018, the San Antonio City Council approved the agency's plan to redevelop the Alamo, which included the approval of a 50-year lease with two 25-year renewal options giving the agency control of land and streets owned by the city surrounding the Alamo shrine. Full implementation of the remainder of the Master Plan is estimated to cost roughly \$500.0 million, with \$38.0 million committed by the city of San Antonio, \$25.0 million planned to be disbursed as grants to the Alamo Trust by Bexar County, and \$400.0 million committed by the State of Texas through the additional appropriation by the Eighty-eighth Legislature, Regular Session, 2023. The nonprofit Alamo Endowment is responsible for raising the remaining funds for the Alamo Museum and other site improvements, and for the expansion of Alamo historical programming.

STATE-OWNED LAND VALUE ENHANCEMENT AND REVENUE GENERATION

Four programs contribute to this objective: (1) Energy Resources and Energy Marketing, (2) Asset/Energy/Coastal/Uplands Inspections, (3) Defense and Prosecution of Mineral Lease Claims/Cases, and (4) Commercial Leasing of State-owned Land. Combined, these programs are appropriated \$26.5 million in All Funds, or roughly 1.0 percent of total agency appropriations.

The Energy Resources and Energy Marketing program issues geophysical permits and prospect permits for mineral exploration, evaluates state lands for mineral potential and value, and reviews applications to combine multiple oil and gas leases for permitting and drilling purposes. Contained within the program is the State Energy Marketing Program, which sells natural gas from selected mineral leases to provide utility savings to public customers, with revenues deposited into the PSF. However, GLO is prohibited from entering into electricity contracts with new customers and from extending contracts with any existing electricity customers after January 1, 2024, pursuant to House Bill 2263, Eighty-sixth Legislature, 2019. Appropriations for the Energy

Resources and Energy Marketing program total \$14.2 million in All Funds, including 69.0 FTE positions. This amount is an increase of \$1.3 million, or 10.2 percent, from 2022–23 biennial spending levels.

The Asset/Energy/Coastal/Uplands Inspections program manages activities involving the use of state-owned coastal and upland property. Upland property is defined as land located at an elevation higher than the mean high-tide line. This program is responsible for inspecting and monitoring state oil, gas, and hard-mineral leases. Program staff issue surface leases and conduct field assessments of proposed and existing coastal projects. Appropriations for the program total \$5.5 million in All Funds, including 27.0 FTE positions. This amount is an increase of \$0.4 million, or 7.5 percent, from 2022–23 biennial spending levels.

The Defense and Prosecution of Mineral Lease Claims/Cases program prosecutes claims for deficiencies in payments of mineral royalties and other revenue owed to the PSF for oil, gas, and hard-mineral leases. Resources also are allocated for the prosecution of cases defending the title to PSF lands and mineral or royalty interests against claims filed by third parties. Appropriations for the program total \$4.7 million in All Funds, including 24.3 FTE positions. This amount is a decrease of \$1.1 million, or 19.6 percent, from 2022–23 biennial spending levels.

The Commercial Leasing of State-owned Land program issues permits, easements, and leases on all state-owned lands, including submerged lands in bays and within tidewater limits of coastal lakes, bayous, inlets, streams, estuaries, rivers, and creeks. The program analyzes revenue prospects of uses and coordinates assessment of environmental effects. In accordance with this program, uplands are leased for agricultural purposes, grazing, hunting, recreational use, and oil and gas platform sites. Coastal leases include grants of interest to the Parks and Wildlife Department (TPWD) or an eligible city or county for public recreational purposes; TPWD for estuarine preserves; any nonprofit, tax-exempt environmental organization approved by the School Land Board for managing a wildlife refuge; or any scientific or educational organization or institution for conducting scientific research. Before a land-use contract is issued, GLO evaluates the proposal for consistency with state leasing policy and determines compensation due to the state. Revenue that the agency collects from uplands leases is deposited into the PSF; this revenue totaled \$9.4 million during fiscal year 2023. Revenue that the agency collects from coastal leases, also deposited to the PSF, totaled \$9.0 million during fiscal year 2023. Application fees that the

agency collects for these leases are deposited to the credit of the General Revenue Fund. For the 2024–25 biennium, the agency expects revenues of approximately \$4.5 million per fiscal year from uplands leases and \$4.1 million per fiscal year from coastal leases. Revenues from lease payment collections received in 2023 exceeded projections but these collection levels are not expected to continue in fiscal years 2024 and 2025. Program appropriations total \$2.2 million in All Funds, including 11.0 FTE positions. This amount is an increase of approximately \$0.1 million, or 5.4 percent, from 2022–23 spending levels.

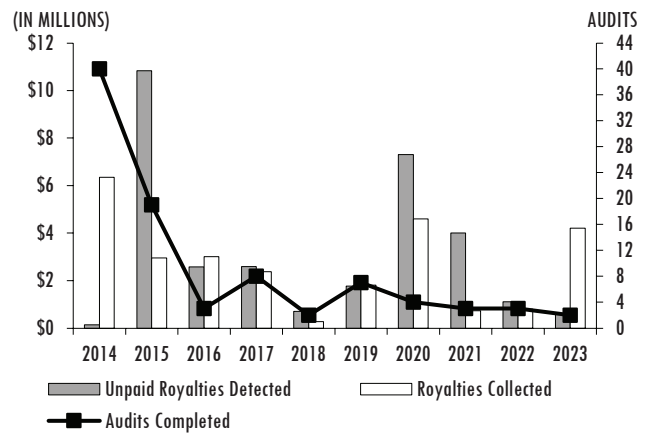
SALE AND PURCHASE OF REAL PROPERTY

Two programs constitute this subarea: (1) PSF Asset Management; and (2) State-owned Property Appraisals. Combined, these programs were appropriated \$38.4 million in All Funds, or 1.4 percent of total agency appropriations.

Through the PSF Asset Management program, GLO manages state PSF lands and mineral rights properties totaling 13.2 million acres. These properties include beaches, bays, estuaries, and other submerged lands extending to 10.3 miles in the Gulf of Mexico; institutional acreage; grazing lands in West Texas; and timberlands in East Texas. In managing those properties, GLO leases drilling rights for oil and gas production on state lands, producing revenue and royalties. These proceeds are deposited to an escrow account connected to the PSF called the Real Estate Special Fund Account (RESFA), which may be used for the acquisition of real property interests on behalf of the PSF.

Senate Bill 1232, Eighty-seventh Legislature, Regular Session, 2021, authorized the State Board of Education (SBOE) to incorporate the Permanent School Fund Corporation (PSFC) to manage the PSF, consolidating certain investment functions related to the PSF within the Texas Education Agency (TEA) and the GLO State Land Board (SLB) at the new agency. The corporation is governed by nine members, including five appointed by the SBOE, two appointed by the Governor, the Land Commissioner, and a member appointed by the Land Commissioner. The legislation requires the SLB to transfer all revenue derived from mineral or royalty interests, less any amounts specified to be retained, to the corporation for investment in the PSF. In addition, the legislation abolished the Permanent School Fund Liquid Account (PSFLA), which previously was used to house certain funds that were invested by the SBOE in liquid assets only. The balance of the PSFLA was transferred to the PSF upon abolishment.

**FIGURE 277
PERMANENT SCHOOL FUND ROYALTY REVENUE AUDITS
FISCAL YEARS 2014 TO 2023**



SOURCE: General Land Office and Veterans' Land Board.

The GLO anticipates transferring approximately \$1.3 billion each fiscal year of the 2024–25 biennium from the SLB to the PSFC, dependent upon usage and royalty income earned and received. These revenue transfers will occur in an automated process, which happens as revenues are received throughout each fiscal year.

The agency also conducts field audits to review oil, gas, and hard-mineral royalties on state leases to identify unpaid and underpaid royalties and penalties. **Figure 277** shows the number of royalty audits completed from fiscal years 2014 to 2023, the corresponding unpaid royalties detected, and amounts recovered by GLO staff.

The PSF Asset Management program acquires real property for value appreciation and revenue for the PSF. The program identifies targets for acquisition and disposition of investment property and provides management of the PSF investment portfolio and PSF property. The program oversees conservation and reclamation projects, permanent improvements on PSF land, and the purchase of easements. Proceeds from the sale of PSF lands are deposited to RESFA. Revenue from PSF land sales may be used to acquire additional real property interests for PSF.

GLO provides administrative support to the SLB, which is responsible for the management and development of all real property owned by PSF. SLB consists of the Land Commissioner and four public representatives.

GLO transferred \$415.0 million in fiscal year 2022 and \$115.0 million in fiscal year 2023 to the Available School Fund (ASF). An additional \$345.0 million was transferred to the ASF from

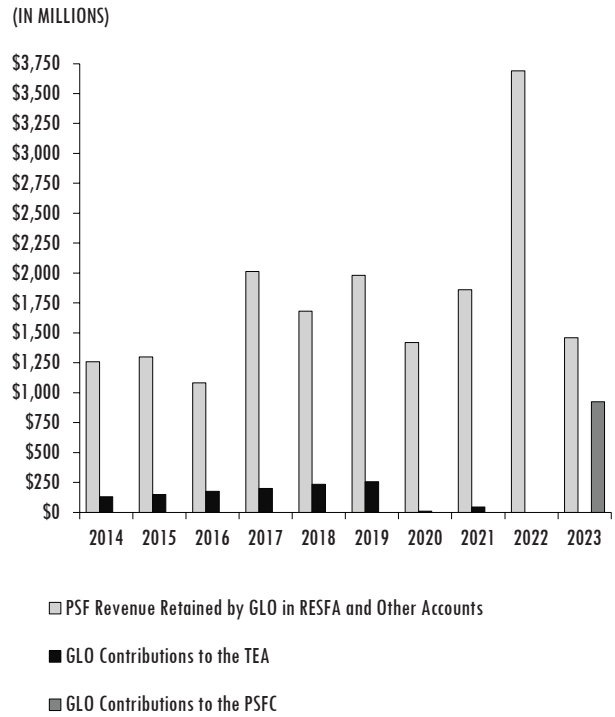
TEA in fiscal year 2023, pursuant to Senate Bill 1232, Eighty-seventh Legislature, Regular Session, 2021. The GLO anticipates transferring \$600.0 million in each fiscal year of the 2024–25 biennium. The GLO’s final transfer to the PSFLA prior to its abolition totaled \$75.0 million.

Figure 278 shows GLO contributions to the PSF for equity investment, excluding the revenue generated by uplands, coastal, and miscellaneous leases, and the revenue remaining in the agency’s RESFA from fiscal years 2014 to 2023.

Previously, the primary focus of the SLB and the GLO Investment Advisory Committee was diversification of assets by investment in real estate funds rather than the actual acquisition of real property to be held by the PSF. As a result, during the past several biennia, the SLB approved relatively few acquisitions of specific tracts of land. Pursuant to Senate Bill 1232, which changed GLO’s investment activities, the agency’s Investment Advisory Committee no longer advises on fund investments. However, it will continue to be involved in real estate transactions. As of October 2023, the GLO is evaluating potential property acquisitions for the 2024–25 biennium. Pursuant to statute, SLB is authorized to deposit funds directly to the ASF. **Figure 279** shows how revenue is deposited to the PSF.

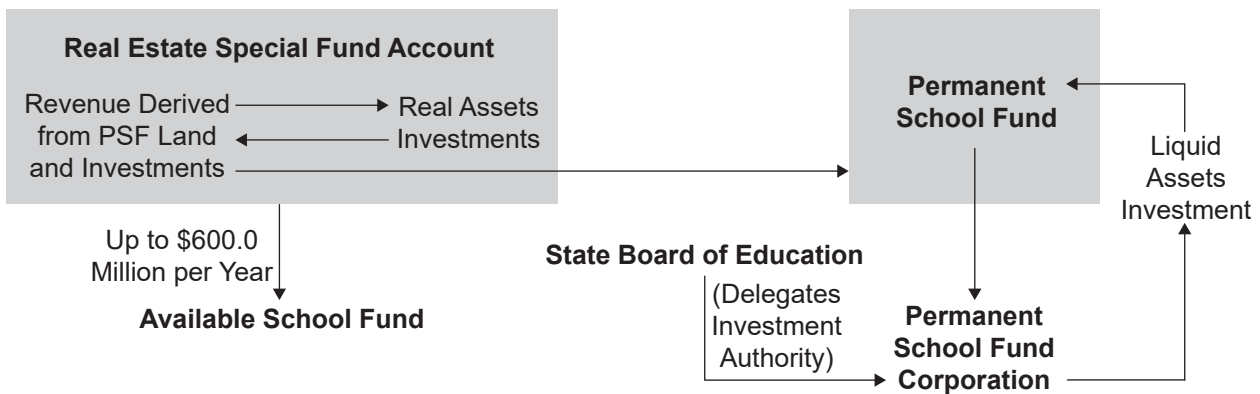
The PSF distribution to the ASF is governed by the Texas Constitution, Article VII, Section 5(a), and the Texas Education Code, Section 43.002. In 2019, Texas voters approved a constitutional amendment to authorize SBOE, in addition to GLO, to distribute revenue from PSF land or properties to the ASF in an amount not to exceed \$600.0

FIGURE 278
PERMANENT SCHOOL FUND CONTRIBUTIONS AND REAL ESTATE SPECIAL FUND ACCOUNT RECEIPTS
FISCAL YEARS 2014 TO 2023



NOTES:
 (1) PSF=Permanent School Fund; GLO=General Land Office; RESFA=Real Estate Special Fund Account; TEA=Texas Education Agency; PSFC=Permanent School Fund Corporation.
 (2) General Land Office Escrow Account amounts include mineral lease royalty revenues.
 SOURCE: General Land Office and Veterans’ Land Board.

FIGURE 279
PERMANENT SCHOOL FUND REVENUE PROCESS
2024–25 BIENNIUM



SOURCE: Legislative Budget Board.

million per year. Senate Bill 1232, Eighty-seventh Legislature, Regular Session, 2021, requires the newly formed PSFC to establish an annual minimum distribution rate from the PSF to the ASF.

Appropriations for the PSF Asset Management program total \$32.4 million in All Funds, including 66.7 FTE positions. This amount is an increase of \$8.9 million, or 37.9 percent, from 2022–23 biennial spending levels. This increase includes the addition of projected surface damage revenue receipts to be deposited into the PSF and appropriated to the agency, which is offset by a decrease related to funding for the Centralized Accounting and Payroll/Personnel System's (CAPPS) Financials module implementation that is not assumed in the 2024–25 biennium.

The State-owned Property Appraisals program provides property values to the Asset Management program and SLB to facilitate informed decisions regarding the PSF portfolio. In addition, GLO is statutorily required to appraise all state-owned properties of the largest agencies. GLO maintains an inventory of real property owned by state agencies and determines the properties' market value. The program is appropriated \$5.9 million in All Funds, including 16.0 FTE positions. This amount is a decrease of \$0.7 million, or 10.7 percent, from 2022–23 biennial spending levels.

Appropriations for the manage state assets program area total \$482.9 million in All Funds, representing 18.1 percent of the agency's total appropriation. This amount represents an increase of \$363.5 million, or 304.4 percent, from 2022–23 biennial spending levels.

COASTAL CONSERVATION

GLO is the lead agency for coastal management in Texas and is charged with developing a long-term strategy for the protection and enhancement of the coastal environment and economy. The agency is responsible for 367 miles of Texas coastline and 3,300 miles of bay shoreline. The coastal conservation program area includes six programs in two subareas: (1) protect and maintain Texas coastal resources; and (2) prevent and respond to oil spills.

PROTECT AND MAINTAIN TEXAS COASTAL RESOURCES

Three programs constitute this subarea: (1) Coastal Management, (2) Coastal Erosion Response Projects, and (3) Adopt-A-Beach.

The Coastal Management program (CMP) administers federal management grants for coastal zones and an erosion program, engages in education and outreach, and

participates in coastal planning and policy making. The Land Commissioner, in consultation with representatives from seven state agencies and four public appointees, has rulemaking and grant-making authority for CMP. CMP awards approximately 90.0 percent of the available Federal Funds as grants to universities, nonprofit organizations, and coastal communities. GLO retains approximately 10.0 percent of CMP funds for program administration. Appropriations total \$590.6 million in All Funds, including 29.0 FTE positions. This amount is an increase of \$296.6 million, or 100.9 percent, from 2022–23 biennial spending levels.

The Eighty-sixth Legislature, 2019, appropriated \$200.0 million in Other Funds from the ESF as matching funds for the construction of a new levee system in Orange County and to update and expand two existing levee systems in Brazoria and Jefferson counties. The project is being constructed by the U.S. Army Corps of Engineers (USACE) and will cost approximately \$4.2 billion, with the state contributing matching funds for 35.0 percent of the total cost. GLO was appropriated an additional \$200.0 million in General Revenue Funds during the 2022–23 biennium as a contribution toward this requirement pursuant to Senate Bill 1160, Eighty-seventh Legislature, Regular Session, 2021, which established the Gulf Coast Protection District (GCPD), and Federal Funds supplanting General Revenue Funds of the same amount elsewhere in the General Appropriations Act.

Senate Bill 1160 established the GCPD to manage the projects identified in the Coastal Texas and Sabine Pass to Galveston Bay studies that offer solutions for storm surge flooding on the Texas Gulf Coast in Chambers, Galveston, Harris, Jefferson, and Orange counties. It also provided the entity with the authority to issue bonds, impose fees, impose a tax, and exercise the power of eminent domain. These powers provide the GCPD with the authority to sign a project partnership agreement with USACE as a local sponsor, which is necessary for the state to receive federal funding for improvements included in the studies. The studies, led by USACE, are in partnership with the GLO.

GLO appropriations include \$550.0 million in General Revenue Funds and 3.0 FTE positions to support ongoing activities, to provide required state contributing matching funds, and to provide oversight and coordination to the GCPD in the 2024–25 biennium. In addition, the agency was provided with authority to carry forward any unobligated or unexpended funds remaining from the 2022–23 biennium.

The Coastal Erosion Response Projects program provides funding for beach nourishment, dune restoration, shoreline protection, marsh restoration, structure and debris removal, and studies on shoreline change. Funding for the Coastal Erosion Response Projects program totals \$176.5 million in All Funds, including 12.0 FTE positions. This amount is a net decrease of \$110.0 million, or 38.3 percent, from 2022–23 biennial spending levels, due primarily to a reduction in Other Funds that are no longer available in Appropriated Receipts for coastal erosion projects from the National Fish and Wildlife Foundation, the federal RESTORE Act, and the Natural Resource Damage Assessment Trustee program; the discontinuation of onetime pandemic-related funding pursuant to Senate Bill 8, Eighty-seventh Legislature, Third Called Session, 2021, and Federal Funds not anticipated to be available following the planned completion of beach restoration and nourishment projects and other Bureau of Ocean Energy Management projects.

The net decrease in program funding is offset partially by an increase of \$60.0 million from Account No. 5176 for the purpose of administering the agency’s CEpra program and expanding erosion-response projects and studies. The account consists of revenue from the sale of dredged material, penalties related to public beach structures and sand dunes, and 2.0 percent of hotel taxes received from coastal counties in the state. Money in the account may be appropriated to GLO only for the implementation and administration of the coastal management program.

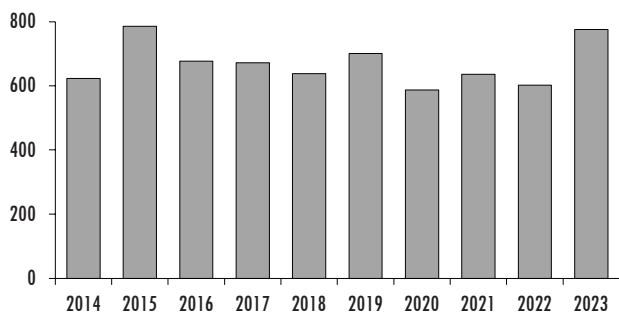
The Adopt-A-Beach program is an all-volunteer effort dedicated to preserving and protecting beaches by keeping them clean and safe. Since the first cleanup, nearly 575,000 volunteers have helped remove more than 9,900.0 tons of trash from Texas beaches. Appropriations total \$0.3 million, including 1.0 FTE position, which is a slight increase from 2022–23 biennial spending levels.

PREVENT AND RESPOND TO OIL SPILLS

GLO is the lead state agency responsible for preventing and responding to oil spills in coastal waters. The agency monitors the integrity of oil transport through Texas coastal waters to respond quickly and efficiently to oil spills. Three programs constitute this subarea: (1) Oil Spill Prevention; (2) Oil Spill Response; and (3) Oil Spill Research and Development.

The Oil Spill Prevention program involves patrolling on land and water for discharges and monitoring the loading and offloading of petroleum products at refineries. The program also includes an education component to instruct vessel operators

FIGURE 280
OIL SPILL RESPONSES IN TEXAS COASTAL WATERS
FISCAL YEARS 2014 TO 2023



SOURCE: General Land Office and Veterans’ Land Board.

regarding environmental damage caused by small chronic spills and to provide prevention measures. Appropriations total \$9.0 million in Account No. 27, including 52.0 FTE positions, which is a slight decrease of 0.1 percent from 2022–23 biennial spending levels. Account No. 27 receives revenues from a \$0.013 fee per barrel on crude oil loaded or unloaded in Texas ports by vessel. Fee collections are suspended when the unencumbered account balance reaches \$20.0 million and resume when the balance falls below \$10.0 million.

The Oil Spill Response program consists of five regional offices that respond to oil spills and provide audits, inspections, and harbor patrols by boat and vehicle. **Figure 280** shows GLO oil spill responses from fiscal years 2014 to 2023. Additionally, the program oversees implementation of restoration projects associated with the BP Deepwater Horizon oil spill during calendar year 2010. Appropriations total \$9.8 million in All Funds, including 18.0 FTE positions, which is an increase of \$1.4 million, or 16.5 percent, from 2022–23 biennial spending levels. This increase is primarily due to the reallocation of Account No. 27 appropriations into the program to support increases in operational costs resulting from oil spill incident calls and the associated indirect administration costs.

The Oil Spill Research and Development program conducts oil spill-related research relating to dispersants, shoreline cleaners, bioremediations studies, and high-frequency radar. Appropriations total \$2.3 million from Account No. 27 and include no FTE positions because all services are contracted. This amount is a decrease of \$0.1 million, or 4.2 percent, from 2022–23 biennial spending levels.

The coastal conservation program area was appropriated \$788.6 million in All Funds, representing 29.5 percent of the

agency’s total appropriation. This amount represents an increase of \$187.9 million, or 31.3 percent, from 2022–23 biennial spending levels, which is primarily due to increases for the GCPD in the CMP and Account No. 5176 for the CEPRA program offsetting decreases for onetime funding in Federal Funds and Appropriated Receipts in the Coastal Erosion Response Projects program.

VETERANS’ PROGRAMS

The Veterans’ Land Board (VLB), with two public members and the Land Commissioner as chair and administrator, was established by the Legislature in fiscal year 1946. VLB administers and markets three major benefit programs for qualifying Texas veterans: (1) low-interest loans for the purchase of land, homes, and home improvements; (2) cemetery operations; and (3) oversight of the operation of long-term, skilled nursing homes. In addition, GLO has program funding to construct cemeteries, market the benefit programs, and provide customer services to veterans.

The program area to provide Texas veterans with these services and opportunities includes the following five programs: (1) Veterans’ Land Board Marketing and Customer Service program; (2) Veterans’ Land and Housing – Loan Operations program; (3) State Veterans’ Homes program; (4) Cemetery Operations program; and (5) Cemetery Construction program.

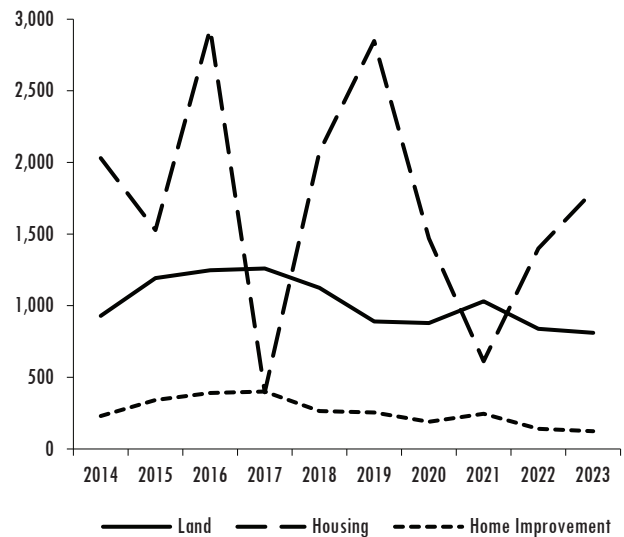
VLB MARKETING AND CUSTOMER SERVICE

The Veterans’ Land Board Marketing and Customer Service program maintains the VLB website and manages multiple veteran, lender, and real estate agency databases to provide support for direct-mail marketing, social media, television, radio, and Internet advertising. The program is appropriated \$3.5 million in All Funds, which provides for 16.0 FTE positions to respond to inquiries regarding benefits and services offered by VLB and the U.S. Department of Veterans Affairs (VA). This amount includes a decrease of \$0.4 million, or 10.3 percent, from 2022–23 biennial spending levels, which primarily represents funding for CAPPs Financials module implementation that is not assumed in the 2024–25 biennium.

VETERANS’ LAND AND HOUSING – LOAN OPERATIONS

The Veterans’ Land and Housing – Loan Operations program receives, processes, originates, and closes land, housing, and home improvement loan applications for veterans. It also mediates and resolves customer complaints, and processes housing and home improvement loan releases of liens and foreclosure documents. In addition, the program conducts forfeited land sealed bid lease sales.

**FIGURE 281
VETERANS’ LAND BOARD LOAN ACTIVITY
FISCAL YEARS 2014 TO 2023**



YEAR	LOANS		
	LAND	HOUSING	HOME IMPROVEMENT
2014	929	2,030	230
2015	1,193	1,527	342
2016	1,247	2,933	391
2017	1,260	396	401
2018	1,124	2,074	264
2019	890	2,848	254
2020	879	1,469	190
2021	1,031	612	245
2022	838	1,399	140
2023	811	1,801	124

SOURCE: General Land Office and Veterans’ Land Board.

The program is a self-supporting program that provides low-interest, fixed-rate 30.0-year loans of up to \$150,000 to Texas veterans for the purchase of land. Two other loan programs aid veterans in purchasing and improving their homes. The Veterans’ Housing Assistance Program enables an eligible veteran to borrow up to \$726,200 to buy a home. The Veterans’ Home Improvement Program enables an eligible veteran to borrow up to \$50,000 for home improvements. The agency expects to provide 2,200 land and home improvements loans in the 2024–25 biennium.

Figure 281 shows the loan activity from fiscal years 2014 to 2023. The agency’s programs are financed with fees and

constitutionally authorized General Obligation Bond Proceeds (Other Funds) that are repaid by the veterans participating in the programs. This program is appropriated \$27.9 million in All Funds, including 107.0 FTE positions. This amount represents an increase of \$0.6 million, or 2.2 percent, from 2022–23 biennial spending levels.

STATE VETERANS' HOMES

The State Veterans' Homes program oversees the operation of long-term, skilled-care, nursing homes at the following nine sites: Amarillo, Big Spring, Bonham, El Paso, Floresville, Houston, McAllen, Temple, and Tyler. A tenth home currently is under development and construction in Fort Worth. The program is available for qualified veterans and their spouses and for certain parents of deceased veterans. Daily operations of the veterans' homes are the responsibility of contract operators. In addition to its program-management responsibilities, VLB provides each veterans' home with full-time staff that are responsible for ensuring that the contract operators are complying with the terms of the management agreement and delivering quality care. These staff also assist with marketing activities such as distributing information to the community and assisting potential residents and their families with admission application forms.

The program is a partnership among the VA, VLB, and private-sector healthcare providers. It has significant administrative participation from the Texas Veterans Commission, Veterans County Service Officers, and veterans' organizations in the communities in which the homes are located. The homes provide skilled nursing care; specialized services such as physical, speech, and occupational therapies; and various recreational and educational activities. Operating costs for the skilled nursing homes are financed by the participating veterans' Social Security benefits, a VA per-diem subsidy, Medicare and Medicaid payments, disability entitlements, private insurance, and personal income.

Program appropriations total \$136.8 million, including 49.0 FTE positions, which represents an increase of \$78.4 million, or 134.4 percent, from 2022–23 biennial spending levels. This increase is primarily due to increases in Other Funds from Fund No. 374 and Fund No. 522, which were previously not included in the agency's bill pattern, to administer the program. In addition, an increase of \$10.0 million in General Revenue Funds is provided to support increased costs in State Veterans' Homes and to minimize room rate increases contingent upon certification by the VLB Bond Funds Manager to the Comptroller of Public

Accounts and the Legislative Budget Board that a resident room rate increase would be necessary for the program to remain fiscally solvent.

CEMETERY OPERATIONS AND CEMETERY CONSTRUCTION

VLB is authorized to operate and construct up to seven state veterans' cemeteries through the Cemetery Operations program and the Cemetery Construction program. These cemeteries are designed, constructed, and equipped through grants from the VA. After cemetery construction is completed, VLB owns and operates the cemetery and funds most of the cost of operations. These cemeteries serve veterans, their spouses, and their dependents that are not served already by one of the four national cemeteries in Texas. VLB operates four veterans' cemeteries in Abilene, Corpus Christi, Killeen, and Mission. A fifth veterans' cemetery is planned to be constructed Lubbock and a formal announcement by the VA regarding the selection of this location for federal grant funding is forthcoming. Funding for the operation of the state veterans' cemeteries is provided from the assets of the VLB loan programs, as authorized by the Texas Constitution. Appropriations for the Cemetery Operations program totals \$14.0 million in All Funds, including 16.0 FTE positions, which is a net increase of \$2.1 million, or 17.6 percent, from 2022–23 biennial spending levels. This increase represents the appropriation of an additional \$2.2 million in General Revenue Funds and 1.0 FTE position in the 2024–25 biennium for contract and staffing costs associated with the planned cemetery location in Lubbock, which offsets decreases in onetime funds related to the implementation of CAPPs Financials and associated operational expenses. Funding for Cemetery Construction program providing construction of state veterans cemeteries is provided using grants from the VA totaling \$19,200, which continues funding at 2022–23 biennial spending levels. This program has no FTE positions.

Appropriations for the veterans' programs area total \$182.1 million in All Funds, which includes an increase of \$80.7 million, or 79.6 percent, from 2022–23 biennial spending levels due primarily to the inclusion of Other Funds necessary to administer the State Veterans' Homes program that previously had not been included within the agency's bill pattern.

OTHER PROGRAM AREAS

The other program areas include the (1) Archives and Records program; the (2) Surveying and Tide Gauge program; and (3) the statewide salary adjustment.

GLO serves as the custodian of original land grant records, maps, and other records of historic significance to Texas through activities in its Archives and Records program. In addition to preserving historic records, the program digitizes records for public use and assists the public with genealogical, land title, historical, and mineral rights research. Program appropriations total \$6.8 million in All Funds, including 28.0 FTE positions, which includes an increase of \$0.2 million, or 2.8 percent, from 2022–23 biennial spending levels.

Through its activities in the Surveying and Tide Gauge program, GLO defines boundaries of PSF properties and uses tide gauges to document beach erosion and maintain coastal boundaries, including boundaries of state-owned submerged land. Program appropriations total \$2.8 million in All Funds, including 12.0 FTE positions, which is an increase of \$19,317, or 0.7 percent, from 2022–23 biennial spending levels.

Appropriations for the statewide salary adjustment total \$10.1 million in All Funds.

Appropriations for other program areas total \$19.7 million in All Funds, which includes an increase of \$10.3 million, or 109.8 percent, from 2022–23 biennial spending levels, which is primarily due to the statewide salary adjustment.

SIGNIFICANT LEGISLATION

Senate Bill 2612 – Alamo Complex Rangers. The legislation adds Alamo Complex Rangers commissioned by GLO to the definition of peace officers in the Texas Code of Criminal Procedure, Title I, Chapter 2, Article 2.12. The legislation also amends GLO's duties related to the Alamo Complex to commission Alamo Complex Rangers that are certified as qualified to be a peace officer and grants these rangers the authority and duties of a peace officer.

TEXAS LOW-LEVEL RADIOACTIVE WASTE DISPOSAL COMPACT COMMISSION

PURPOSE: To uphold the compact between Texas and Vermont to manage low-level radioactive waste generated within the two states by cooperating to protect the health, safety, and welfare of their residents and the environment; and by providing for and encouraging the economic management and disposal of low-level radioactive waste.

ESTABLISHED: 1998

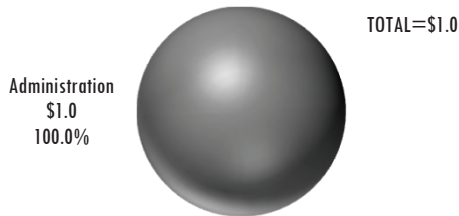
AUTHORIZING STATUTE: The Texas Health and Safety Code, Chapter 403

GOVERNANCE: Compact Commission – six members from Texas, two members from Vermont, each appointed by their respective governors

FIGURE 282
TEXAS LOW-LEVEL RADIOACTIVE WASTE DISPOSAL COMPACT COMMISSION BY METHOD OF FINANCE

METHOD OF FINANCE	(IN MILLIONS)				APPROPRIATED FULL-TIME-EQUIVALENT POSITIONS				
	ESTIMATED/BUDGETED 2022-23	APPROPRIATED 2024-25	BIENNIAL CHANGE	PERCENTAGE CHANGE					
General Revenue Funds	\$0.0	\$0.0	\$0.0	N/A	<table border="1"> <tr> <td>2024</td> <td>0.0</td> </tr> <tr> <td>2025</td> <td>0.0</td> </tr> </table>	2024	0.0	2025	0.0
2024	0.0								
2025	0.0								
General Revenue–Dedicated Funds	\$0.9	\$1.0	\$0.1	12.4%					
Federal Funds	\$0.0	\$0.0	\$0.0	N/A					
Other Funds	\$0.0	\$0.0	\$0.0	N/A					
Total, All Methods of Finance	\$0.9	\$1.0	\$0.1	12.4%					

AGENCY PROGRAM AREAS BY APPROPRIATION (IN MILLIONS)



SIGNIFICANT DEVELOPMENTS

Approximately **\$75.3 million in fees** have been remitted to the state for **waste disposed** by Texas compact generators and nonparty generators **since April 2012**.

As of the end of fiscal year 2023, the agency estimates that **85.0 percent of the volumetric capacity** and **74.0 percent of the activity capacity** in the compact waste disposal facility **remains available**.

SOURCE: Legislative Budget Board.

MAJOR FUNDING

Appropriations for the Low-level Radioactive Waste Disposal Compact Commission (LLRWDCC) total \$1.0 million in General Revenue–Dedicated Funds, Account No. 5151, Texas Low-level Radioactive Waste Disposal Compact Commission (Account No. 5151), which is an increase of \$0.1 million, or 12.4 percent, from the 2022–23 biennial spending level. This increase provides funding for public education programs, a retainer for outside legal counsel, and upgrades to agency technology.

PROGRAMS

LLRWDCC is an interstate compact approved by the Texas Legislature in fiscal year 1993 and subsequently ratified by the U.S. Congress during calendar year 1998. In accordance with the terms of the compact, Texas is the host state for a disposal site for compact participants, which include Texas and Vermont.

LLRWDCC ensures compliance with the terms of the agreement’s language by administratively supporting the functions of the commission. These terms include estimating the quantity of waste generated within the compact member states for disposal during a period ending in fiscal year 2045, and then assuring that the annual volume limits and the proportional disposal volume limits stated in the agreement are met. As part of its function, the agency is authorized to grant permission to in-compact generators to export waste to disposal sites outside the compact and to enter into agreements that would enable out-of-compact generators to dispose of waste in the Texas compact for management or disposal in accordance with prescribed parameters.

The agreement requires that each party state provide financial support for the commission’s activities before the date of facility operation. Funding for commission operations comes from Account No. 5151, which consists of revenue from a surcharge on facility disposal fees specifically assessed to cover the compact’s administrative costs. Proportional contributions from Vermont to cover commission costs are expected to continue. The commission is not authorized to employ full-time-equivalent positions, and it hires contractors to perform necessary administrative duties.

TEXAS PARKS AND WILDLIFE DEPARTMENT

PURPOSE: Manage and conserve the natural and cultural resources of Texas and provide hunting, fishing, and outdoor recreational opportunities; enforce hunting and fishing laws; and safely operate state parks, historic sites, natural areas, and wildlife management areas.

ESTABLISHED: 1963

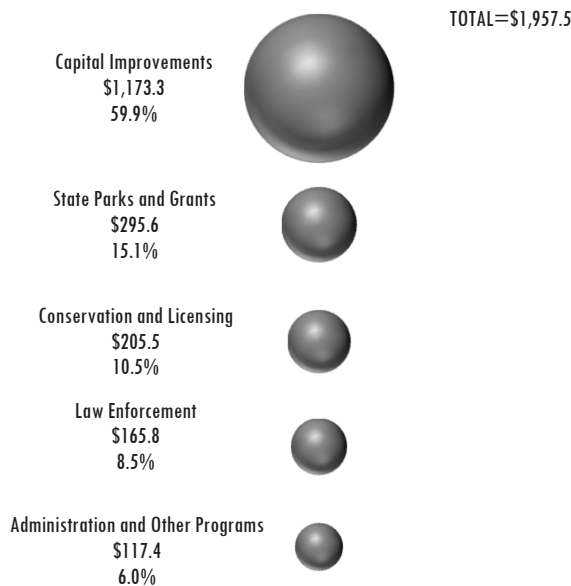
AUTHORIZING STATUTE: The Texas Parks and Wildlife Code, §11.011

GOVERNANCE: Texas Parks and Wildlife Commission – nine members appointed by the Governor with the advice and consent of the Senate

FIGURE 283
TEXAS PARKS AND WILDLIFE DEPARTMENT BY METHOD OF FINANCE

METHOD OF FINANCE	(IN MILLIONS)				APPROPRIATED FULL-TIME-EQUIVALENT POSITIONS				
	ESTIMATED/BUDGETED 2023–23	APPROPRIATED 2024–25	BIENNIAL CHANGE	PERCENTAGE CHANGE					
General Revenue Funds	\$608.0	\$1,470.9	\$862.9	141.9%	<table border="1"> <tr> <td>2024</td> <td>3,160.9</td> </tr> <tr> <td>2025</td> <td>3,160.9</td> </tr> </table>	2024	3,160.9	2025	3,160.9
2024	3,160.9								
2025	3,160.9								
General Revenue–Dedicated Funds	\$348.7	\$341.3	(\$7.5)	(2.1%)					
Federal Funds	\$369.5	\$134.3	(\$235.2)	(63.7%)					
Other Funds	\$49.3	\$11.0	(\$38.3)	(77.7%)					
Total, All Methods of Finance	\$1,375.6	\$1,957.5	\$581.9	42.3%					

AGENCY PROGRAM AREAS BY APPROPRIATION (IN MILLIONS)



SIGNIFICANT DEVELOPMENTS

Appropriations provide **\$1.0 billion in General Revenue Funds** for the new **Centennial Parks Conservation Fund** pursuant to Senate Bill 1648 and voter approval of Senate Joint Resolution 74, Eighty-eighth Legislature, Regular Session, 2023.

Sporting Goods Sales Tax (SGST) appropriations total \$441.5 million, or 100.0 percent, of the SGST estimated to be available for the Parks and Wildlife Department. An additional \$10.0 million in unexpended balances also is appropriated.

Funding for **State Parks operations totals \$161.3 million in All Funds. Grant funding** includes \$39.1 million for local parks and \$25.4 million for boating access and other recreational opportunities.

Funding for **Capital Improvements and Major Repairs totals \$121.8 million in All Funds,** a 22.0 percent decrease from 2022–23 biennial spending. This amount includes \$90.5 million from SGST appropriations.

SOURCE: Legislative Budget Board.

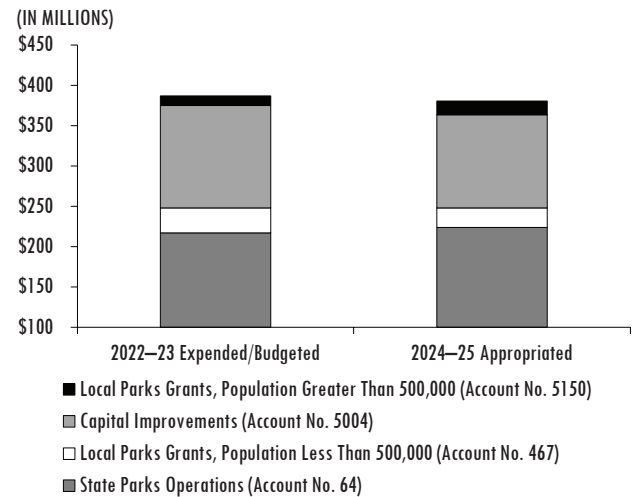
MAJOR FUNDING

Appropriations for the Texas Parks and Wildlife Department (TPWD) total approximately \$2.0 billion in All Funds, which is a decrease of \$581.9 million, or 2.3 percent, from the 2022–23 biennial spending level, and provide for 3,160.9 full-time-equivalent (FTE) positions. The decrease includes \$235.2 million in Federal Funds due to the agency spending down allotment balances from the 2022–23 biennium and conservative estimates for the 2024–25 biennium, \$38.3 million in Other Funds, and \$7.5 million in General Revenue–Dedicated Funds. The Federal Funds decrease does not represent an overall decrease in Federal Funds available to the agency. The agency receives funding from various federal sources for wildlife and fisheries conservation and management, developing outdoor recreation opportunities, law enforcement, and outreach and education efforts. Estimated decreases in Federal Funds and in Other Funds from Appropriated Receipts may change as the agency receives additional federal grants, unanticipated donations, or other new funding during the 2024–25 biennium. These decreases are offset partially by increases of \$862.9 million in General Revenue Funds, primarily due to additional funding provided to capitalize the Centennial Parks Conservation Fund pursuant to Senate Bill 1648 and voter approval of the constitutional amendment proposed by Senate Joint Resolution 74, Eighty-eighth Legislature, Regular Session, 2023.

General Revenue Funds and General Revenue–Dedicated Funds appropriated to the agency increased by a net \$855.4 million from the 2022–23 biennial spending level, including the following significant issues:

- Sporting Goods Sales Tax (SGST) funds appropriated directly to TPWD total \$380.3 million, a decrease of \$24.3 million from 2022–23 biennial spending levels;
- an increase of \$868.0 million in General Revenue Funds, excluding SGST amounts, results primarily from the appropriation of \$1.0 billion for transfer to the Centennial Parks Conservation Fund outside of the Treasury, pursuant to Senate Bill 1648 and voter approval of the constitutional amendment proposed by Senate Joint Resolution 74. This amount is offset partially by an increase of \$125.0 million for state park acquisition funded in fiscal year 2023 through Senate Bill 30, Eighty-eighth Legislature, Regular Session, 2023, and decreases of \$5.5 million for onetime grants for the Texas State Railroad, the Center for Urban Ecology at Quinta Mazatlán, and the Texas State Aquarium Wildlife Rescue Center; and

FIGURE 284
TOTAL SPORTING GOODS SALES TAX TRANSFERS BY
GENERAL REVENUE–DEDICATED ACCOUNT
2022–23 AND 2024–25 BIENNIA



NOTE: Estimated/Budgeted 2022–23 amounts represent those appropriated to the agency as of July 2023.

SOURCES: Legislative Budget Board; Eighty-eighth Legislature, General Appropriations Act, 2024–25 Biennium.

- a decrease of \$7.5 million in General Revenue–Dedicated Funds primarily due to items funded in fiscal year 2023 in Senate Bill 30, from Account No. 9, Game, Fish, and Water Safety (Account No. 9), and Account No. 64, State Parks (Account No. 64), that are offset partially by increases from these accounts and various other accounts such as Account No. 544, Lifetime License Endowment (Account No. 544), and Account No. 5166, Deferred Maintenance (Account No. 5166), for statewide and targeted salary adjustments; priority migratory game bird habitat acquisitions; capital construction, maintenance, and repairs of Sea Center Texas and the Perry R. Bass Marine Fisheries Research Center; Information Technology legacy modernization activities; and the Oyster License Buyback Program.

As shown in **Figure 284**, General Revenue Funds and General Revenue–Dedicated Funds include SGST transfers to four General Revenue–Dedicated Funds accounts: Account No. 64; Account No. 467, Texas Recreation and Parks; Account No. 5150, Large County and Municipality Recreation and Parks; and Account No. 5004, Texas Parks and Wildlife Conservation and Capital. SGST is not a separate tax; it is an estimated amount of state tax revenue collected from the sale, storage, or use of sporting goods that

FIGURE 285
SPORTING GOODS SALES TAX FUNDING, 2022–23 AND 2024–25 BIENNIA

(IN MILLIONS)			
PURPOSE	ESTIMATED/BUDGETED 2022–23	APPROPRIATED 2024–25	BIENNIAL CHANGE
Texas Parks and Wildlife Department	\$368.9	\$370.3	\$1.4
Texas Historical Commission	\$32.3	\$33.2	\$0.9
Employee Benefits, Retiree Insurance, and Debt Service	\$77.6	\$71.2	(\$6.4)
Total	\$478.8	\$474.8	(\$4.1)

NOTES:

- (1) Amounts shown for Estimated/Budgeted 2022–23 represent amounts appropriated to the agency as of July 2023.
- (2) Appropriated amounts for the Texas Parks and Wildlife Department for the 2024–25 biennium do not include \$10.0 million in unexpended balances remaining from fiscal year 2023.
- (3) Employee benefits, retiree insurance, and debt service are estimated in appropriated amounts for the 2024–25 biennium.
- (4) Totals and differences may not sum due to rounding.

SOURCES: Legislative Budget Board; Eighty-eighth Legislature, General Appropriations Act, 2024–25 Biennium, Article VI, Parks and Wildlife Department, Rider 14, Sporting Goods Sales Tax.

TPWD is constitutionally required to receive. Pursuant to Proposition 5, 2019, SGST revenue is not available for certification by the CPA.

Since the 2008–09 biennium, the CPA has estimated the amount of SGST revenue that will be available from state tax revenue collected from the sale, storage, or use of sporting goods and deposited in the General Revenue Fund. Since September 1, 2021, SGST revenue is appropriated automatically to TPWD and the Texas Historical Commission (THC) pursuant to Proposition 5, 2019. In accordance with current law, 93.0 percent of this amount must be appropriated to TPWD, and the remaining 7.0 percent must be appropriated to THC. For SGST appropriations to be available for TPWD, direction is required through the Eighty-eighth Legislature, General Appropriations Act (GAA), 2024–25 Biennium, to determine to which General Revenue–Dedicated Account the SGST revenue must be transferred for the agency to spend the appropriations. This direction must meet the statutory spending requirements the agency must follow for each General Revenue–Dedicated Account to which SGST revenue may be transferred. The 2024–25 GAA, Article VI, TPWD, Rider 14, Sporting Goods Sales Tax, authorizes the Legislative Budget Board, in consultation with TPWD, to determine which strategies and SGST-related General Revenue–Dedicated Accounts will receive increased appropriation authority under the constitutional requirement for increased SGST if the CPA determines that more SGST revenues will be available than initially were appropriated during the Regular Session. **Figure 285** shows 2022–23 biennial amounts of SGST funding compared to 2024–25

biennial appropriations. For the 2024–25 biennium, the Legislature appropriated \$474.8 million, which is 100.0 percent of SGST funding estimated to be available. This amount includes \$71.2 million, excluding estimated balances for employee benefits, retiree insurance, and debt service payments. It does not include \$10.0 million in unexpended balances remaining from fiscal year 2023 appropriations, which the agency also is authorized to spend during the 2024–25 biennium.

Appropriations of General Revenue–Dedicated Funds decreased by \$7.5 million from 2022–23 biennial spending levels, primarily related to net decreases of \$0.6 million from Account No. 9 and \$18.7 million from Account No. 64, which are offset partially by an increase of \$11.8 million in various General Revenue–Dedicated Funds. Decreases from Account No. 9 and Account No. 64 are due primarily to onetime funding for transportation-related items and the purchase of a law enforcement helicopter. Funding increases in fiscal year 2023 in Senate Bill 30, Eighty-eighth Legislature, Regular Session, 2023, include \$21.9 million for vehicles (\$9.8 million from Account No. 64 and \$12.1 million from Account No. 9) and \$15.7 million from Account No. 9 for two fixed-wing aircraft. This increase primarily includes \$10.0 million in Account No. 544 for fish hatchery rehabilitation and \$1.6 million from Account No. 5166 for a deferred maintenance project at Perry R. Bass Marine Fisheries Research Center. Increases that partially offset the decreases include \$10.0 million from Account No. 544, \$1.6 million from Account No. 5166, and \$0.2 million in various other General Revenue–Dedicated Funds related to statewide and targeted salary adjustments;

priority migratory game bird habitat acquisitions; capital construction, maintenance, and repairs of Sea Center Texas and the Perry R. Bass Marine Fisheries Research Center; Information Technology legacy modernization activities; and the Oyster License Buyback Program.

Federal Funds for TPWD decreased by \$235.2 million, or 63.7 percent, from 2022–23 biennial spending levels based on agency estimates. The decrease is related primarily to the agency's expenditure of federal grant allotments from previous years during the 2022–23 biennium, the agency's conservative funding projections, and the removal of onetime funding for pass-through grants from Coronavirus Relief Funds appropriated to the agency by Senate Bill 8, Eighty-seventh Legislature, Third Called Session, 2021. According to the agency, TPWD typically has three years to expend federal grants for authorized expenses (e.g., wildlife restoration, local park grants). These amounts could change depending on how the agency expends federal grant allotments from previous fiscal years or whether the agency receives additional funding during the 2024–25 biennium. The agency typically provides an estimate for Federal Funds known to be available when submitting its appropriation request. This estimate consistently results in greater amounts of Federal Funds received during a biennium than initially anticipated and appropriated.

Other Funds for the agency decreased by \$38.3 million, or 77.7 percent, from 2022–23 biennial spending levels. The decreases include \$30.2 million from Appropriated Receipts primarily for anticipated fluctuations in donations and the agency's estimation practices; \$5.5 million from grant funding received from the Office of the Governor for Operation Lone Star; \$1.7 million from bond proceeds; \$0.4 million from the License Plate Trust Fund; and \$0.5 million from Interagency Contracts related primarily to completion of contracts with the Texas Department of Transportation, Texas Water Development Board, Department of Public Safety, and the University of Texas.

As with the estimation of Federal Funds, the appropriated amounts from Appropriated Receipts represent existing agreements and could increase as the agency receives reimbursements, donations and gifts, and other revenues that are not part of the revenue sources for General Revenue–Dedicated Funds accounts.

PROGRAMS

TPWD fulfills its mission of conserving the state's natural and cultural resources and providing hunting, fishing, and

outdoor recreation opportunities through five program areas: (1) state parks and grants; (2) capital improvements; (3) conservation and licensing; (4) law enforcement; and (5) administration and other programs.

STATE PARKS AND GRANTS

The state parks and grants program area includes six programs that provide two main functions: (1) operation and support of state parks; and (2) providing grants to local parks and for boating access and other recreation opportunities. These six programs are 1) State Park Operations, 2) State Parks Visitor Services, 3) Parks Minor Repair program, 4) Parks Support program, 5) Texas Farms and Ranchlands program, and the 6) Recreation Grants Assistance program.

STATE PARK OPERATIONS

The State Parks Operations program operates and maintains state parks, state historic sites, and state natural areas. The agency manages 88 state parks, state historic sites, and state natural areas, and 83 of these facilities are open to the public. Visitation to these facilities totaled 9.3 million during fiscal year 2023. **Figure 286** shows total visits, including paid visits and those not subject to fees, and total revenue collected from state park users. Growth in revenue typically has outpaced growth in visitation since fiscal year 2017 due to increased sales of prepaid park passes and concessions, including swimming pool and golf course access. Revenue from entrance fees is deposited in Account No. 64 and is used to partially fund state park operations and capital improvements. Funding for the State Park Operations program totals \$161.3 million in All Funds, a decrease of \$12.9 million, or 7.4 percent, from 2022–23 biennial spending levels, and provides 1,078.5 FTE positions. The decrease is primarily due to \$6.2 million from Account No. 64 for vehicle replacements and acquisition that were funded in fiscal year 2023 in Senate Bill 30; \$2.0 million in Federal Funds, including \$0.5 million in onetime federal pandemic-related funding that are not assumed in the 2024–25 biennium; and \$2.6 million in Other Funds from Appropriated Receipts due to anticipated decreases in revenue collections.

The State Parks Visitor Services program provides interpretive services to explain the significance of natural and cultural resources at parks, historic sites, and natural areas, and conducts certain administrative functions. Interpretive services include guided tours and camping workshops. Administrative functions include operating the reservation center, managing concessions and concessionaires, sales,

managing exhibit shops, and community outreach. Funding for this program totals \$10.3 million in All Funds, a decrease of \$1.5 million, or 12.5 percent, from 2022–23 biennial spending levels, and provides 55.8 FTE positions. This decrease is primarily due to SGST funding being reallocated to other state parks-related programs.

The Parks Minor Repair program provides for routine and preventive maintenance of facilities at state parks. These maintenance projects, which cost less than \$100,000, are intended to keep state parks functioning in a clean, safe manner and reduce the need for major repairs. Appropriations for the program total \$22.4 million in All Funds, an increase of \$2.5 million, or 12.3 percent, from 2022–23 biennial spending levels primarily due to additional SGST and Appropriated Receipts funding to support increased project costs. The program includes 14.0 FTE positions.

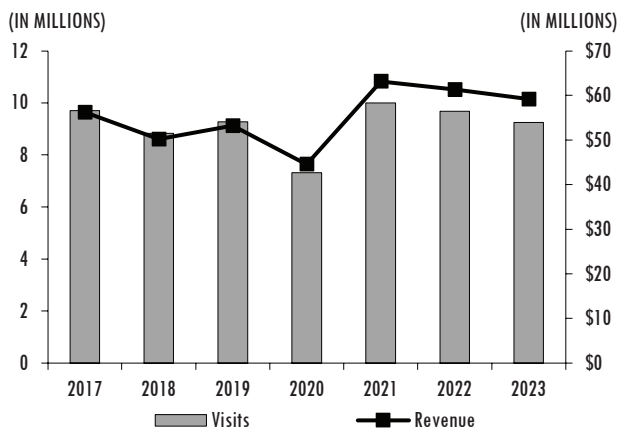
The Parks Support program provides management of the functions and programs in the State Parks Division, including direct support for state park operations, visitor services, and public safety. These functions include management of natural and cultural resources, interpretive services, management of exhibits, management of state parks law enforcement officers, and management of business activities such as visitor reservations and entrance fee collection. Funding for the program totals \$13.5 million in All Funds, a decrease of \$1.7 million, or 11.3 percent, from 2022–23 biennial spending levels, primarily due to a decrease in Other Funds from an agency-anticipated decrease in Appropriated Receipts. Funding provides 77.5 FTE positions.

The Texas Farm and Ranchlands program was transferred from the General Land Office to TPWD by the Eighty-fourth Legislature, 2015. It provides pass-through grants for qualified easement holders to acquire conservation easements for long-term protection of privately owned working lands that have high values for water, fish, wildlife, and agriculture production and that are at risk for development. Funding for the program totals \$2.0 million in General Revenue Funds and 1.0 FTE position, which continues 2022–23 biennial spending levels.

LOCAL PARK, BOATING, AND RECREATION GRANTS

Through the Recreation Grants Assistance program, TPWD provides grants to local units of government and other entities to expand outdoor recreation opportunities and enjoyment of natural and cultural resources managed by local governments or private organizations. The agency typically provides 50.0 percent matching grants to local

FIGURE 286
STATE PARK REVENUE AND VISITS
FISCAL YEARS 2017 TO 2023



SOURCE: Texas Parks and Wildlife Department.

governments and other entities, or direct assistance grants to provide the requisite matching funds to qualify for grants from the federal government or other sources. Although most projects are selected through competition, projects specified by the Legislature include \$21.0 million in General Revenue Funds for grants to several local units of government for construction, renovation, and development of local park facilities. Program funding totals \$86.0 million in All Funds, of which \$60.6 million is for local parks grants and \$25.3 million is for boating access and other grants, and provides 23.0 FTE positions. The total represents a decrease of \$122.2 million, or 58.7 percent, from 2022–23 biennial spending levels, primarily due to an agency-projected decrease of \$95.4 million in Federal Funds and \$43.0 million in onetime federal pandemic-related funding appropriated for pass-through grants by Senate Bill 8, Eighty-seventh Legislature, Third Called Session, 2021, that are not assumed in the 2024–25 biennium. These decreases are partially offset by an increase of SGST revenues allocated to the program in addition to the \$21.0 million increase in General Revenue Funds for specific local parks grants.

Funding for the state parks and grants program area totals \$295.6 million in All Funds, a decrease of \$135.8 million, or 31.5 percent, from the 2022–23 biennial spending level, and provides 1,249.8 FTE positions.

CAPITAL IMPROVEMENTS

The capital improvements program area includes two programs related to capital construction and maintenance,

land acquisition, and debt service: (1) Capital Construction and Project Delivery and (2) Land Conservation.

The Capital Construction and Project Delivery program carries out capital improvements and major repairs to agency facilities and sites throughout the state. The program includes architectural design, engineering design, project management, a memorandum of understanding between TPWD and the Texas Department of Transportation, and other related activities. TPWD is responsible for maintaining and developing more than 190 different locations throughout the state. Program funding totals \$137.6 million in All Funds, a decrease of \$58.8 million, or 29.9 percent, and provides 90.0 FTE positions. The decrease is due primarily to the reallocation of \$46.1 million in General Revenue and General Revenue–Dedicated Funds, including \$21.1 million from Account No. 64, \$15.3 million in SGST revenue, and \$9.7 million from Account No. 9 to address state parks-related projects and to maximize SGST revenue directed to state park operations and related purposes in other programs; an increase of \$25.0 million in General Revenue Funds for a grant for the ongoing repair and preservation of the Battleship Texas provided in fiscal year 2023 in Senate Bill 30; \$4.3 million in Appropriated Receipts related to onetime funding for the carry forward of receipts for capital construction collected from donations, mitigation approved for construction purposes, and third-party contracts that are not assumed in the 2024–25 biennium; and \$1.7 million in Bond Proceeds due to debt service payments ending. These decreases are partially offset by increases of \$10.0 million from Account No. 544 and \$6.7 million from Account No. 9 for construction and repair projects at Sea Center Texas and an increase of \$1.6 million from Account No. 5166 for maintenance on the seawater intake system at Perry R. Bass Marine Fisheries Research Center.

The Land Conservation program carries out capital budget authority for acquisition of land and other real property. Funding for the program totals approximately \$1.0 billion in All Funds, an increase of \$887.1 million, or 597.0 percent, from 2022–23 biennial spending levels, and provides 5.0 FTE positions. The increase primarily reflects the appropriation of \$1.0 billion in General Revenue Funds to capitalize the newly established Centennial Parks Conservation Fund outside of the Treasury pursuant to Senate Bill 1648 and voter approval of the constitutional amendment proposed by Senate Joint Resolution 74, and \$10.0 million from Account No. 9 for the acquisition and

conservation of priority migratory game bird habitat. The increase is offset by \$125.0 million in General Revenue Funds appropriated for state park land acquisition in fiscal year 2023 in Senate Bill 30.

The capital improvements program area's funding totals \$1.2 billion, an increase of \$828.3 million, or 240.1 percent, from 2022–23 biennial spending levels, and provides 95.0 FTE positions.

CONSERVATION AND LICENSING

The conservation and licensing program area includes the 12 programs associated with the agency's Wildlife Division, including protection and management of game and nongame animal species, freshwater and saltwater aquatic life habitats, and hunting and fishing activities. The program area also includes functions related to the sale of hunting and fishing licenses and boat registration. The 12 programs include: (1) Wildlife Conservation, (2) Technical Guidance, (3) Hunting and Wildlife Recreation, (4) Coastal Fisheries Resource Management, (5) Coastal Fisheries Science and Policy Resources, (6) Coastal Hatcheries Operations, (7) Freshwater Fisheries Conservation, (8) Inland Habitat Conservation, (9) Aquatic Vegetation and Invasive Species Management, (10) Inland Hatcheries Operations, (11) Artificial Reef, and (12) License and Boat Revenue.

GAME AND WILDLIFE CONSERVATION

The Wildlife Conservation program provides for the regulation and management of game species, nongame species, and protection of endangered, threatened, and rare species. The program is responsible for the management and operation of wildlife management areas established to perform research on wildlife populations and habitat, provide education on resource management, and provide outdoor recreation opportunities to the public. Texas has 50 wildlife management areas representing most of the state's ecological regions. The program also conducts wildlife and harvest surveys, facilitates collaboration with universities to conduct research, issues permits to take and hold captive wildlife, develops wetlands and other habitats, and assesses the effects of human activities on wildlife. Program appropriations total \$73.6 million in All Funds, a decrease of \$60.6 million, or 45.2 percent, from 2022–23 biennial spending levels, primarily related to decreases of \$59.5 million in Federal Funds and \$2.9 million in Other Funds from Appropriated Receipts reflecting agency-projected collection decreases, which are offset by a \$2.3 million increase from Account No. 9 for the reallocation of funding into the program for operating costs and targeted salary increases. Appropriations provide for 206.0 FTE positions.

The Technical Guidance program provides assistance and information to private landowners and the public regarding programs such as the Private Lands and Public Hunting program and the Managed Lands Deer Program (MLDP). The Private Lands and Public Hunting program supports landowners engaging in voluntary habitat conservation practices through a written wildlife management plan. The MLDP supports sound management and stewardship of native wildlife and wildlife habitats on private lands. Landowners enrolled in either the MLDP Harvest Option or Conservation Option can take advantage of extended season lengths and liberalized harvest opportunities. Additionally, the Technical Guidance program provides certain cost-share assistance, primarily utilizing federal funding, through the Landowner Incentive Program. According to the agency, more than 8,500 landowners operating more than 33.0 million acres in the state have received these services through the Technical Guidance program at TPWD. Appropriations for the Technical Guidance program total \$18.6 million in All Funds, a decrease of \$7.7 million, or 29.4 percent, from 2022–23 biennial spending levels, and provide 84.0 FTE positions. The decrease includes an agency-projected decrease of \$4.1 million in Federal Funds, a net decrease of \$3.6 million from Account No. 9 due to the reallocation of appropriations to other wildlife programs, and vehicle replacements funded in fiscal year 2023 in Senate Bill 30.

AQUATIC CONSERVATION

The Coastal Fisheries Resource Management program provides oversight and support to the Coastal Fisheries Division. The program includes three field offices that monitor and assess marine life populations and environmental conditions. Funding for the program totals \$20.9 million in All Funds, a decrease of \$0.1 million, or 0.5 percent, from 2022–23 biennial spending levels, and provides 89.0 FTE positions. The net decrease is attributed primarily to an increase of \$6.5 million from Account No. 9 offsetting agency-projected decreases of \$6.2 million in Federal Funds, \$0.4 million in Appropriated Receipts, and \$53,692 in Other Funds from the License Plate Trust Fund.

The Coastal Fisheries Science and Policy Resources program includes research and assessment programs, such as species population health, investigation of pollution and fish-kill incidents, implementation of habitat restoration projects, and management of invasive plant and animal species. Funding for this program totals \$9.6 million in All Funds, a decrease of \$8.0 million, or 45.5 percent, from 2022–23 biennial spending levels, and provides 57.0 FTE positions. The funding decrease is attributed primarily to an agency-

projected decrease of \$6.5 million in Federal Funds and \$1.7 million from Account No. 9 reallocated to other programs.

The Coastal Hatcheries Operations program stocks fish in coastal waters for recreational fishing. Three saltwater hatcheries raise and release juvenile red drum and spotted speckled trout, in addition to conducting research on fish genetics, marine habitats, and the effects of stocking on wild populations. Funding for Coastal Hatcheries Operations totals \$7.9 million in All Funds, a decrease of \$0.8 million, or 9.2 percent from 2022–23 biennial spending levels, and provides 39.0 FTE positions. The decrease includes agency-projected decreases of \$1.2 million in Federal Funds and \$0.1 million in Appropriated Receipts, partially offset by \$0.5 million from Account No. 9 for projects.

The Freshwater Fisheries Conservation program provides management and oversight of the Inland Fisheries Division. This division conducts surveys of fish populations, habitats, and anglers to determine the status and needs of the state's freshwater fisheries resources. Appropriations for the program total \$17.2 million in All Funds, an increase of \$6.9 million, or 67.1 percent, from 2022–23 biennial spending levels, primarily related to increases of \$6.0 million from Account No. 9, which provides for increased operating costs and targeted salary increases, and \$1.5 million in Federal Funds partially offset by an agency-projected decrease of approximately \$0.6 million in Other Funds from the License Plate Trust Fund. Program appropriations provide 89.0 FTE positions.

The Inland Habitat Conservation program develops and implements conservation plans for 185 species of freshwater fishes, conducts fish habitat restoration projects, consults with other agencies regarding regulatory actions affecting fish habitats, and improves river access for anglers and paddlers. Other functions include pollution response and restoration, stream-flow studies, implementation of species recovery plans, and permitting for the sale of marl, sand, gravel, and shells taken from Texas bodies of water. Appropriations for Inland Habitat Conservation total \$8.7 million in All Funds, a decrease of \$14.0 million, or 61.8 percent, from 2022–23 biennial spending levels, and provide 24.0 FTE positions. This decrease primarily includes agency-projected decreases of \$9.5 million in Federal Funds and \$0.4 million in Appropriated Receipts, and \$4.2 million from Account No. 9, and an increase in fiscal year 2023 of \$0.2 million from Account No. 9 in Senate Bill 30 for vehicles. The decrease is offset partially by an increase in revenues of \$0.1 million from the License Plate Trust Fund anticipated by the agency.

The Aquatic Vegetation and Invasive Species Management program manages aquatic vegetation to maintain boat lanes and general access to outdoor recreational activities in freshwater bodies across the state. This program also manages efforts to contain aquatic invasive species such as giant salvinia, hydrilla, and zebra mussels. Funding for this program totals \$7.5 million in All Funds, a decrease of \$0.9 million from 2022–23 biennial spending levels, and provides 10.0 FTE positions. The decrease is primarily due to a decrease in Federal Funds anticipated by the agency.

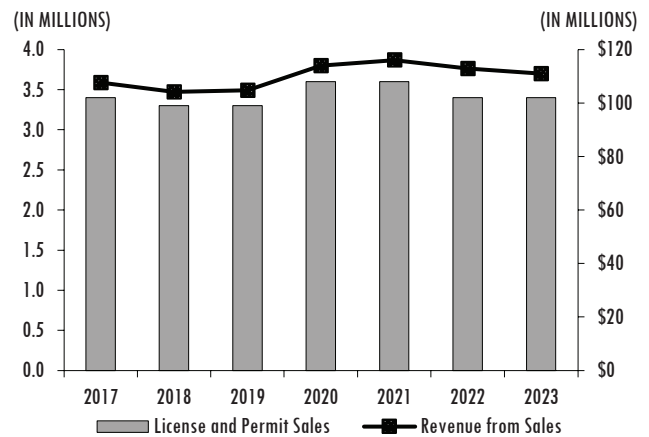
The Inland Hatcheries Operations program provides stocked fish for freshwater fisheries. The program operates five hatcheries, producing various species of sportfish, conducting aquaculture research, and performing public outreach and education. Funding for the Inland Hatcheries Operations program totals \$15.3 million in All Funds, a decrease of \$0.3 million, or 1.8 percent, from 2022–23 biennial spending levels, and provides 79.0 FTE positions. The decrease is due primarily to a decrease in Appropriated Receipts anticipated by the agency.

The Artificial Reef program oversees the development and maintenance of artificial reefs off the Texas coast and evaluates the use of artificial reefs by marine species and humans. The program repurposes structures such as boats, oil rig platforms, deconstructed bridges, and other items to assemble the reefs. Funding for the program totals \$0.9 million, a decrease of \$12.8 million, or 93.5 percent, from 2022–23 biennial spending levels and provides 3.0 FTE positions. The program is funded by Account No. 9 and Other Funds from Appropriated Receipts. The decrease in the 2024–25 biennium is primarily due to an agency-projected decrease of \$13.3 million in Appropriated Receipts.

LICENSING AND REGISTRATION

The License and Boat Revenue program oversees the sale of recreational and commercial hunting and fishing licenses and boat registration and titling. Hunting and fishing licenses can be purchased in person from a licensing agent or TPWD office, through a mail-in application, by telephone, or online. Boat registration and titling can be conducted in person at TPWD’s 29 law enforcement offices, including TPWD headquarters, and participating county tax assessor–collectors or through a mail-in application; registration renewals must be completed online. **Figure 287** shows actual hunting and fishing license sales and revenue from fiscal years 2017 to 2023. Revenue from license sales and titling is deposited in Account No. 9 and is used for various conservation and law enforcement purposes. The use of collected revenues is limited depending on the specific

**FIGURE 287
HUNTING AND FISHING LICENSE SALES
FISCAL YEARS 2017 TO 2023**



SOURCE: Parks and Wildlife Department.

revenue source; for example, revenue from the migratory game bird stamp, a federally required licensing tool, may be appropriated only for purposes related to management and research of migratory game birds and their habitats. Appropriations for this program total \$20.7 million in All Funds, an increase of \$0.8 million, or 4.1 percent, from 2022–23 biennial spending levels, and provide 31.0 FTE positions.

Appropriations for the conservation and licensing program area total \$205.5 million in All Funds, a decrease of \$98.5 million, or 32.4 percent, from 2022–23 biennial spending levels, and provide 723.0 FTE positions.

LAW ENFORCEMENT

The program area for law enforcement includes four programs that provide for the operation, training, and support of game wardens and park police officers throughout the state, including those dedicated to the Texas–Mexico border region for border security efforts. These programs include: (1) Enforcement Programs; (2) Game Warden Training; (3) State Park – Law Enforcement – Public Safety; and (4) Law Enforcement Support.

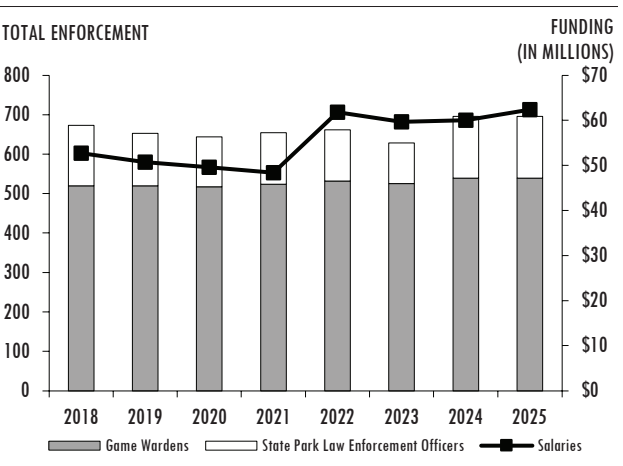
Enforcement programs enforce the state’s game, fish, and water safety laws through public education, crime prevention, and apprehension of offenders. TPWD maintains 29 law enforcement offices throughout the state that support 539.0 FTE positions budgeted for game wardens. These offices provide public services such as sale of licenses, boat registration and titling, and education. In addition to general law enforcement, the program provides activities related to disaster response and homeland security. For the 2024–25 biennium, 90 game wardens will be assigned to

conduct law enforcement activities in counties bordering Mexico and counties on the Gulf Coast, and an additional 49 game wardens are dedicated to the area for enhanced border security activities. Appropriations for enforcement programs total \$129.7 million in All Funds, a decrease of \$51.8 million, or 28.6 percent, from 2022–23 biennial spending levels, and provide 596.0 FTE positions. The decrease is due primarily to the following decreases: \$6.5 million from Account No. 9 for a law enforcement helicopter that was funded in fiscal year 2021 pursuant to House Bill 2, Eighty-seventh Legislature, Regular Session, 2021; \$15.7 million from Account No. 9 for two fixed-wing aircraft that were funded in fiscal year 2023 in Senate Bill 30; \$11.9 million in All Funds for vehicle replacements and acquisition that were funded in fiscal year 2023 in Senate Bill 30; projected decreases of \$4.7 million in Federal Funds and \$0.7 million in Appropriated Receipts; and \$5.5 million in grant funding received from the Office of the Governor for costs associated with Operation Lone Star in 2022–23 that is not assumed in the 2024–25 biennium. These decreases are offset partially by an increase of \$4.0 million in General Revenue Funds from the Unclaimed Refunds of Motorboat Fuel Tax for the replacement of law enforcement vessels.

The Game Warden Training program administers and operates the Texas Game Warden Training Center to train new game warden cadets and prepare them for the peace officer licensing exam. Beginning in fiscal year 2015, new park police officers also began training through this program. The training center offers continuing education training to game wardens and training to outside law enforcement entities. Appropriations for the program total \$6.2 million in All Funds, an increase of \$0.9 million, or 16.2 percent, from 2022–23 biennial spending levels, and provide for 35.0 FTE positions. This increase reflects the reallocation of Account No. 9 funding into the program to address increased salary and operating costs. In addition, 3.0 FTE positions were reallocated to the program to further support the training of State Park Police Officers at the Training Center.

The State Park – Law Enforcement – Public Safety program provides law enforcement and public safety services to state parks. This program includes park police officers dedicated to law enforcement full-time, but it does not include commissioned park superintendents and managerial staff for whom law enforcement activities are only one component of their duties. Park police officers are distinct from the game wardens in the law enforcement program area, although they also are trained at the Game Warden Academy. Appropriations for the program total \$22.4 million in All Funds, an increase of \$0.6 million, or 2.7 percent, from 2022–23 biennial spending levels, and provide

FIGURE 288
PARKS AND WILDLIFE DEPARTMENT FUNDING FOR GAME WARDEN AND PARK POLICE FULL-TIME-EQUIVALENT POSITIONS, FISCAL YEARS 2018 TO 2025



SOURCE: Texas Parks and Wildlife Department.

127.0 FTE positions. This increase primarily provides funding for the reclassification of State Park Police Officers from State Salary Schedule B to Schedule C in the GAA.

The Law Enforcement Support program provides management of the Law Enforcement Division, including administrative functions such as budgeting, coordination, implementation of policies and procedures, and oversight. Major oversight areas include wildlife enforcement, fisheries enforcement, and marine safety enforcement. Funding for the program totals \$7.5 million in All Funds, an increase of \$0.4 million, or 5.8 percent, from 2022–23 biennial spending levels, and provides 25.0 FTE positions.

Funding for the law enforcement program area totals \$165.8 million in All Funds, a decrease of \$50.0 million, or 23.2 percent, from 2022–23 biennial spending levels, and provides 783.0 FTE positions. **Figure 288** shows salaries for game warden and park police FTE positions from fiscal years 2018 to 2025.

ADMINISTRATION AND OTHER PROGRAMS

The administration and other programs area includes four programs related to the Administrative Resources, Communications, Human Resources, Information Technology (IT), and Legal divisions, the noncapital functions of the Infrastructure Division, and the statewide salary adjustment. In general, this program area provides statewide administrative support to TPWD and mass communication to the public or targeted constituencies through the following programs: (1) IT, Accounting

Control, and Agency Services; (2) Communication Products and Services; (3) Outreach and Education; and (4) Salary Adjustments.

The IT, Accounting Control, and Agency Services program provides the agency's primary administration and management. The executive office coordinates activities related to the Parks and Wildlife Commission and outside entities, such as the Legislature and the Texas Parks and Wildlife Foundation. The program implements IT solutions to support the agency's functions, including customer service applications. Other functions performed by the program include financial and accounting services, human resources, legal services, warehouse management, purchasing and contracting, management of the Historically Underutilized Businesses program, headquarters complex facility management, risk management, and agencywide records management. Appropriations for the program total \$68.3 million in All Funds, an increase of \$8.7 million, or 14.6 percent, from 2022–23 biennial spending levels, and provide 245.1 FTE positions. The increase is due primarily to \$4.4 million from Account No. 9 provided for the upgrade or replacement of the agency's Boat Registration Information and Titling System legacy application.

The Communication Products and Services program includes production and publication of TPWD media, including *Texas Parks and Wildlife Magazine*, the *Texas Parks and Wildlife* television program, video news reports, news releases, marketing, website development, social media, and creative and interactive services. Appropriations for the program total \$11.6 million in All Funds, an increase of \$0.2 million, or 1.4 percent, from 2022–23 biennial spending levels, and provide 41.0 FTE positions.

The Outreach and Education program provides education to hunters, boaters, and other water users to be safe, knowledgeable, and responsible while pursuing outdoor recreation activities. Education and outreach programs also aim to encourage the development of new outdoor recreation enthusiasts. The program includes hunter education and boater education programs required of all participants of a certain age to hunt or boat legally in the state. Other functions include outdoor skills workshops, outreach events, and programs that utilize trained volunteers to provide education regarding conservation and outdoor recreation. Appropriations for the program total \$5.9 million in All Funds, a decrease of \$2.5 million, or 29.9 percent, from 2022–23 biennial spending levels, and provide 24.0 FTE positions. The decrease is due primarily to anticipated

decreases of \$2.2 million in Federal Funds and \$0.2 million in Appropriated Receipts for the 2024–25 biennium.

Estimated appropriations for the statewide salary adjustment total \$31.5 million in All Funds for the 2024–25 biennium.

Appropriations for administration and other programs areas total \$117.4 million in All Funds, an increase of \$37.9 million, or 47.6 percent, from 2022–23 biennial spending levels, and provide 310.0 FTE positions. This increase is due primarily to the inclusion of the statewide salary adjustment into this program area.

SIGNIFICANT LEGISLATION

Senate Bill 1372 – Breeder deer destruction cost waivers.

The legislation requires TPWD to waive costs historically imposed on deer breeders associated with the destruction of breeder deer at permitted facilities that test positive for chronic wasting disease (CWD). The legislation prohibits TPWD from waving these fees if it is determined that certain parties either caused the introduction of CWD to the facility or delayed its detection.

Senate Bill 1648 and Senate Joint Resolution 74 – Centennial Parks Conservation Fund.

The legislation, in conjunction with the constitutional amendment approved by voters at the November 2023 election, establishes the Centennial Parks Conservation Fund (CPCF) as a trust held outside the state Treasury by the Texas Treasury Safekeeping Trust Company and administered by TPWD for the purpose of establishing and improving state parks. TPWD may request a distribution from the CPCF to acquire real property and must submit a request outlining the proposed acquisition for the Legislative Budget Board's review and approval. The agency also must report on any acquisition funded through the CPCF in its biennial strategic plan.

RAILROAD COMMISSION OF TEXAS

PURPOSE: To regulate the state’s oil and natural gas industries, with responsibilities for permitting, monitoring, and inspecting facilities. The agency works to ensure the safe production and transportation of the state’s energy resources, while protecting public health and the environment. The agency also works to ensure fair pricing through its oversight of gas utilities rates.

ESTABLISHED: 1891

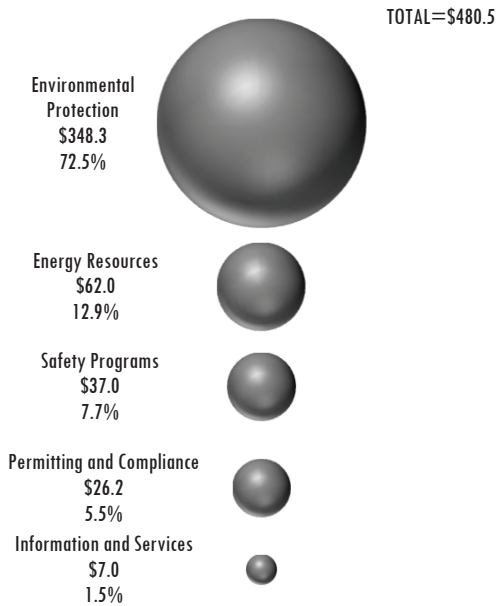
AUTHORIZING STATUTE: The Texas Constitution, Articles X and XVI; the Texas Natural Resources Code

GOVERNANCE: Three statewide-elected officials

FIGURE 289
RAILROAD COMMISSION OF TEXAS BY METHOD OF FINANCE

METHOD OF FINANCE	(IN MILLIONS)				APPROPRIATED FULL-TIME-EQUIVALENT POSITIONS				
	ESTIMATED/BUDGETED 2022–23	APPROPRIATED 2024–25	BIENNIAL CHANGE	PERCENTAGE CHANGE					
General Revenue Funds	\$175.3	\$188.7	\$13.4	7.6%	<table border="1"> <tr> <td>2024</td> <td>1,124.6</td> </tr> <tr> <td>2025</td> <td>1,124.6</td> </tr> </table>	2024	1,124.6	2025	1,124.6
2024	1,124.6								
2025	1,124.6								
General Revenue–Dedicated Funds	\$151.9	\$148.9	(\$3.0)	(2.0%)					
Federal Funds	\$39.9	\$138.7	\$98.8	248.0%					
Other Funds	\$3.1	\$4.3	\$1.2	38.5%					
Total, All Methods of Finance	\$370.1	\$480.5	\$110.4	29.8%					

AGENCY PROGRAM AREAS BY APPROPRIATION (IN MILLIONS)



SIGNIFICANT DEVELOPMENTS

Appropriations provide **\$249.9 million in All Funds** for oil and gas **well plugging and remediation**, including **\$124.7 million in Federal Funds**, **\$113.4 million in General Revenue–Dedicated Funds** from Account No. 5155, Oil and Gas Regulation and Cleanup (Account No. 5155), and **\$11.9 million in General Revenue Funds**.

Appropriations provide **\$148.9 million in General Revenue–Dedicated Funds** from Account No. 5155, which supports the agency’s **regulation of oil and gas development**.

Funding for **pipeline safety and inspection** totals **\$30.8 million in All Funds** to ensure regulated systems are inspected at least once every five years.

Appropriations include **\$26.2 million in General Revenue Funds** and **130.0 full-time-equivalent positions** to continue ongoing efforts to identify and inspect critical energy infrastructure for **weather preparedness** and to establish **best practices to maintain service in extreme weather events**.

SOURCE: Legislative Budget Board.

MAJOR FUNDING

Appropriations for the Railroad Commission of Texas (RRC) total \$480.5 million in All Funds, a net increase of \$110.4 million, or 29.8 percent, from 2022–23 biennial spending levels, and provide for 1,124.6 full-time-equivalent (FTE) positions in each fiscal year of the 2024–25 biennium. The net increase includes the following:

- an increase of \$98.8 million in Federal Funds in the 2024–25 biennium, or 248.0 percent, for the plugging of orphan oil and gas wells from the federal Infrastructure Investment and Jobs Act of 2021 (IIJA), offset partially by amounts awarded and appropriated in fiscal year 2023;
- a net increase of \$13.4 million in General Revenue Funds, or 7.6 percent, for new and existing projects, including the statewide salary adjustment, establishing an Office of Public Engagement, expanding public access to historical records, and supporting increased Data Center Services obligations, which offsets decreases attributable to the removal of onetime costs from the 2022–23 biennium discussed subsequently and increased appropriations in fiscal year 2023 for vehicle replacements provided in the supplemental appropriations bill, Senate Bill 30, Eighty-eighth Legislature, Regular Session, 2023;
- a decrease of approximately \$3.0 million in General Revenue–Dedicated Funds from Account No. 5155, Oil and Gas Regulation and Cleanup (Account No. 5155), or 2.0 percent, attributable to the removal of onetime funding for vehicle replacements in the 2022–23 biennium and increased appropriations in Senate Bill 30 for the same purpose in fiscal year 2023; and
- a net increase of \$1.2 million in Other Funds, including \$0.9 million in Appropriated Receipts and \$0.3 million in the Anthropogenic Carbon Dioxide Storage Trust Fund, to promote energy resource development and regulate alternative fuel resources.

General Revenue–Dedicated Funds appropriations consist entirely of funding from Account No. 5155, which is used to pay costs of regulating and monitoring the oil and gas industry, plugging abandoned wells, and cleaning up oil and gas sites. Revenue deposited to this account primarily includes production-related taxes and permitting fees paid by the oil and gas industry. Two such fees deposited to the credit

of the account are: (1) a pumping fee of five-eighths of \$0.01 per barrel produced; and (2) a surcharge of no more than 185.0 percent of the original pumping fee.

The price of West Texas Intermediate crude oil, the main oil benchmark for North America, is considered one of the primary drivers of industry activity. Account No. 5155 experiences revenue decreases when the industry's activity records a downturn, such as the activity recorded during the second half of fiscal year 2020, which can result in revenue not being available to support appropriations. Agency appropriations from the account are estimated and include any revenue collections greater than amounts indicated in the Comptroller of Public Accounts' Biennial Revenue Estimate (BRE). However, not all balances in Account No. 5155 are available for the agency to spend. For example, an estimated \$10.8 million is required each fiscal year for employee benefits, which are paid through appropriations to the Employees Retirement System of Texas, and certain financial securities paid by oil and gas well operators related to specific well plugging insurance policies are held in escrow in the account. As of October 2023, more than \$100.0 million of the account balance is estimated to be financial securities held in escrow.

General Revenue Funds and General Revenue–Dedicated Funds appropriated to the agency increased by a net \$10.4 million in the 2024–25 biennium, or 3.2 percent, from the 2022–23 biennial spending level, primarily due to the removal of the following onetime costs offsetting increases described previously:

- \$7.9 million in General Revenue Funds provided pursuant to Senate Bill 3, Eighty-seventh Legislature, Regular Session, 2021, for weatherization assessment reviews (\$0.8 million), operator plan reviews (\$0.9 million), vehicle purchases (\$3.5 million), and software development (\$2.8 million);
- \$0.4 million in General Revenue Funds provided pursuant to House Bill 1520, Eighty-seventh Legislature, Regular Session, 2021, for professional services (\$0.2 million) and a catastrophic weather event study (\$0.2 million); and
- \$6.9 million in General Revenue Funds and \$1.5 million in General Revenue–Dedicated Funds from Account No. 5155 for vehicle replacements that were reallocated from 2024–25 biennial appropriations to fiscal year 2023 in Senate Bill 30. Although these funds are not appropriated in fiscal year 2024,

expenditures from the fiscal year 2023 appropriation will continue through the 2024–25 biennium.

Federal Funds for the RRC increased by \$98.8 million, or 248.0 percent, from 2022–23 biennial spending levels due to funds received or anticipated pursuant to the IIJA to plug, remediate, and reclaim oil and gas wells. Texas could qualify for up to \$318.7 million in federal funding through fiscal year 2030 for this purpose. An initial grant of \$25.0 million was awarded to the state at the end of August 2022, and the agency submitted its application for Phase I of the Formula Grant in September 2023.

Other Funds for the agency increased by \$1.2 million, or 38.5 percent, from 2022–23 biennial spending levels, due primarily to increases from Appropriated Receipts and the Anthropogenic Carbon Dioxide Storage Trust Fund based upon amounts anticipated to be available in the BRE. This increased amount from the trust fund provides available funding for each fiscal year of the 2024–25 biennium. The agency was granted jurisdiction over carbon dioxide repositories, including rulemaking authority and the ability to assess civil, administrative, and criminal penalties, pursuant to House Bill 1284, Eighty-seventh Legislature, Regular Session, 2021.

PROGRAMS

The RRC regulates the state’s oil and natural gas industries with activities organized in four major program areas: (1) environmental protection; (2) energy resources; (3) safety programs; and (4) information and services.

ENVIRONMENTAL PROTECTION

The environmental protection program area contains 11 programs: (1) Oil and Gas Monitoring and Inspections, (2) Oil and Gas Well Plugging, (3) Oil and Gas Site Remediation, (4) Operator Cleanup Assistance, (5) Brownfields Response, (6) Surface Mining Reclamation, (7) Coal/Uranium Mining Applications and Permits, (8) Coal Mining Inspection and Enforcement, (9) Gas Utility Market Oversight, (10) Gas Utility Audit, and (11) the statewide salary adjustment.

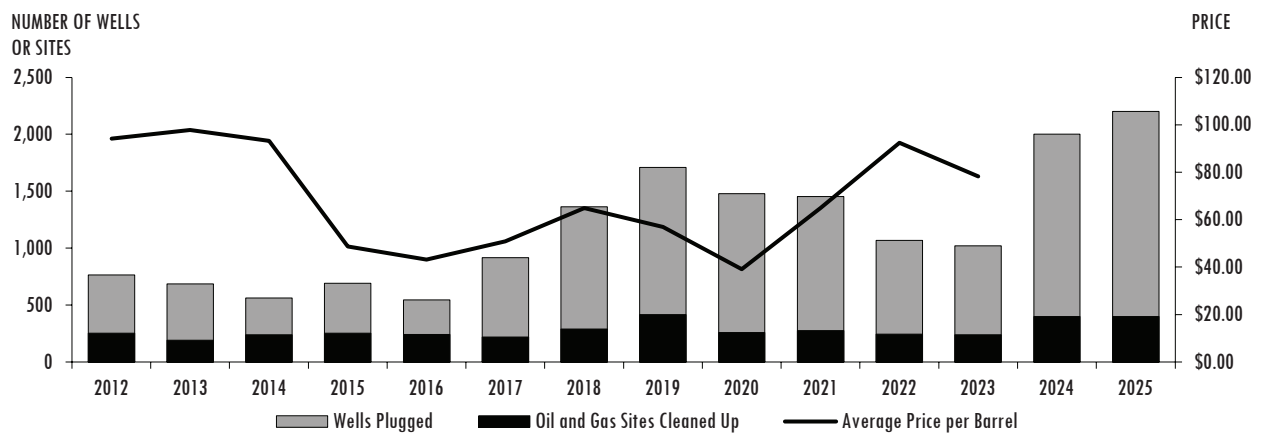
In addition to funding the statewide salary adjustment, appropriations for the environmental protection program area are designed to ensure that Texas’ fossil fuel energy production, storage, and delivery occurs in a manner that minimizes harmful effects on the state’s environment and preserves natural resources. The agency accomplishes this goal through monitoring and inspections and

through remediation, reclamation, and plugging of oil and gas wells. The agency also works to ensure that natural gas utility rates promote a safe and efficient supply of natural gas. RRC addresses these responsibilities through the following activities:

- promulgating rules for regulated industries;
- registering organizations;
- maintaining financial assurance of operators;
- requiring and maintaining certain filings by operators;
- granting permits and licenses;
- monitoring performance and inspecting facilities;
- maintaining records and maps;
- reviewing variance requests;
- investigating complaints and responding to emergencies; and
- plugging abandoned or orphaned oil and gas wells and cleaning up associated facilities and pollution sites.

The Oil and Gas Monitoring and Inspections program includes nine district offices across the state charged with overseeing oil and gas operations and enforcing environmental and safety rules. Field inspectors visited 424,952 oil and gas wells and other related facilities during fiscal year 2023 to enforce agency environmental and safety rules. Producers filed 127,189 permit applications during fiscal year 2023. Appropriations total \$64.1 million in All Funds, a net decrease of \$3.6 million, or 5.3 percent, from 2022–23 biennial spending levels, and provide for 280.8 FTE positions. The decrease is due to the redistribution of General Revenue Funds and Account No. 5155 funds to other programs in the 2024–25 biennium; the reallocation of \$1.1 million from Account No. 5155 to fiscal year 2023 pursuant to Senate Bill 30 for vehicle replacements; and the appropriation of \$2.8 million in additional General Revenue Funds in fiscal year 2023 through Senate Bill 30, also for vehicle replacements. These decreases are offset by increases in General Revenue Funds for Data Center Services obligations, the Office of Public Engagement, cybersecurity and data governance initiatives, and the acquisition of additional optical gas-imaging cameras. The agency anticipates inspecting 355,000 wells and facilities in fiscal year 2024, increasing to 360,000 in fiscal year 2025. The agency also anticipates processing more than 110,000 permits during each fiscal year of the 2024–25 biennium.

FIGURE 290
WELLS PLUGGED AND OIL AND GAS SITES CLEANED UP USING STATE FUNDS, FISCAL YEARS 2012 TO 2025



NOTES:

(1) Amounts for fiscal years 2024 and 2025 are estimated.

(2) The average price per barrel is the West Texas Intermediate crude oil price per barrel.

SOURCE: Railroad Commission of Texas.

The Oil and Gas Well Plugging program plugs abandoned oil and gas wells that cause or threaten to cause pollution when a responsible operator either does not exist or fails to take the action necessary to prevent pollution. The agency used state funds to plug 2,088 abandoned wells during the 2022–23 biennium and identified approximately 7,887 unplugged and orphaned wells in noncompliance as of October 2023. If an operator abandons its well or wells, RRC initiates enforcement actions to sever all the operator’s leases, including collection actions on the operator’s financial security. Many operators remain out of compliance with agency enforcement actions, and those cases are referred to the Office of the Attorney General for further enforcement action, resulting in RRC’s plugging of the operator’s abandoned wells. The agency uses a priority rating system to determine which wells should be plugged first. The rating system includes four categories and 26 rated factors of human health, safety, environment, and wildlife to determine which wells pose the greatest risk to public safety and the environment. Program appropriations total \$228.4 million in All Funds, an increase of \$98.7 million, or 76.1 percent, from 2022–23 biennial spending levels and provide for 156.6 FTE positions. The increase is due primarily to the anticipated receipt of Federal Funds through IJJA formula funding and additional General Revenue Funds appropriated for the Office of Public Engagement and cybersecurity and data governance activities. These increases are offset partially by the redistribution and reallocation of \$1.6 million in General Revenue Funds and General Revenue–Dedicated

Funds from Account No. 5155 to other programs, \$1.1 million in Federal Funds, and \$0.5 million in General Revenue Funds, to fiscal year 2023 pursuant to Senate Bill 30 for vehicle replacements.

The Oil and Gas Site Remediation program utilizes state funds to coordinate with district offices for the cleanup of pollution at abandoned oil and gas sites. These site cleanups can range from simple tank-battery cleanups requiring less than one day to complete to more complex cleanups requiring several years to properly evaluate, design, procure, and ultimately complete. During the 2022–23 biennium, the agency completed 484 cleanup activities. Appropriations for the program total \$21.5 million in All Funds, a decrease of \$0.6 million, or 2.9 percent, compared to 2022–23 biennial spending levels, and provide for 38.0 FTE positions.

Figure 290 shows the number of wells plugged and the number of polluted oil and gas sites cleaned up using state funds from fiscal years 2012 to 2023, with projected performance for the 2024–25 biennium. The number of wells plugged decreased overall from fiscal years 2012 to 2016 due to RRC’s ongoing focus on several longer-term and complex cleanup and assessment activities. The agency also prioritized plugging offshore wells during this period, which is more costly than plugging land wells and may cost \$1.7 million or more per well, depending on various factors. The number of wells plugged began to rise in fiscal year 2017, increasing further in fiscal year 2018 after the agency was appropriated \$30.2 million in Other Funds from the

Economic Stabilization Fund in the 2018–19 biennium for well plugging and site remediation. The agency projects that it will be able leverage the additional Federal Funding through the IIJA to plug an additional 1,000 to 1,200 wells each fiscal year during the 2024–25 biennium. In total, the RRC anticipates that it will plug 2,000 wells during fiscal year 2024 and 2,200 wells during fiscal year 2025 using state funds.

The Operator Cleanup Assistance program oversees cleanups performed by the regulated community, which consists primarily of responsible party operators. Program appropriations total \$2.2 million in All Funds, which includes a decrease of approximately \$0.1 million, or roughly 2.8 percent from 2022–23 biennial spending levels and provides for 7.2 FTE positions.

The Brownfields Response Program encourages redevelopment of abandoned oil and gas sites by providing technical and financial support for remediation and redevelopment efforts to governmental entities and other participants that did not cause or contribute to the contamination. Funding for the program totals \$0.4 million in All Funds for the 2024–25 biennium, which roughly maintains 2022–23 biennial spending levels and provides for 1.4 FTE positions.

Through the Surface Mining Reclamation program, the agency regulates surface mining of coal and lignite, mining of iron ore, uranium exploration, and the reclamation of abandoned mine lands. The program's purpose is to reclaim and restore land and water resources and to protect the public from the adverse effects of mining practices in the state. Reclamation of abandoned surface mines typically consists of earthwork burial or treatment of unsuitable soil, typically acidic or radioactive soil; installation of erosion-control and water-control structures; and revegetation. Dangerous abandoned underground mine openings typically are closed by backfilling or capping with concrete or metal grating. The agency oversees contractors hired to perform these services. Funding for the program totals \$4.2 million in All Funds, an increase of roughly 0.9 percent from 2022–23 biennial spending levels, and provides for 7.3 FTE positions.

Other mining programs include the Coal/Uranium Mining Applications and Permits program and the Coal Mining Inspection and Enforcement program. The Coal/Uranium Mining Applications and Permits program is appropriated \$6.0 million in All Funds, an increase of \$1.8 million, or 44.0 percent, from 2022–23 biennial spending levels and

provides for 25.3 FTE positions to process applications and permits. The Coal Mining Inspection and Enforcement Program is appropriated \$4.0 million in All Funds, which is an increase of \$0.9 million, or 28.4 percent, from 2022–23 biennial spending levels and provides 16.8 FTE positions to conduct unannounced inspections of permitted sites and to assess penalties for violations. The increases within the Coal/Uranium Mining Applications and Permits and the Coal Mining Inspection and Enforcement Programs primarily reflect the redistribution of funds across programs for information technology projects.

Appropriations for the Gas Utility Market Oversight program total \$4.0 million in All Funds, a decrease of \$0.3 million, or 28.4 percent, from 2022–23 biennial spending levels, and provide 20.3 FTE positions for the regulation of gas utilities. The Gas Utility Audit program funds audits of utilities to ensure proper payments of gas utility tax, and monitors rates charged to customers for natural gas and services. Program appropriations total \$2.9 million in All Funds, which is similar to 2022–23 biennial spending levels and provide for 15.6 FTE positions.

Estimated appropriations for the Statewide Salary Adjustment program total \$10.7 million in All Funds for the 2024–25 biennium.

Funding for the environmental protection program area totals \$348.3 million in All Funds, an increase of \$107.6 million, or 44.7 percent, from 2022–23 biennial spending levels and provides for 569.3 FTE positions during each fiscal year of the 2024–25 biennium.

ENERGY RESOURCES

The energy resources program area includes four programs: (1) Administrative Compliance, (2) Technical Permitting, (3) Groundwater Advisory Unit, and (4) Alternative Fuels Training.

Appropriations for the energy resources program area support the development, management, and use of Texas oil and gas energy resources, which protects correlative rights (legal rights protecting property of a portion of a gas or oil reservoir from excessive or wasteful withdrawal); equal and fair energy access to all entities throughout the state; and the inspection of critical gas-supply-chain infrastructure for emergency and weather preparedness.

Administrative Compliance program appropriations total \$26.4 million in All Funds, an increase of \$0.2 million, or approximately 0.8 percent, from 2022–23 biennial

spending levels, and support 84.2 FTE positions and agency activities, which include registering energy producers and monitoring well production and completions. RRC provides drilling permits, assigns production limits to oil and gas wells, and performs audits to confirm that production remains within those limits. The program also provides geographic information system (GIS) and well-mapping services to track and maintain data related to wells, pipelines, and other oil and gas infrastructure. GIS data is used extensively for planning, tracking, enforcement, and environmental assessment activities and serves as crucial information during a disaster.

Texas had 161,799 oil wells and 86,513 gas wells in production as of August 2023. Production allowables, which are amounts producers are permitted to extract from wells during a given year, are assigned according to factors such as tested well capability, reservoir mechanics, market demand for production, and past production.

Technical Permitting program activities include the issuance of drilling permits based on established spacing and density rules and in a manner to protect the public from surface storage of disposal of drilling waste by-product. Permitting programs include drilling application processing, management of wastes and protection of the public from surface storage or disposal, disposal and enhancement recovery wells, and underground hydrocarbon storage and brine mining. Program appropriations total \$28.9 million in All Funds, an increase of \$1.0 million, or 3.6 percent, from 2022–23 biennial spending levels, and provide for 79.6 FTE positions in each fiscal year of the 2024–25 biennium. This increase primarily is attributable to additional funding received for 5.0 licensing and inspection FTE positions and operating costs to support higher than anticipated demand for and participation in commercial recycling of fluid oil and gas waste pursuant to House Bill 3516, Eighty-seventh Legislature, Regular Session, 2021.

The Groundwater Advisory Unit Program is appropriated \$2.8 million in All Funds, a slight increase of 1.4 percent from 2022–23 biennial spending levels, which provides for 22.2 FTE positions to review geological data that shows the presence and depth of usable-quality water that must be protected from oil and gas operations.

The Alternative Fuels Training program provides education, qualifications, and recertification to individuals that handle liquefied petroleum gas (LPG) to promote safety and compliance with existing law and regulations. Program

appropriations total \$3.9 million in All Funds, which is an increase of approximately \$0.9 million from 2022–23 biennial spending levels and provides 10.4 FTE positions. This increase is attributable to adjustments made to Appropriated Receipts to align funding with the Comptroller of Public Account's BRE.

Funding for the energy resources program area totals \$62.0 million in All Funds, an increase of \$2.2 million, or 3.6 percent, from 2022–23 biennial spending levels and provides 196.4 FTE positions during each fiscal year of the 2024–25 biennium.

PERMITTING AND COMPLIANCE

Appropriations for the permitting and compliance program area include funding for the Weather Preparedness program only. These appropriations total \$26.2 million in General Revenue Funds, a net decrease of \$4.9 million, or 15.6 percent, from 2022–23 biennial spending levels, and provide for 130.4 FTE positions to analyze, identify, and inspect critical gas service infrastructure for emergency preparedness and weatherization compliance to help maintain electricity production and distribution in the event of natural or human-caused disasters or other catastrophic events, pursuant to Senate Bill 3, Eighty-seventh Legislature, Regular Session, 2021. This decrease in funding is due primarily to onetime funding appropriated for the implementation of Senate Bill 3 and House Bill 1520, Eighty-seventh Legislature, Regular Session, 2021, which is offset by \$3.0 million in additional General Revenue Funds to develop and implement a website that enables gas and pipeline companies to upload, review, and update data, which the agency uses for critical supply chain mapping, pursuant to Senate Bill 3.

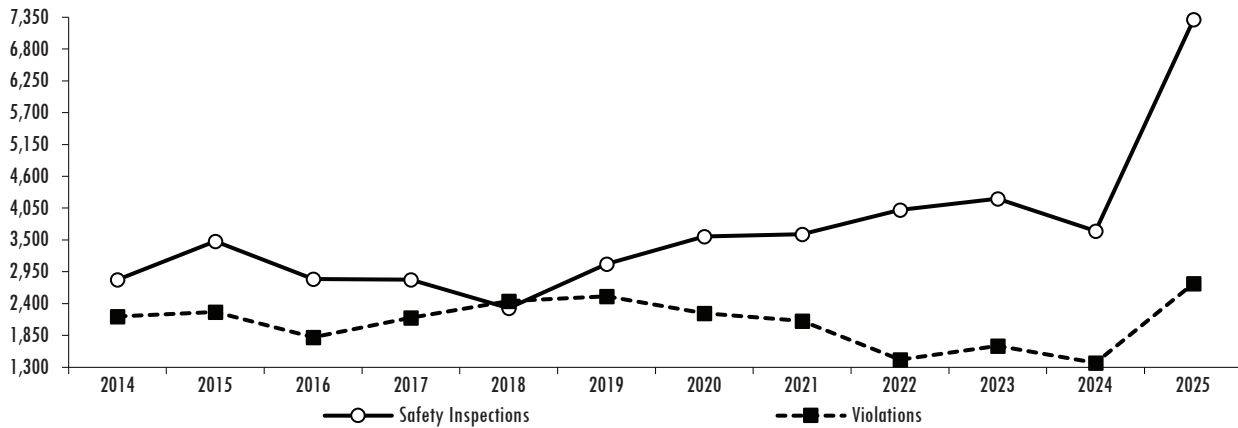
SAFETY PROGRAMS

The safety program area includes three programs: (1) Pipeline Safety/Inspections, (2) Underground Damage Prevention, and (3) Alternative Fuels Licensing and Regulation.

Appropriations to the safety programs area support the promotion and advancement of safety related to pipeline operations and the use of petroleum products through training, monitoring, and enforcement activities.

The Pipeline Safety/Inspections program enforces pipeline operator compliance with federal and state laws and regulates the safety and integrity of intrastate natural gas pipelines, hazardous liquid pipelines, and carbon dioxide pipelines in Texas. The agency issues licenses and permits, conducts field inspections and accident investigations, and responds to

FIGURE 291
RAILROAD COMMISSION PIPELINE SAFETY INSPECTIONS AND VIOLATIONS
FISCAL YEARS 2014 TO 2025



NOTE: Amounts for fiscal years 2024 and 2025 are estimated.
 SOURCE: Railroad Commission.

emergencies. Appropriations for the program total \$30.8 million in All Funds, a net increase of \$6.4 million, or 26.2 percent, from 2022–23 biennial spending levels, and support 159.3 FTE positions. This increase is attributable primarily to the appropriation of \$8.7 million in General Revenue Funds for 50.0 FTE positions consisting of field inspectors, engineers, and field management and support staff. Funding also supports associated operating costs and 41 additional vehicles to meet the increased responsibilities assigned to the agency because of rule changes adopted by the Pipeline and Hazardous Materials Safety Administration during the 2022–23 biennium. This increase is offset by the reallocation of vehicle replacement appropriations from the 2024–25 biennium in fiscal year 2023 through Senate Bill 30.

The agency is certified by the U.S. Department of Transportation to enforce federal pipeline safety regulations for intrastate pipeline facilities, pursuant to the federal Pipeline Safety Act. **Figure 291** shows the number of safety inspections the agency has performed, and the number of violations found through those inspections from fiscal years 2014 to 2025.

The Underground Damage Prevention program focuses on compliance and enforcement activities related to the movement of earth near pipelines and provides educational presentations to affected stakeholders statewide to prevent pipeline damage. Program appropriations total \$1.2 million in All Funds, roughly maintaining 2022–23 biennial spending levels, and provide for 8.5 FTE positions.

The Alternative Fuels Licensing and Regulation program licenses and registers individuals and entities engaged in the LPG, compressed natural gas (CNG), and liquefied natural gas (LNG) industries, including cargo-tank motor vehicles. Additionally, the program regulates LPG, CNG, and LNG by promulgating safety rules, conducting inspections, and engaging in enforcement actions. The program is appropriated \$5.0 million in All Funds for the 2024–25 biennium, a decrease of \$3.0 million, or 37.8 percent, compared to 2022–23 biennial spending levels, which supports 32.3 FTE positions. This decrease in appropriations is due primarily to the distribution of funds to other programs following the completion of certain information technology projects.

The safety programs area is appropriated \$37.0 million in All Funds, an increase of \$3.4 million, or 10.1 percent, from 2022–23 biennial spending levels, which provides for 200.1 FTE positions.

INFORMATION AND SERVICES

The information and services program area works to maximize electronic government transactions and minimize paper transactions by developing technological enhancements that promote efficient regulatory programs and preserve and increase public access to information through its Public Information and Services program. Program activities include providing the public access to oil and gas records. The program is appropriated \$7.0 million in All Funds, an increase of \$2.1 million, or 41.7 percent, and provides for 28.4 FTE positions. This increase in funding is due primarily

to \$2.0 million in additional General Revenue Funds appropriated for the purpose of sorting, indexing, scanning, and publishing online well records, refinery reports, and other forms that currently are available only as physical files.

SIGNIFICANT LEGISLATION

House Bill 2263 – Energy conservation programs. The legislation grants RRC exclusive jurisdiction over energy conservation programs established by local distribution companies (LDC). RRC is authorized to determine appropriate cost-recovery mechanisms, approve LDCs for cost recovery authority, and ensure that these costs are allocated to the appropriate customer class. LDCs must submit to RRC annual reports containing certain information and implement energy conservation programs pursuant to statute.

TEXAS STATE SOIL AND WATER CONSERVATION BOARD

PURPOSE: To work in conjunction with local soil and water conservation districts to encourage wise and productive use of natural resources, including soil conservation projects, flood-control dam construction and maintenance, management and abatement of agricultural and silvicultural (forestry-related) nonpoint source water pollution, and water supply enhancement.

ESTABLISHED: 1939

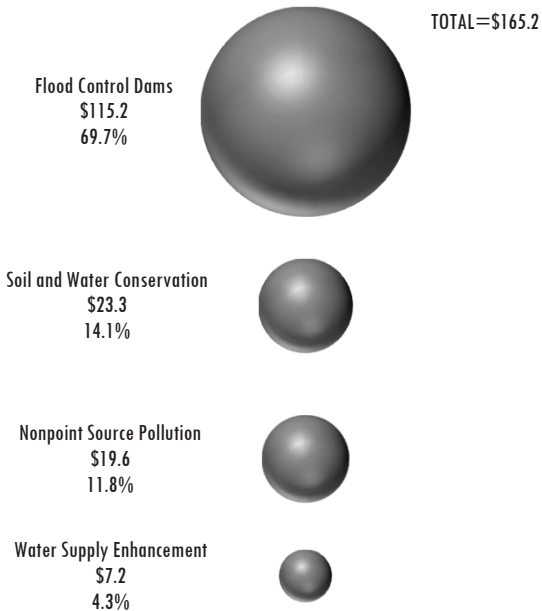
AUTHORIZING STATUTE: The Texas Agriculture Code, §201.001

GOVERNANCE: Five elected members and two members appointed by the Governor

FIGURE 292
TEXAS STATE SOIL AND WATER CONSERVATION BOARD BY METHOD OF FINANCE

METHOD OF FINANCE	(IN MILLIONS)				APPROPRIATED FULL-TIME-EQUIVALENT POSITIONS				
	ESTIMATED/BUDGETED 2022-23	APPROPRIATED 2024-25	BIENNIAL CHANGE	PERCENTAGE CHANGE					
General Revenue Funds	\$43.5	\$114.6	\$71.1	163.5%	<table border="1"> <tr> <td>2024</td> <td>82.0</td> </tr> <tr> <td>2025</td> <td>82.0</td> </tr> </table>	2024	82.0	2025	82.0
2024	82.0								
2025	82.0								
General Revenue-Dedicated Funds	\$0.0	\$0.0	\$0.0	N/A					
Federal Funds	\$30.2	\$50.6	\$20.4	67.4%					
Other Funds	\$2.7	\$0.0	(\$2.7)	(100.0%)					
Total, All Methods of Finance	\$76.4	\$165.2	\$88.8	116.3%					

AGENCY PROGRAM AREAS BY APPROPRIATION (IN MILLIONS)



SIGNIFICANT DEVELOPMENTS

Funding for rehabilitation and repair efforts of flood-control dams totals **\$115.2 million in All Funds, an increase of \$77.4 million**, which includes funding for new projects and project cost inflation, and continues funding for projects initiated in prior fiscal years.

Soil and Water Conservation District funding totals **\$5.8 million in General Revenue Funds, an increase of \$4.1 million**, for cost increases to maintain base service levels in assistance programs.

The agency's **Sunset legislation, Senate Bill 1424**, Eighty-eighth Legislature, Regular Session, 2023, continues the agency until September 1, 2035.

SOURCE: Legislative Budget Board.

MAJOR FUNDING

Appropriations for the Texas State Soil and Water Conservation Board (TSSWCB) total \$165.2 million in All Funds, a net increase of \$88.8 million, or 116.3 percent, from 2022–23 biennial spending levels.

General Revenue Funds total \$114.6 million, a net increase of \$71.1 million, or 163.5 percent, from 2022–23 biennial spending levels, primarily due to increases in funding for flood-control dam construction, soil and water conservation district operations, carrizo cane eradication, and the statewide salary adjustment. Carrizo cane eradication funding includes additional General Revenue Funds offsetting onetime deficiency grant funding provided by the Office of the Governor for this purpose in the 2022–23 biennium.

Federal Funds total \$50.6 million, an increase of \$20.4 million, or 67.4 percent, from 2022–23 biennial spending levels, primarily due to increases in funding for flood-control dam construction and the statewide salary adjustment.

PROGRAMS

The agency carries out its responsibilities through four program areas: (1) Soil and Water Conservation; (2) Flood Control Dams; (3) Nonpoint Source Pollution; and (4) Water Supply Enhancement.

SOIL AND WATER CONSERVATION

The Soil and Water Conservation program area consists of seven programs that provide assistance to local districts and the public and the Salary Adjustments program. The agency provides the state's 216 local soil and water conservation districts (SWCD) with financial, technical, and program-management assistance for the development of district soil and water conservation programs.

GRANT PROGRAMS

Three programs provide grants to SWCDs: (1) the Conservation Assistance Grants program; (2) the Soil and Water Conservation District Operations program; and (3) the Conservation Implementation Assistance Grants program. Appropriations for these programs total \$13.8 million in All Funds, which is an increase of \$5.0 million, or 56.9 percent, from 2022–23 biennial spending levels.

The Conservation Assistance Grants program provides matching grants for daily operating expenses of SWCDs. Locally raised funds typically consist of grants from the federal government or private entities because SWCDs do

not have taxing authority. Funding totals \$3.2 million in General Revenue Funds, which is an increase of \$1.0 million, or 42.9 percent, from 2022–23 biennial spending levels.

The Soil and Water Conservation District Operations program provides financial support to SWCD offices, which typically are co-located with U.S. Department of Agriculture Natural Resource Conservation Service offices. Funding totals \$4.6 million in General Revenue Funds, which is an increase of \$3.8 million, or 484.0 percent, from 2022–23 biennial spending levels, including 3.0 full-time-equivalent (FTE) positions. The financial support to SWCDs provides for operating expenses incurred implementing local, state, and federal conservation programs.

The Conservation Implementation Assistance Grants program provides SWCDs with funds to employ experts for various projects and to provide technical planning assistance regarding natural resource conservation to owners and operators of agricultural and other lands. Funding totals \$5.9 million in All Funds, which is an increase of \$0.2 million, or 3.3 percent, from 2022–23 biennial spending levels.

FIELD REPRESENTATIVE SUPPORT

The Field Representatives program provides support to field representatives that serve as liaisons to communicate and coordinate with SWCDs. The program provides technical guidance and administrative support to all districts, assisting with identifying and meeting local soil and water resource needs. Funding totals \$5.7 million in General Revenue Funds, including 14.2 FTE positions, which is an increase of \$1.5 million, or 35.0 percent, from 2022–23 biennial spending levels.

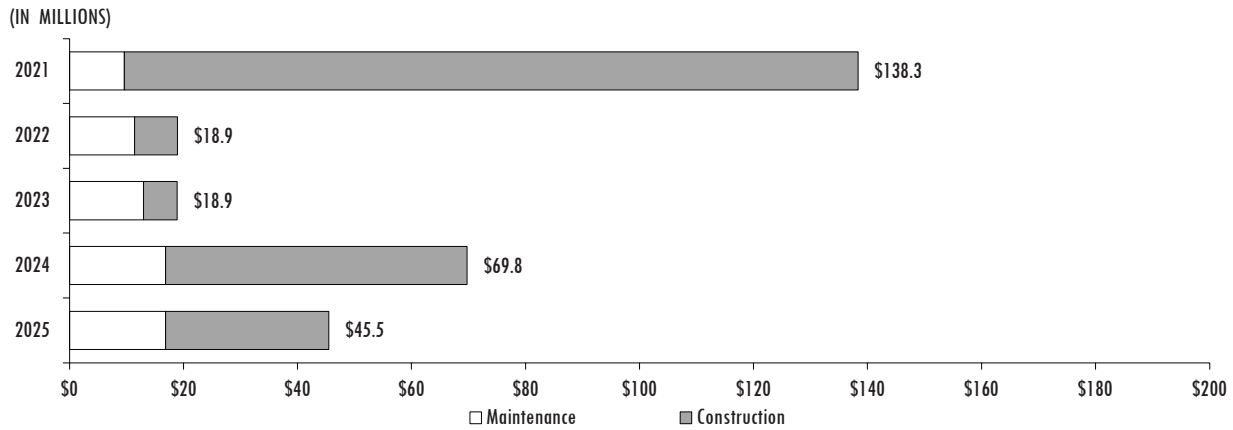
PUBLIC EDUCATION AND INFORMATION

The Soil and Water Conservation Public Education and Information Program provides coordination of informative and educational programs related to the agency and its programs, services, operations, and resources. Funding totals \$0.2 million in General Revenue Funds, including 1.0 FTE position, which continues 2022–23 biennial spending levels.

ADMINISTRATIVE FUNCTIONS

The Soil and Water Conservation District Mileage and Per Diem Reimbursement program, Indirect Administration program, and a new Salary Adjustment program include funding for the agency's administrative functions within the Soil and Water Conservation program area. Appropriations for these programs total \$3.6 million in All Funds, an

FIGURE 293
FLOOD-CONTROL DAM FUNDING MAINTENANCE AND CONSTRUCTION
FISCAL YEARS 2021 TO 2025



NOTE: Amounts shown for fiscal years 2021 to 2022 are expended; amounts shown for fiscal years 2023 to 2025 are appropriated.
 SOURCE: Legislative Budget Board.

increase of \$1.1 million, or 42.6 percent, from 2022–23 biennial spending levels.

The Soil and Water Conservation District Mileage and Per Diem Reimbursement program provides funds to reimburse SWCD directors for travel expenses they incur while performing their duties. Funding totals \$1.1 million in General Revenue Funds, an increase of \$0.3 million, or 29.8 percent, from 2022–23 biennial spending levels.

The Indirect Administration program provides funding for the governing board, executive director, human resources, budgeting and accounting, and other administrative functions. Funding totals \$1.7 million in General Revenue Funds, including 10.0 FTE positions, which is similar to 2022–23 biennial spending levels.

The Salary Adjustment program provides \$0.8 million in All Funds to provide a statewide salary adjustment. This includes \$0.7 million in General Revenue Funds and \$0.1 million in Federal Funds.

The Soil and Water Conservation program area is appropriated \$23.3 million in All Funds and supports 28.2 FTE positions, which is an increase of \$7.6 million, or 48.1 percent, from 2022–23 biennial spending levels.

FLOOD-CONTROL DAMS

The Flood Control Dam program area includes the Flood Control Dam Grants program, which assists local districts in the operation and maintenance of flood-control dams.

TSSWCB uses appropriations to enter into cost-share agreements with local SWCDs for flood-control dam maintenance and structural repair projects. Of the state’s 2,039 flood-control dams, 166 require structural repairs, 515 require high-hazard upgrades, and many others require maintenance. For flood-control dam structural repair projects, the state covers 100.0 percent of the cost of repair and 100.0 percent of the cost for a high-hazard upgrade and provides the full 35.0 percent of the required matching funds for federally funded rehabilitation projects. For maintenance projects, the state pays 90.0 percent of the cost, and the remaining funds are paid from local or private funds.

Flood Control Dam Grants program funding totals \$115.2 million in All Funds and provides for 9.8 FTE positions. This amount represents an increase of \$77.4 million, or 204.8 percent, compared to 2022–23 biennial spending levels. The increase includes funding for new projects and project cost inflation, and continues funding for projects initiated during previous fiscal years.

Figure 293 shows expended amounts for flood-control dam maintenance and construction from fiscal years 2021 to 2022 and appropriated amounts from fiscal years 2023 to 2025. Maintenance costs include structural repairs, such as major repairs to damaged dams, and rehabilitation, such as improvements to increase hazard or size classification of flood-control dams across the state. These dams typically are earthen structures that were built on private property during the 1950s with the assistance of the federal government to

help prevent flooding. Construction costs include all costs involving the development of new flood-control dams.

NONPOINT SOURCE POLLUTION

The Nonpoint Source Pollution program area provides for the abatement of nonpoint source pollution caused by agricultural and silvicultural (forestry-related) uses of the state's soil and water resources through three programs: (1) the Nonpoint Source Grants program; (2) the Water Quality Management Plan program; and (3) the Poultry Water Quality Management Plan program. Nonpoint source pollution affects water bodies contaminated by agricultural or urban runoff flow into rivers or watersheds. TSSWCB administers all state programs for abating nonpoint source pollution in the state and represents the state before the federal government in all matters related to agricultural and silvicultural nonpoint source pollution.

The Nonpoint Source Grants program funds projects intended to control and abate nonpoint source pollution. The agency implements these projects through a statewide management plan intended to control nonpoint source pollution and develop pollution-abatement plans for designated agricultural areas. As part of the development of individual water quality management plans, TSSWCB identifies areas with the potential for water quality problems resulting from agricultural and silvicultural uses. Funding totals \$9.1 million in All Funds, including 10.0 FTE positions, which continues 2022–23 biennial spending levels.

The Water Quality Management Plan program provides incentives to agricultural producers and other rural landowners to participate in voluntary nonpoint source pollution mitigation practices. The program provides planning assistance and financial incentives to agricultural producers for implementing the best management practices and obtaining whole-farm-certified quality management plans. Funding totals \$9.6 million in General Revenue Funds including 23.0 FTE positions, an increase of \$2.2 million, or 29.7 percent, from 2022–23 biennial spending levels to maintain current planning and development levels.

The Poultry Water Quality Management Plan program administers water quality management plans for poultry producers in the state. All poultry farms are required by law to have a water quality management plan certified by TSSWCB. Funding totals \$0.8 million in General Revenue Funds, including 6.0 FTE positions, which continues 2022–23 biennial spending levels.

Appropriations for the Nonpoint Source Pollution program area total \$19.6 million in All Funds and provide for 39.0 FTE positions, an increase of \$2.2 million, or 12.5 percent, from 2022–23 biennial spending levels.

WATER SUPPLY ENHANCEMENT

The Water Supply Enhancement program area is intended to protect and enhance the state's water supply, increase water conservation, and enhance water yields through the Rio Grande Carrizo Cane Eradication program. The program addresses non-native, invasive carrizo cane strands that occupy the banks and flood plains of the Rio Grande, with the intent of improving law enforcement efforts along the international border and improving access to riverbanks.

Appropriations for the Water Supply Enhancement program area total \$7.2 million in General Revenue Funds, including 5.0 FTE positions, an increase of \$1.7 million, or 30.5 percent, from 2022–23 biennial spending levels. The increase is due to an increase of \$4.3 million in General Revenue Funds offsetting onetime deficiency grant funding totaling \$2.6 million provided by the Office of the Governor for this purpose in the 2022–23 biennium.

SIGNIFICANT LEGISLATION

Senate Bill 1424 – TSSWCB Sunset legislation. The legislation incorporates recommendations intended to improve TSSWCB grant administration and management practices related to the dam structural repair grant program and continues the agency for 12 years until September 1, 2035. To address current needs and core functions of interagency coordination, the legislation also updates the governing statutes of the Texas Invasive Species Coordinating Committee, which is attached administratively to TSSWCB.

TEXAS WATER DEVELOPMENT BOARD

PURPOSE: To provide leadership, information, education, and support for planning, financial assistance, and outreach for the conservation and responsible development of water for Texas.

ESTABLISHED: 1957

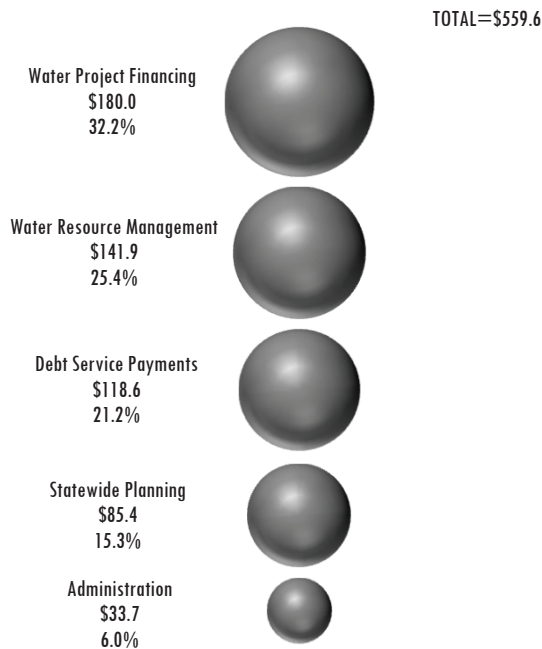
AUTHORIZING STATUTE: The Texas Constitution, Article III, §§49–50; the Texas Water Code, Chapters 6, 11, 15–17, 35–36; the Texas Government Code, Chapter 742

GOVERNANCE: Three-member, full-time board appointed by the Governor with the advice and consent of the Senate

FIGURE 294
TEXAS WATER DEVELOPMENT BOARD BY METHOD OF FINANCE

METHOD OF FINANCE	(IN MILLIONS)				APPROPRIATED FULL-TIME-EQUIVALENT POSITIONS
	ESTIMATED/BUDGETED 2022–23	APPROPRIATED 2024–25	BIENNIAL CHANGE	PERCENTAGE CHANGE	
General Revenue Funds	\$176.6	\$319.5	\$142.8	80.9%	2024 476.5 2025 482.5
General Revenue–Dedicated Funds	\$0.0	\$0.0	\$0.0	N/A	
Federal Funds	\$95.3	\$97.0	\$1.7	1.7%	
Other Funds	\$900.7	\$143.2	(\$757.5)	(84.1%)	
Total, All Methods of Finance	\$1,172.6	\$559.6	(\$613.0)	(52.3%)	

AGENCY PROGRAM AREAS BY APPROPRIATION (IN MILLIONS)



SIGNIFICANT DEVELOPMENTS

Approved water projects are supported by \$4.7 billion available outside the appropriations process: Water Development Fund II, \$465.1 million; State Water Implementation Revenue Fund for Texas, \$1.1 billion; State Water Implementation Fund for Texas (SWIFT), \$2.1 billion; Clean Water State Revolving Fund (CWSRF), \$458.3 million; and Drinking Water State Revolving Fund (DWSRF), \$636.8 million.

General Revenue Funds provide \$1.8 billion for water, flood, and water infrastructure funding in Senate Bill 30, Eighty-eighth Legislature, Regular Session, 2023, including \$1.0 billion for the Texas Water Fund; \$624.9 million for the Flood Infrastructure Fund, \$73.9 million for the DWSRF, and \$51.1 million for the CWSRF.

SWIFT funds totaling \$1.5 billion were committed to seven entities in fiscal year 2023. Through fiscal year 2023, SWIFT has committed more than **\$11.5 billion for water and wastewater projects across Texas.**

Water bond debt service funding totals \$121.7 million in All Funds, including \$71.6 million for Economically Distressed Areas bonds, \$46.9 million for Water Infrastructure bonds, and \$3.2 million for Rural Water Assistance Fund bonds.

SOURCE: Legislative Budget Board.

MAJOR FUNDING

Funding for the Texas Water Development Board (TWDB) totals \$559.6 million in All Funds, which is a decrease of \$613.0 million, or 52.3 percent, from 2022–23 biennial spending levels. This net decrease includes an increase of \$142.8 million in General Revenue Funds, offset by a decrease of \$757.5 million in Other Funds for the 2024–25 biennium and increases of \$1.8 million in General Revenue Funds and \$624.9 million in Other Funds in fiscal year 2023 pursuant to Senate Bill 30, Eighty-eighth Legislature, Regular Session, 2023, the supplemental appropriations bill. Funding changes for the 2024–25 biennium include the following adjustments:

- an increase of \$138.1 million in General Revenue Funds for certain flood and water infrastructure projects across the state;
- an increase of \$20.3 million in All Funds and 76.0 full-time-equivalent (FTE) positions to provide additional staff resources and support for financial assistance programs, water planning, flood-planning activities, and rural project funding, which includes \$18.6 million in General Revenue Funds, \$1.1 million in Federal Funds, and \$0.6 million in Other Funds for the following amounts:
 - \$13.0 million in All Funds, including \$11.9 million in General Revenue Funds and \$1.1 million in Federal Funds, to support 51.0 FTE positions for various financial assistance programs, water planning, and flood-planning activities;
 - \$4.7 million in General Revenue Funds and 13.0 FTE positions to provide for administration of rural-specific water infrastructure project funding, which includes \$3.0 million to contract with an outside entity to provide technical assistance services to rural communities;
 - \$1.9 million in General Revenue Funds and 11.0 FTE positions to provide additional staff and administrative support to manage financial assistance in Other Funds from the Flood Infrastructure Fund (FIF); and
 - \$0.7 million in All Funds and 1.0 FTE position, which includes \$0.6 million in Other Funds from the Agricultural Water Conservation Fund (AWCF) to issue additional conservation-related project grants, and \$0.1 million in General Revenue Funds for additional staff to manage the Agricultural Water Conservation Fund;
- an increase of \$11.6 million in All Funds for debt service on Economically Distressed Areas Program (EDAP) bonds. This net increase includes an increase of \$7.8 million in General Revenue Funds, an increase of \$4.8 million in Other Funds from the Economically Distressed Areas Bond Payment Account, and a decrease of \$1.0 million in Appropriated Receipts. This amount supports payment of existing debt service and allows for the issuance of up to \$100.0 million in new EDAP bonds for the 2024–25 biennium;
- an increase of \$7.5 million in All Funds for salary increases, which includes an increase of \$4.5 million in All Funds for the statewide salary adjustment consisting of \$3.9 million in General Revenue Funds and \$0.6 million in Federal Funds, and \$3.0 million in General Revenue Funds for targeted salary increases for certain unspecified positions;
- an increase of \$3.5 million in General Revenue Funds to address increases in Data Center Services (DCS) costs from the Shared Technology Services program;
- an increase of \$3.1 million in General Revenue Funds to provide for additional grants to regional water planning groups to conduct water planning activities;
- an increase of \$1.8 million in General Revenue Funds and 5.5 FTE positions to enhance the Water Data for Texas web-based resource and groundwater monitoring technology;
- a decrease of \$85.5 million in All Funds for debt service on Water Infrastructure Fund bonds, which includes decreases of \$82.4 million in Other Funds from the Water Infrastructure Fund (WIF) and \$3.1 million in General Revenue Funds;
- a decrease of \$34.8 million in Other Funds from the Texas Infrastructure Resiliency Fund (TIRF) due to the spending down of available balances for flood-mapping and planning activities;
- a decrease of \$51.6 million in General Revenue Funds for the removal of onetime costs, which include \$50.0 million for the removal of siltation from Lake Houston, \$1.0 million provided previously for startup activities of the Texas Produced Water Consortium

at Texas Tech University, and \$0.6 million provided for temporary Centralized Accounting and Payroll/Personnel System (CAPPS) Human Resources (HR) implementation; and

- an offsetting method-of-financing swap replacing Other Funds decreases with an equivalent amount of General Revenue Funds to fund staff and administrative costs of 74.0 existing flood-related FTE positions. This includes providing \$18.0 million in General Revenue Funds to replace \$5.2 million from the FIF supporting 27.0 FTE positions, and \$12.9 million from the TIRF supporting 47.0 FTE positions.

Supplemental funding provided in Senate Bill 30 includes the following increases in fiscal year 2023:

- an increase of \$626.7 million in All Funds directly appropriated to TWDB for the following purposes:
 - \$624.9 million in FIF appropriations to fund flood infrastructure projects;
 - \$1.5 million in General Revenue Funds to address increased fiscal year 2023 DCS costs; and
 - \$0.3 million in General Revenue Funds reallocated from 2024–25 biennial appropriations to purchase motor vehicles; and
- an additional \$1.8 billion General Revenue Funds provided to the Comptroller of Public Accounts for required deposit to TWDB-administered funds both inside and outside the Treasury, which includes the following amounts:
 - \$1.0 billion to capitalize the new Texas Water Fund (TWF) for disbursement to various other TWDB funds to finance water infrastructure projects, of which at least \$250.0 million of this initial appropriation must be deposited to the New Water Supply for Texas Fund, pursuant to Senate Bill 28 and voter approval of the constitutional amendment proposed by Senate Joint Resolution 75, Eighty-eighth Legislature, Regular Session, 2023 (see the **Significant Legislation** section);
 - \$624.9 million for required deposit to the FIF;
 - \$73.9 million, which is anticipated to draw down an additional \$451.2 million in Federal Funds, for deposit to the Drinking Water State Revolving

Fund (DWSRF) for various water infrastructure projects; and

- \$51.1 million, which is anticipated to draw down an additional \$302.8 million in Federal Funds for deposit to the Clean Water State Revolving Fund (CWSRF) for various water infrastructure projects.

In addition to the amounts provided in Senate Bill 30, funding available to TWDB outside the appropriations process totals \$4.7 billion in Other Funds from General Obligation (GO) Bond and Revenue Bond Proceeds, loan repayments, Federal Funds, and interest income, including: \$465.1 million from the Water Development Fund II (DFund II); \$1.1 billion from the State Water Implementation Revenue Fund for Texas (SWIRFT); \$2.1 billion from the State Water Implementation Fund for Texas (SWIFT); \$458.3 million from the CWSRF; and \$636.8 million from the DWSRF.

PROGRAMS

TWDB has five program areas: (1) water resource management, (2) statewide planning, (3) water project financing, (4) debt service payments, and (5) administration.

WATER RESOURCE MANAGEMENT

The water resource management program area includes 13 programs through which TWDB guides the conservation and management of the state’s water resources. The science and data gathered in these programs informs decisions about how best to manage the state’s water resources.

The agency has four subareas within the water resource management program area: (1) data collection and dissemination; (2) water resource data; (3) providing technical assistance for conservation; and (4) administering state and federal flood programs. The water resource management program area appropriations total \$141.9 million in All Funds, a decrease of \$6.2 million, or 4.2 percent, from 2022–23 biennial spending levels, primarily due to a decrease in TIRF available balances offset by increases for additional staff resources, targeted salary increases, and enhancements to certain TWDB systems.

DATA COLLECTION AND DISSEMINATION

The planning process at TWDB is supported by ongoing collection of basic data. Data collection determines the location, quantity, and quality of surface water and

groundwater resources across the state. TWDB conducts localized and regional groundwater studies and prepares reports on these studies for use by individuals, municipalities, industry, and other state agencies involved in developing and managing groundwater resources. Within the data collection and dissemination subarea are the following programs: (1) Bays and Estuaries; (2) Groundwater Monitoring; (3) Hydrosurvey; (4) Instream Flows; and (5) Strategic Mapping.

The Bays and Estuaries program is responsible for collecting, analyzing, and disseminating physical and chemical water-quality data, which monitors the effects of freshwater inflows upon bays and estuaries; developing hydrologic and hydrodynamic models; and providing administrative and technical assistance to the environmental flows process. Program funding totals \$2.0 million in All Funds, including 6.0 FTE positions. This amount represents an increase of \$37,922, or 1.9 percent, from 2022–23 biennial spending levels, due to targeted salary increases.

The Groundwater Monitoring program measures water levels and water quality in wells across the state. This information is used for water planning, groundwater management, drought monitoring, and the development of groundwater resources by individual landowners, water providers, and industry. Program funding totals \$2.4 million in All Funds, including 9.8 FTE positions. This amount is an increase of \$0.5 million, or 27.9 percent, from 2022–23 biennial spending levels, primarily to enhance groundwater monitoring technology across the state.

The Hydrosurvey program measures how quickly the state's reservoirs are filling up with sediment. The information is used to revise volume estimates that help the state understand how much water is available for use. Program funding totals \$0.8 million in All Funds, including 5.4 FTE positions, which continues 2022–23 biennial spending levels.

The Instream Flows program collects data on stream flows and lake levels. This information is used to monitor water supplies during drought, observe and plan for floods, evaluate water supplies, and help implement the water plan. Program funding totals \$4.8 million in All Funds, including 11.3 FTE positions. This amount is an increase of \$1.4 million, or 43.0 percent, from 2022–23 biennial spending levels, primarily due to targeted salary increases and to enhance TWDB's web-based tools that store water data.

The Strategic Mapping program develops geographic data resources and provides data products online for government, commercial business, and the public. The program

administers the state's High-priority Imagery and Data Sets contract for the Texas Council on Competitive Government. Program funding totals \$6.7 million in All Funds, including 18.0 FTE positions. This amount represents an increase of \$0.1 million, or 1.6 percent, from 2022–23 biennial spending levels, due to targeted salary increases.

Appropriations for the data collection and dissemination subarea programs total \$16.8 million in All Funds, or 3.0 percent of total agency appropriations. This amount is an increase of \$2.1 million, or 14.4 percent, from 2022–23 biennial spending levels.

WATER RESOURCES DATA

The water resources data subarea includes the following programs: (1) Innovative Water Strategies; (2) Groundwater Availability Modeling; (3) Groundwater Technical Assistance; and (4) Water Availability Modeling.

The Innovative Water Strategies program provides research, information, and technical assistance regarding the use of nontraditional water supplies such as desalination, reuse, aquifer storage and recovery, and rainwater harvesting. Program funding totals \$0.9 million in All Funds, including 4.7 FTE positions. This amount includes an increase of \$0.2 million, or 19.8 percent, from 2022–23 biennial spending levels, due to targeted salary increases.

The Groundwater Availability Modeling program develops, operates, and maintains numerical groundwater flow models to provide unbiased information regarding how much groundwater is available for use to support a desired condition. These models are used for water planning, groundwater management, and evaluating the use of aquifers. Program funding totals \$4.2 million in All Funds, including 14.3 FTE positions. This amount represents an increase of \$0.1 million, or 3.7 percent, from 2022–23 biennial spending levels, due to targeted salary increases.

The Groundwater Technical Assistance program provides technical assistance to residents, water providers, industries, groundwater conservation districts, and regional water-planning groups regarding the state's groundwater resources. Program funding totals \$0.9 million in All Funds, including 5.5 FTE positions. This amount maintains funding at 2022–23 biennial spending levels.

The Water Availability Modeling program supports regional water planning by providing and verifying the availability of surface water. Program funding totals \$0.6 million in All

Funds, including 2.1 FTE positions. This amount maintains funding at 2022–23 biennial spending levels.

Appropriations for the agency's Water Resources Data subarea programs total \$6.6 million, or 1.2 percent of the agency's All Funds appropriations. This amount represents an increase of \$0.3 million, or 4.8 percent, from 2022–23 biennial spending levels.

TECHNICAL ASSISTANCE FOR CONSERVATION

The technical assistance for conservation subarea includes the Water Conservation Education and Assistance program, which focuses on increasing water conservation through public outreach programs, education materials, technical assistance, and funding. TWDB staff reviews financial assistance applications for water conservation plans and the status and content of water loss audits. Appropriations for this program total \$10.4 million, or 1.9 percent of the agency's All Funds appropriations, including 30.2 FTE positions. This amount includes an increase of \$0.4 million, or 3.8 percent, from 2022–23 biennial spending levels. The net increase is due to increases in staff resources to manage conservation-related funding and targeted salary increases, offset primarily by the transfer of vehicle acquisition funding to fiscal year 2023 pursuant to Senate Bill 30, Eighty-eighth Legislature, Regular Session, the supplemental appropriations bill.

STATE AND FEDERAL FLOOD PROGRAMS

The State and Federal Flood Programs administration subarea includes the following three programs: (1) National Flood Insurance Program (NFIP) Flood Mitigation Assistance and Severe Repetitive Loss Grant Program; (2) Floodplain Mapping; and (3) NFIP Community Assistance and Training.

The Eightieth Legislature, 2007, designated TWDB as the agency responsible for coordinating NFIP within the state. The NFIP state coordinator serves as the liaison between the federal component of the program and local communities. The primary duty of the state coordinator is to provide guidance and education to communities to assist in meeting federal eligibility requirements for entrance into NFIP and to assist the communities with maintaining their NFIP participation status.

The NFIP Flood Mitigation Assistance and Severe Repetitive Loss Grant program provides grants of up to several million dollars in federal funding each year to communities for flood-hazard mitigation planning and to address the long-

term risk of flood damage to certain structures insured through NFIP. Program funding totals \$74.7 million in All Funds, including 6.4 FTE positions. This amount maintains funding at 2022–23 biennial spending levels.

The Floodplain Mapping program develops data and mapping products to strengthen the digital flood insurance rate maps that serve as the official reference for determinations of floodplain elevations. The program provides access to federal funding for local communities via the statewide Cooperating Technical Partner agreement with the Federal Emergency Management Agency (FEMA). Program funding totals \$32.1 million in All Funds, including 12.0 FTE positions. This amount includes a decrease of \$9.0 million, or 21.8 percent, from 2022–23 biennial spending levels. The decrease is due to spending down available TIRF balances to pay for flood-mapping activities, offset by increases for additional staff resources and targeted salary increases.

The NFIP Community Assistance and Training program provides administration and mitigation grants for the NFIP. The program also provides technical assistance and education to communities regarding federal floodplain management regulations. Program funding totals \$1.2 million in All Funds, including 4.7 FTE positions. This amount maintains funding at 2022–23 biennial spending levels.

Appropriations for the State and Federal Flood Programs administration subarea total \$108.0 million in All Funds, or 19.3 percent of the agency's appropriations. This amount includes a decrease of \$9.0 million, or 7.7 percent, from 2022–23 biennial spending levels, primarily due to spending down available TIRF balances in the floodplain mapping program.

STATEWIDE PLANNING

The statewide planning program area includes the Regional Water Planning (RWP) program and the State Flood Planning, Information, and Response program. Funding for these programs facilitates the development of regional water supply and regional flood mitigation plans, which are consolidated into larger statewide plans.

The state water plan (SWP) assesses the state's water needs for a 50-year period. This plan is revised every five years and developed by 16 designated regional planning groups in conjunction with TWDB. The SWP provides an overview of the state's current and prospective water use and identifies water supplies and estimated facility needs and costs. The plan also describes water problems and opportunities,

outlines significant environmental concerns and water issues, and offers policy and funding recommendations to the Legislature. The process of drafting a water plan initially was formulated after what is referred to as the Drought of Record, which occurred during the 1950s.

TWDB adopted the 2022 SWP on July 7, 2021. In the 2022 iteration of the SWP, regional planning groups recommended implementing approximately 5,800 water management strategies and approximately 2,400 specific water management strategy projects to increase the water supply. If implemented, these projects are anticipated to provide 7.7 million acre-feet in additional water supplies by calendar year 2070. An acre-foot is the volume of water needed to cover an area of one acre to a depth of one foot, or the equivalent of the average annual water use by two families. Approximately 37.0 percent of the strategies are related to surface water resources, including new reservoirs; 31.0 percent is in the form of demand management; 15.0 percent is related to reuse; 12.0 percent is related to groundwater management; 3.0 percent is related to aquifer-storage-and-recovery resources; and 3.0 percent is related to seawater desalination. The capital costs of these projects are estimated to be \$80.0 billion through calendar year 2070. TWDB anticipates that local governments will fund \$44.6 billion, wholesale water providers will fund \$32.5 billion, and private industry will fund the remainder.

Similar to the process for producing the SWP, Senate Bill 8, Eighty-sixth Legislature, 2019, established the regional and statewide flood planning process to evaluate flood-control infrastructure; to recommend flood-control and mitigation projects and strategies; and to analyze, develop, and update the 100-year floodplain. The state flood plan (SFP) is developed by 15 designated regional planning groups in conjunction with TWDB. The groups submitted their first amended regional flood plans to TWDB on July 14, 2023, and TWDB is consolidating the information into the first SFP, which is due by September 1, 2024. Subsequent plans will be revised every five years thereafter.

The RWP program provides financial, administrative, and technical support for the five-year development cycle of the 16 regional water plans, including guiding their development. The program also provides funding and contract management, development of population and demand projections, and socioeconomic and planning data analysis. Program funding totals \$14.1 million in All Funds, including 31.0 FTE positions. This amount represents an increase of \$4.4 million, or 45.9 percent,

from 2022–23 biennial spending levels. The increase, which includes new and reallocated funding to provide additional staff, resources, and higher grant funding levels to assist regional planning groups, is offset by decreases that include reallocating funding for DCS costs and removing onetime grant funding for the Texas Produced Water Consortium.

The State Flood Planning, Information, and Response program provides information to forecasters, responders, and the public to guide decisions related to flood preparation, response, and recovery. The program also installs a network of stream gages to enhance flood notification systems and provides funds to state and local entities for floodplain management. Program funding totals \$71.3 million in All Funds, including 57.1 FTE positions. This amount represents a decrease of \$20.9 million, or 22.6 percent, from 2022–23 biennial spending levels. This decrease is due primarily to the spending down of available balances in TIRF for flood-mapping and planning activities, offset by increases to provide additional staff resources for these purposes and targeted salary increases. This funding is being used to develop the state flood plan and flood maps and for flood infrastructure projects.

Appropriations for the statewide planning program area total \$85.4 million in All Funds, or 15.3 percent of the agency's appropriations. This amount includes a decrease of \$16.4 million, or 16.1 percent, from 2022–23 biennial spending levels due to decreases in available TIRF balances, offset by increases to dedicate more resources to the development of regional water plans.

WATER PROJECT FINANCING

Through the water project financing program area, TWDB provides financial assistance for building or expanding water and wastewater infrastructure throughout the state, and the agency administers various grant and loan programs. The water project financing program area includes the following programs: (1) State Financial Assistance; (2) Clean Water State Revolving Fund Administration; (3) Drinking Water State Revolving Fund Administration; (4) Economically Distressed Areas Program; (5) Special Appropriations Act Projects; and (6) Salary Adjustments.

STATE FINANCIAL ASSISTANCE

The State Financial Assistance program administers loans and grants for water, wastewater, and flood-control projects with funding outside the General Appropriations

**FIGURE 295
ESTIMATED OUTSTANDING DEBT AND DEBT SERVICE REQUIREMENTS FOR SELF-SUPPORTING BONDS
AS OF AUGUST 31, 2023**

(IN MILLIONS)		
FUND	ESTIMATED OUTSTANDING DEBT	ESTIMATED DEBT SERVICE REQUIREMENTS
Water Development Fund II (DFund II)	\$783.1	\$134.6
State Participation Program (SPP)	\$59.8	\$15.4
Water Infrastructure Fund (WIF)	\$92.1	\$46.9
State Water Implementation Revenue Fund for Texas (SWIRFT)	\$6,366.8	\$823.9
Clean Water State Revolving Fund (CWSRF)	\$710.7	\$128.3
Drinking Water State Revolving Fund (DWSRF)	\$609.9	\$110.9
Total	\$8,622.4	\$1,260.0

NOTE: Totals may not sum due to rounding.
SOURCE: Eighty-eighth Legislature, General Appropriations Act, 2024–25 Biennium.

Act from the Water Development Fund (DFund I), Rural Water Assistance Fund (RWAFF), WIF, State Participation Program, and the AWCF.

**WATER DEVELOPMENT FUND
AND WATER DEVELOPMENT FUND II**

Since calendar year 1957, Texas voters have approved constitutional amendments authorizing TWDB to issue approximately \$10.9 billion in bonds to augment DFund I and DFund II. Of that amount, onetime issuance authority was provided for \$4.7 billion in bonds, all of which have been issued, and the authority is extinguished. Additionally, TWDB has authority to issue bonds for DFund II in amounts such that the aggregate principal amount (and related bond premium) of outstanding bonds issued does not exceed \$6.0 billion, and approximately \$195.6 million is outstanding in accordance with that authority through the end of fiscal year 2023. The TWDB also has authority to issue bonds for EDAP such that the aggregate principal amount (and related bond premium) of outstanding bonds issued does not exceed \$200.0 million, and through the end of fiscal year 2023, approximately \$94.4 million is outstanding in accordance with that authority. Proceeds from the bonds provide financial assistance to Texas communities in the form of direct loans and state match of Federal Funds. The enactment of Senate Bill 28 and voter approval of Senate Joint Resolution 75 authorizes the TWDB to transfer funds from the TWF to DFund II. The fund provides loans and grants for the following actions:

- the acquisition, improvement, or construction of water-related projects, such as water wells, retail

distribution and wholesale transmission lines, pumping facilities, storage reservoirs and tanks, water treatment plants, and wastewater collection and treatment projects;

- the purchase of water rights; and
- flood-control projects.

Before voters approved a constitutional amendment during calendar year 1997 that established the fund, TWDB issued bonds out of the DFund I. After the adoption of the amendment, all funds in the DFund I were transferred to DFund II. **Figure 295** shows the estimated outstanding debt and debt service requirements as of August 31, 2023, for TWDB’s self-supporting bonds.

STATE PARTICIPATION PROGRAM

Financing available through the State Participation Program (SPP) enables TWDB to assume temporary ownership of eligible projects and recover principal, interest, and issuance costs on a deferred timetable (i.e., until a sufficient rate base develops in the project area to enable local participants to purchase the state’s interest). For new water supply projects, TWDB may fund up to 80.0 percent of project costs through SPP. Eligible projects include reservoirs and storm water retention basins for water supply, flood protection, and groundwater discharge; facilities for the transmission and treatment of water; treatment works; and any project listed in the SWP. Water providers surveyed during the planning process for the 2022 SWP reported an anticipated need of approximately \$47.0 billion in state financial assistance to

implement strategies in their regions. As of August 31, 2023, SPP cumulative commitments total \$367.6 million. The enactment of Senate Bill 28 and voter approval of Senate Joint Resolution 75 authorizes the TWDB to transfer funds from the TWF to the State Participation Account of DFund II.

STATE WATER IMPLEMENTATION FUND FOR TEXAS AND STATE WATER IMPLEMENTATION REVENUE FUND FOR TEXAS

SWIFT and SWIRFT were established in 2013 to provide affordable, ongoing state financial assistance for water and wastewater projects in the SWP. Funding in SWIFT is used to implement the SWP. SWIRFT funding provides leveraging, bond enhancement, interest rate discounts, loan payment deferrals to borrowers, and extended loan terms. Communities benefit from low-interest loans, extended repayment terms, deferral of loan repayments, and incremental repurchase terms. SWIRFT was capitalized with \$2.0 billion from the Economic Stabilization Fund (ESF), an amount that subsequently was transferred to SWIFT during fiscal year 2014. Through fiscal year 2023, SWIFT has committed more than \$11.5 billion for projects across Texas. The 2023 bond sale funded more than \$1.5 billion in commitments to seven entities. The enactment of Senate Bill 28 and voter approval of Senate Joint Resolution 75 authorizes the TWDB to transfer funds from TWF to SWIFT and SWIRFT.

FLOOD INFRASTRUCTURE FUND

The FIF program is a direct loan and grant program that the Eighty-sixth Legislature, 2019, funded with an initial transfer of \$793.0 million from the ESF for flood control, flood mitigation, and drainage projects. The Eighty-eighth Legislature, Regular Session, 2023, appropriated \$624.9 million in General Revenue Funds to the Comptroller of Public Accounts to deposit to the FIF to capitalize the fund due to initial balances being fully obligated and expended. These funds also are appropriated to TWDB for continued project funding. Eligible flood projects are flood protection planning; planning, acquisition, design, construction, or rehabilitation; federal award matching funds; and measures immediately effective in protecting life and property. FIF provides subsidized loans, grants, and matching funds. FIF began making project commitments in fiscal year 2021. Following the adoption of the first statewide flood plan by September 1, 2024, FIF may be used only to finance projects included in the plan. Funding for the 2024–25 biennium provides General Revenue Funds instead of FIF funds for staff and administrative costs totaling \$5.1 million and 27.0

FTE positions to manage FIF funding. Additional General Revenue Funds increases totaling \$1.9 million and 11.0 FTE positions also were provided for FIF program operations and fund management.

TEXAS INFRASTRUCTURE RESILIENCY FUND

The TIRF program is a direct loan and grant program funded with a onetime transfer of \$638.0 million from the ESF to the Hurricane Harvey subaccount of the TIRF by the Eighty-sixth Legislature in fiscal year 2019. Eligible projects are FEMA Public Assistance projects and Hazard Mitigation Assistance projects funded through the Texas Division of Emergency Management. Reimbursements are made to local communities from TIRF for the nonfederal share of projects. TIRF's first project commitments were made in fiscal year 2021. Additionally, funding appropriated to the Floodplain Management subaccount in the TIRF supports statewide flood mapping and planning activities. Funding in the 2024–25 biennium provides General Revenue Funds instead of TIRF for staff and administrative costs totaling \$12.5 million and 47.0 FTE positions to manage TIRF funding.

Figure 296 shows the number of projects funded and the amount of funding during the 2022–23 biennium for SWIFT, TIRF, and FIF.

WATER INFRASTRUCTURE FUND

The WIF historically provided reduced-interest loan rates and deferral of annual principal and interest payments for SWP projects funded through WIF. WIF previously was used to finance project needs and preconstruction environmental and engineering studies. However, no new debt has been issued to support the WIF because projects previously funded through WIF now are funded through SWIFT.

RURAL WATER ASSISTANCE FUND

The RWF program is a direct-loan program offering low-interest rates funded from GO Bond Proceeds (Other Funds). It is intended to assist small rural utilities to obtain low-cost financing for water and wastewater projects through private-sector investments. Eligible projects include planning, design, and construction for wells; storage reservoirs; treatment plants; wastewater collection and treatment; collections systems; and nonpoint pollution abatement. Although the program has been dormant since 2014, TWDB intends to resume it to issue rural-specific financial assistance. TWDB received \$4.7 million in General Revenue Funds and 13.0 FTE positions in the state financial assistance program for staff and

FIGURE 296
PROJECTS FUNDED FOR STATE WATER IMPLEMENTATION FUND FOR TEXAS, TEXAS INFRASTRUCTURE RESILIENCY FUND,
AND FLOOD INFRASTRUCTURE FUND, FISCAL YEARS 2022 AND 2023

FUND	PROJECTS	COMMITTED FUNDING (IN MILLIONS)
State Water Implementation Fund for Texas (SWIFT)	18	\$2,215.0
Texas Infrastructure Resiliency Fund (TIRF)	1,089	\$6.6
Flood Infrastructure Fund (FIF)	25	\$204.5
Total	1,132	\$2,426

NOTE: Totals may not sum due to rounding.
 SOURCE: Texas Water Development Board.

administrative costs to manage the RWF program. The enactment of Senate Bill 28 and voter approval of Senate Joint Resolution 75 authorizes the TWDB to transfer funds from TWF to RWF.

AGRICULTURAL WATER CONSERVATION FUND

The AWCF is used to provide direct loans at low-interest rates. Loans are funded with available balances in the fund. Eligible projects include those with a conservation purpose, such as research and demonstration projects, projects to improve the efficiency of water delivery on existing irrigation systems, and installation of devices to indicate the amount of water withdrawn for irrigation purposes. TWDB is permitted to provide up to \$1.5 million in grants per fiscal year from the AWCF for conservation purposes.

Appropriations for the State Financial Assistance program total \$164.4 million in All Funds, or 29.4 percent of agency appropriations, including 100.4 FTE positions. This amount represents a decrease of \$526.0 million, or 76.2 percent, from 2022–23 biennial spending levels. The net decrease is due primarily to increased funding appropriated in fiscal year 2023 in Senate Bill 30 to FIF for flood infrastructure projects and increased funding provided in the Eighty-eighth Legislature, General Appropriations Act, 2024–25 Biennium, for additional staff resources, project management system improvements, various water projects, targeted salary increases, and continued funding from the 2022–23 biennium for projects at Lake Houston, including improvements to the Lake Houston Dam Spillway and the removal of siltation and sediment deposits at the San Jacinto River and Lake Houston. Total appropriations for state and federal financial assistance programs do not include the loans, grants, and other forms of financial assistance made through DFund II, SWIFT, FIF, and TIRF.

CLEAN WATER STATE REVOLVING FUND

The CWSRF is capitalized with Federal Funds and proceeds from revenue bonds and GO bonds (Other Funds). It provides subsidized loans and loan forgiveness for wastewater, reuse, and storm water infrastructure projects that address compliance issues consistent with the requirements of the federal Clean Water Act. Loan forgiveness is available for disadvantaged communities (up to 70.0 percent), for green project costs (up to 15.0 percent), and for very small systems (up to 100.0 percent of project costs up to a total of \$400,000). Since CWSRF’s inception in fiscal year 1988, TWDB has received \$2.7 billion in federal capitalization grants (i.e., Federal Funds for construction projects). As of September 2023, TWDB has made 1,237 commitments totaling \$11.4 billion in loans and loan forgiveness to entities to improve wastewater treatment facilities across the state. Appropriations to administer CWSRF total \$5.0 million in All Funds, or 0.9 percent of total agency appropriations, including 29.2 FTE positions. This amount is approximately the same as 2022–23 biennial spending levels.

Senate Bill 30, the supplemental appropriations act for fiscal year 2023, appropriated \$51.1 million in General Revenue Funds to the Comptroller of Public Accounts in fiscal year 2023 for the purpose of depositing the monies to the CWSRF. This is anticipated to draw down an additional \$302.8 million in Federal Funds for deposit to the CWSRF for various water infrastructure projects. Additionally, the enactment of Senate Bill 28 and voter approval of Senate Joint Resolution 75 authorizes the TWDB to transfer funds from TWF to the CWSRF.

DRINKING WATER STATE REVOLVING FUND

The DWSRF also is capitalized with Federal Funds and proceeds from revenue bonds and GO bonds (Other Funds),

and it is authorized pursuant to the federal Safe Drinking Water Act. Initiated in fiscal year 1996, DWSRF includes federal capitalization grants matched with TWDB-issued GO bonds and loan repayments deposited back into the fund. The fund provides reduced-interest-rate loans to ensure compliance with the national primary drinking water standards. In addition, loan forgiveness is available for disadvantaged communities (up to 70.0 percent), for green project costs (up to 15.0 percent), and for very small systems (up to 100.0 percent of project costs up to a total of \$400,000). Since DWSRF's inception, the agency has been awarded capitalization grants totaling \$1.9 billion. As of September 2023, TWDB has made 802 commitments totaling \$3.7 billion in loans, grants, and loan forgiveness for projects that will assist entities through DWSRF. Appropriations to administer DWSRF total \$5.3 million in All Funds, or 0.9 percent of total agency appropriations, including 29.2 FTE positions. This amount maintains funding at 2022–23 biennial spending levels.

Senate Bill 30 appropriated \$73.9 million in General Revenue Funds to the Comptroller of Public Accounts in fiscal year 2023 for the purpose of depositing the monies to the DWSRF. This is anticipated to draw down an additional \$451.2 million in Federal Funds for deposit to the DWSRF for various water infrastructure projects. Additionally, the enactment of Senate Bill 28 and voter approval of Senate Joint Resolution 75 authorizes the TWDB to transfer funds from TWF to the DWSRF.

ECONOMICALLY DISTRESSED AREAS PROGRAM

EDAP provides financial assistance for the supply of water and wastewater services to economically distressed areas where water or wastewater facilities are inadequate to meet minimum state standards. With voter approval of three constitutional amendments during calendar years 1989, 1991, and 2007, TWDB was authorized to issue \$500.0 million in GO bonds to provide affordable water and wastewater services in these areas. Another constitutional amendment approved by voters in November 2019, provided additional GO bond authority for EDAP in amounts such that the aggregate principal amount of outstanding bonds issued does not exceed \$200.0 million at any time. As of August 31, 2023, TWDB has directed \$939.2 million through EDAP and the Colonia Wastewater Treatment Assistance Program funding and utilized an additional \$330.7 million from other TWDB programs to provide water and wastewater improvements for the benefit

of approximately 327,981 residents in economically distressed areas.

TWDB is appropriated \$0.8 million in All Funds, or less than 0.1 percent of total agency appropriations, for the administration of EDAP-related programs, including 4.0 FTE positions. This amount includes a slight increase of \$35,798, or 4.5 percent, from 2022–23 biennial spending levels for targeted salary increases. EDAP assistance amounts from GO Bond Proceeds (Other Funds) and Federal Funds are not included in this total because these amounts are not part of TWDB's administrative appropriation.

SPECIAL APPROPRIATION ACT PROJECT GRANTS

The federal Special Appropriation Act Projects (SAAP) grants provide funding for water and wastewater projects. The U.S. Environmental Protection Agency distributes financial assistance funds directly to the recipients, and TWDB manages construction and oversees programs. TWDB receives 3.0 percent of the project's total costs to monitor construction and provide construction and administration assistance for Texas projects. Appropriations for SAAP total \$35,534, including 0.2 FTE positions. This amount maintains funding at 2022–23 biennial spending levels.

Appropriations for the Water Project Financing program area total \$180.0 million in All Funds, or 32.2 percent of the agency's appropriations. This amount includes a decrease of \$521.5 million, or 74.3 percent, compared to 2022–23 biennial spending levels, primarily due to funding changes in the state financial assistance program, partially offset by increases for the statewide salary adjustment.

DEBT SERVICE PAYMENTS

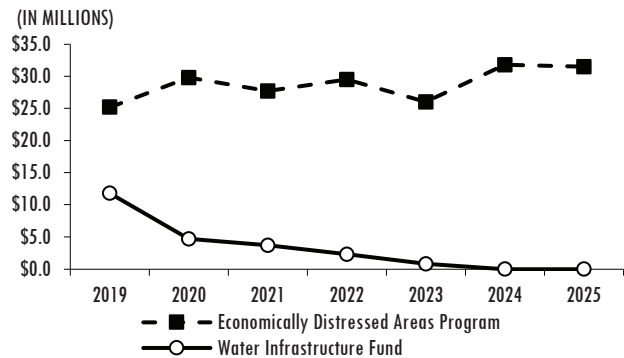
The debt service payments program area includes the EDAP Debt Service program and the WIF Debt Service program. Much of the state funding that the agency provides to local governments for water and wastewater projects is financed through bonds. The issuance of bonds requires debt service to repay the principal and interest on the bonds. Debt service for most programs within DFund II, CWSRF, and DWSRF is recovered fully through loan repayments. WIF Debt Service program debt service, which previously was non-self-supporting, also began to be recovered entirely through loan repayments in 2023. However, debt service for bonds issued through the EDAP Debt Service program is not recovered in this way. The debt service for these bonds, referred to as non-self-supporting GO bonds, is not recovered entirely through loan repayments and requires

General Revenue Funds to cover debt service requirements fully. For the EDAP Debt Service program, loan repayments are insufficient to cover debt service because the majority of assistance is provided through grants and below-market-rate loans.

Appropriations for the EDAP Debt Service program total \$71.6 million, which includes \$63.3 million in General Revenue Funds and \$8.3 million in Other Funds from the Economically Distressed Areas Bond Payment Account. Previously, Appropriated Receipts generated from proceeds of the Texas Water Resources Finance Authority (TWRFA), a discontinued program, were utilized beginning in the 2018–19 biennium to displace a portion of General Revenue Funds used to pay EDAP debt service. This funding source was discontinued in the 2024–25 biennium due to available TWRFA proceed balances having been spent down and no longer being available (although minimal remaining investments could provide small amounts of revenue in the future). Total appropriations include an increase of \$11.7 million, or 19.5 percent, from 2022–23 biennial spending levels due to increases of \$7.8 million in General Revenue Funds and \$4.8 million in Other Funds from the Economically Distressed Areas Bond Payment Account to support additional bonds, offset by a decrease of \$1.0 million in Appropriated Receipts. This program contains no FTE positions.

Because loan repayments made within the WIF Debt Service program are subsidized with an optional 10.0-year deferral, they previously required General Revenue Funds appropriations to meet debt service requirements during the first years of the project. However, WIF Debt Service program debt service payments became fully self-supporting in fiscal year 2023 and no longer require General Revenue Funds to cover outstanding debt. Accordingly, WIF Debt Service program debt service now is recovered entirely through loan repayments. Because projects previously funded through the WIF Debt Service program now are funded through SWIFT, TWDB is paying down existing WIF debt and does not intend to issue any new debt to support the WIF Debt Service program at this time. Appropriations total \$46.9 million in Other Funds from the WIF for debt service payments. This amount includes an All Funds decrease of \$85.5 million, or 64.6 percent, compared to 2022–23 biennial spending levels. The decrease is attributable to more existing WIF debt reaching maturity and repayments becoming fully self-supporting and includes decreases of \$3.1 million in General Revenue

FIGURE 297
GENERAL REVENUE FUNDS DEBT SERVICE PAYMENTS
FISCAL YEARS 2019 TO 2025



SOURCE: Legislative Budget Board.

Funds and \$82.4 million in Other Funds from the WIF. This program contains no FTE positions.

Figure 297 shows expected debt service needs from General Revenue Funds for each of the programs from fiscal years 2019 to 2025.

ADMINISTRATION

The agency’s administration program area consists of the Indirect Administration program, which is appropriated \$33.7 million, including 101.0 FTE positions to support the agency’s four program areas. An additional 8.0 FTE positions were provided to this program area to assist with information technology (IT) risk mitigation activities. This amount represents an All Funds increase of \$4.9 million, or 17.1 percent, from 2022–23 biennial spending levels. The increase is attributable to additional and reallocated funding to address increased DCS costs, to improve IT risk mitigation, to provide additional staff resources, and to provide targeted salary increases. The increases were offset partially by decreases in TIRF available balances and the removal of onetime funding for CAPPS HR implementation.

SIGNIFICANT LEGISLATION

House Bill 1565 – TWDB Sunset legislation. The legislation: (1) continues TWDB and the SWIFT Advisory Committee for 12 years until September 1, 2035; (2) requires TWDB to update its board member training manual; (3) authorizes RWP groups to plan for conditions worse than the drought of record and requires RWP groups to regularly submit information to TWDB regarding the implementation of certain large projects;

(4) requires TWDB to develop goals and performance metrics for proposed projects; (5) authorizes TWDB to adopt a risk-based project review system; and (6) repeals three former reporting requirements.

House Bill 3582 – Composition of the Flood Infrastructure Fund. The legislation eliminates the Flood Plan Implementation subaccount of the TIRF and requires the remaining balance of the Hurricane Harvey subaccount of TIRF to be transferred to the FIF on September 1, 2031.

Senate Bill 28 and Senate Joint Resolution 75 – TWDB financial assistance. Senate Bill 28 establishes the New Water Supply for Texas Fund (NWSTF) as a special fund in the state Treasury outside of the General Revenue Fund to finance projects that develop or establish new sources of water supply and the Statewide Water Public Awareness Account as an account within the General Revenue Fund to administer the associated program to educate Texas residents about water. It also establishes a new technical assistance program for retail public utilities to conduct water audits and apply for financial assistance related to mitigating water losses of utility systems; expands permissible uses of the RWF to include rural technical assistance and outreach; and outlines the purpose and use of the new TWF.

Voter approval of the constitutional amendment proposed by Senate Joint Resolution 75 establishes the TWF as a special fund, administered by TWDB, in the state Treasury outside of the General Revenue Fund. TWDB is authorized to disburse money from the TWF to various other funds administered by TWDB to finance a range of water infrastructure projects.

Senate Joint Resolution 75 also provides appropriation authority to money transferred between the TWF and other TWDB accounts; requires the immediate transfer of at least 25.0 percent of the initial appropriation to the TWF to the NWSTF (at least \$250.0 million); requires TWF administration costs to be paid from the fund; and authorizes unexpended and unobligated balances in the TWF to be carried forward between biennia.

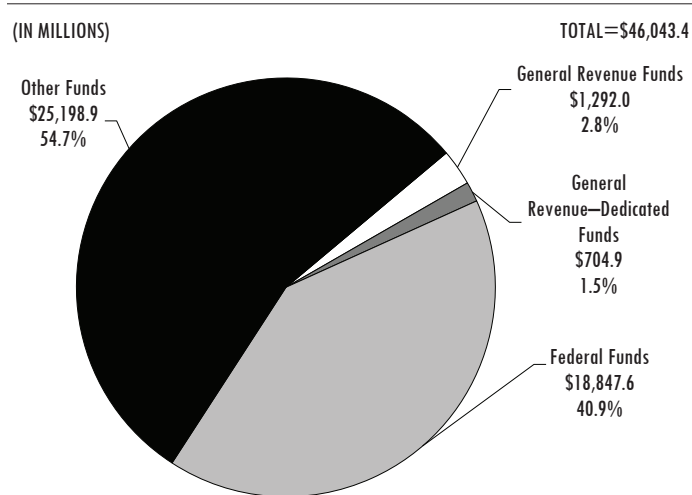
10. BUSINESS AND ECONOMIC DEVELOPMENT

The five business and economic development state agencies provide services supporting the Texas economy through transportation, business and workforce development, lottery and bingo operations, and community infrastructure. These agencies include the Texas Department of Housing and Community Affairs, the Texas Lottery Commission, the Department of Motor Vehicles, the Texas Department of Transportation, and the Texas Workforce Commission.

FIGURE 298
ARTICLE VII – BUSINESS AND ECONOMIC DEVELOPMENT, BY METHOD OF FINANCE

METHOD OF FINANCE	(IN MILLIONS)			
	ESTIMATED/BUDGETED 2022–23	APPROPRIATED 2024–25	BIENNIAL CHANGE	PERCENTAGE CHANGE
General Revenue Funds	\$509.1	\$1,292.0	\$782.8	153.8%
General Revenue–Dedicated Funds	\$877.4	\$704.9	(\$172.5)	(19.7%)
Federal Funds	\$22,360.8	\$18,847.6	(\$3,513.2)	(15.7%)
Other Funds	\$22,311.1	\$25,198.9	\$2,887.7	12.9%
Total, All Methods of Finance	\$46,058.5	\$46,043.4	(\$15.1)	(0.0%)

SHARE OF FUNDING BY METHOD OF FINANCE (IN MILLIONS)



SIGNIFICANT DEVELOPMENTS

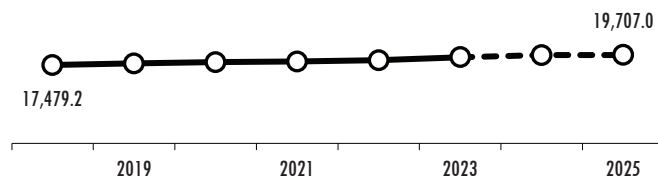
Appropriations for the **Texas Department of Transportation** include an **increase of \$5.4 billion** primarily due to anticipated increases in Federal Funds reimbursements for highway planning and construction expenditures and Other Funds from State Highway Fund revenue sources.

Appropriations for the **Texas Workforce Commission** represent a net decrease of \$4.2 billion in Federal Funds due to onetime funding from the Coronavirus Relief Fund that is not continued for the 2024–25 biennium.

Appropriations for the **Texas Department of Housing and Community Affairs** include a \$1.7 billion decrease in Federal Funds, due to onetime Federal Funds related to the COVID-19 pandemic that are not continued for the 2024–25 biennium.

Appropriations for the **Department of Motor Vehicles** include an **increase of \$74.2 million in General Revenue Funds** with an additional 10.0 full-time-equivalent positions for the **Motor Vehicle Crime Prevention Authority** program.

FULL-TIME-EQUIVALENT POSITIONS



NOTES:

- (1) Excludes Interagency Contracts.
- (2) Biennial change and percentage change are calculated on actual amounts before rounding. Therefore, figure totals may not sum due to rounding.
- (3) Full-time-equivalent positions show actual positions for fiscal years 2018 to 2022, budgeted positions for fiscal year 2023, and appropriated positions for fiscal years 2024 and 2025.

SOURCES: Legislative Budget Board; State Auditor’s Office.

FIGURE 299
ARTICLE VII – BUSINESS AND ECONOMIC DEVELOPMENT APPROPRIATIONS BY AGENCY, ALL FUNDS

(IN MILLIONS)	ESTIMATED/BUDGETED 2022–23	APPROPRIATED 2024–25	BIENNIAL CHANGE	PERCENTAGE CHANGE
Department of Housing and Community Affairs	\$3,082.6	\$1,348.7	(\$1,733.8)	(56.2%)
Texas Lottery Commission	\$634.6	\$661.5	\$26.9	4.2%
Department of Motor Vehicles	\$346.8	\$653.5	\$306.7	88.4%
Department of Transportation	\$31,913.7	\$37,315.9	\$5,402.2	16.9%
Texas Workforce Commission	\$9,283.3	\$5,159.8	(\$4,123.5)	(44.4%)
Reimbursements to the Unemployment Compensation Benefit Account	\$47.3	\$41.9	(\$5.5)	(11.5%)
Subtotal, Business and Economic Development	\$45,308.2	\$45,181.2	(\$127.0)	(0.3%)
Retirement and Group Insurance	\$767.2	\$818.0	\$50.8	6.6%
Social Security and Benefits Replacement Pay	\$167.1	\$183.2	\$16.1	9.6%
Bond Debt Service Payments	\$20.2	\$16.2	(\$3.9)	(19.5%)
Lease Payments	\$0.0	\$0.0	\$0.0	N/A
Subtotal, Employee Benefits and Debt Service	\$954.5	\$1,017.4	\$62.9	6.6%
Less Interagency Contracts	\$204.2	\$155.2	(\$49.0)	(24.0%)
Total, All Functions	\$46,058.5	\$46,043.4	(\$15.1)	(0.0%)

NOTE: Biennial change and percentage change are calculated on actual amounts before rounding. Therefore, figure totals may not sum due to rounding.

SOURCE: Legislative Budget Board.

MAJOR FUNDING

All Funds for the Business and Economic Development agencies total \$46.0 billion for the 2024–25 biennium, a decrease of \$15.1 million from the 2022–23 biennium. General Revenue Funds total \$1.3 billion, an increase of \$782.8 million, or 153.8 percent, from the 2022–23 biennium.

Funding for the **Department of Transportation** (TxDOT) increased by \$5.4 billion in All Funds, including the following funding amounts and changes:

- funding for highway planning and design, right-of-way acquisition, construction, and maintenance and preservation totals \$32.2 billion in All Funds, representing an increase of \$4.9 billion from the 2022–23 biennium due primarily to anticipated increases in Federal Funds reimbursements for highway planning and construction expenditures and Other Funds from State Highway Fund revenue sources;
- funding for maritime transportation infrastructure includes \$400.0 million in General Revenue

Funds for transfer to the General Revenue–Dedicated Funds Account No. 5167, Ship Channel Improvement Revolving, in the 2024–25 biennium and supplemental appropriations of \$200.0 million in General Revenue–Dedicated Funds from Account No. 5199, Port Access, in fiscal year 2023, pursuant to Senate Bill 1499, Eighty-eighth Legislature, Regular Session, 2023; and

- funding for aviation services includes an increase of \$152.0 million in General Revenue Funds, including \$94.0 million for TxDOT’s general aviation airport facilities development and routine maintenance programs and \$58.0 million for capital improvement projects at certain airports in Texas.

Funding for the **Texas Workforce Commission** (TWC) decreased by \$4.1 billion in All Funds due primarily to the following changes:

- a decrease of \$4.2 billion in Federal Funds, relating to the decrease of onetime Federal Funds from the Coronavirus Relief Fund that are not anticipated

in the 2024–25 biennium, primarily in the Child Care program;

- an increase of \$35.5 million in Federal Funds for the Vocational Rehabilitation Services program to provide additional services and serve additional customers in the Independent Living Services for Older Individuals Who Are Blind Program; and
- funding for Skills Development and Apprenticeship programs include an increase of \$64.4 million in All Funds, including \$15.0 million in General Revenue Funds for the Jobs Education in Texas program; \$5.0 million in General Revenue–Dedicated Funds for implementation of House Bill 1755, Eighty-eighth Legislature, Regular Session, 2023, to establish the Lone Star Workforce of the Future Fund; and \$5.6 million in General Revenue Funds and an additional 1.0 full-time-equivalent (FTE) position for the Pre-apprenticeship Career Pathways pilot program.

Funding for the **Texas Department of Housing and Community Affairs** includes a net decrease of \$1.7 billion in All Funds due primarily to the following changes:

- a decrease of \$1.8 billion in onetime Federal Funds related to the COVID-19 pandemic that were expended during the 2022–23 biennium and are not continued;
- an increase of \$61.4 million in Federal Funds for the COVID and Non-COVID HOME Investment Partnerships Programs that provide funding to increase the supply of affordable housing, particularly rental housing, for low-income individuals; and
- an increase of \$24.4 million for the Housing Trust Fund grant award to increase the supply of affordable housing.

Funding for the **Department of Motor Vehicles** increased by \$306.7 million in All Funds due primarily to the following changes:

- an increase of \$74.2 million in General Revenue Funds with an additional 10.0 FTE positions for the Motor Vehicle Crime Prevention Authority (MVCPA), including an increase of \$19.1 million to align funding with estimated revenue collections from statutory MVCPA fee revenue allocations for the 2024–25 biennium and \$55.1 million to coordinate statewide regulatory and law enforcement activities to

prevent and detect catalytic converter theft pursuant to Senate Bill 224, Eighty-eighth Legislature, Regular Session, 2023;

- an increase of \$168.0 million in All Funds for the Camp Hubbard Renewal Project, including \$143.0 million in revenue bond proceeds to be issued by the Texas Public Finance Authority (TPFA) for construction of a new office building and other renovations at the agency’s headquarters and \$25.0 million in Other Funds for lease payments to TPFA for debt service payments on the revenue bonds; and
- an increase of \$35.0 million in Other Funds and an additional 44.0 FTE positions to implement House Bill 718, Eighty-eighth Legislature, Regular Session, 2023, which eliminates paper temporary tags and permits for motor vehicles.

Funding for the **Texas Lottery Commission** includes a net increase of \$26.9 million in All Funds due primarily to the following changes in appropriations from General Revenue–Dedicated Funds:

- an increase of \$17.4 million for an increase in contractual cost obligations for scratch-ticket production;
- an increase of \$13.6 million in General Revenue–Dedicated Funds to align appropriations for retailer commissions with projected gross lottery sales for the 2024–25 biennium; and
- a decrease of \$6.9 million for changes in agency operating contracting.

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

PURPOSE: Texas Department of Housing and Community Affairs (TDHCA) administers affordable housing, housing-related, and community service programs; regulates the state’s manufactured housing industry; ensures program compliance with federal and state requirements; and provides educational materials or technical assistance for housing and community services.

ESTABLISHED: 1991

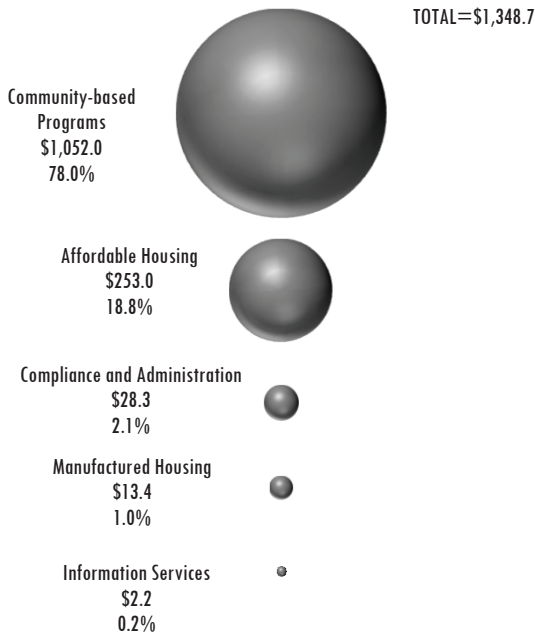
AUTHORIZING STATUTE: The Texas Government Code, §2306.001

GOVERNANCE: TDHCA Governing Board – seven public members appointed by the Governor with advice and consent of the Senate

FIGURE 300
TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS, BY METHOD OF FINANCE

METHOD OF FINANCE	(IN MILLIONS)				APPROPRIATED FULL-TIME-EQUIVALENT POSITIONS				
	ESTIMATED/BUDGETED 2022–23	APPROPRIATED 2024–25	BIENNIAL CHANGE	PERCENTAGE CHANGE					
General Revenue Funds	\$27.0	\$28.2	\$1.2	4.5%	<table border="1"> <tr> <td>2024</td> <td>417.0</td> </tr> <tr> <td>2025</td> <td>410.0</td> </tr> </table>	2024	417.0	2025	410.0
2024	417.0								
2025	410.0								
General Revenue–Dedicated Funds	\$0.0	\$0.0	\$0.0	N/A					
Federal Funds	\$3,012.7	\$1,268.8	(\$1,743.9)	(57.9%)					
Other Funds	\$42.9	\$51.8	\$8.9	20.7%					
Total, All Methods of Finance	\$3,082.6	\$1,348.7	(\$1,733.8)	(56.2%)					

AGENCY PROGRAM AREAS BY APPROPRIATION (IN MILLIONS)



SIGNIFICANT DEVELOPMENTS

Appropriations include a **\$1.8 billion decrease** in Federal Funds due to **onetime funding** related to the **COVID-19 pandemic** provided during the 2022–23 biennium that is not continued.

Appropriations include an **increase of \$61.4 million** in Federal Funds for the **HOME Investments Partnerships Program** that provides funding to increase the supply of affordable housing.

SOURCE: Legislative Budget Board.

MAJOR FUNDING

Appropriations for the Texas Department of Housing and Community Affairs (TDHCA) for the 2024–25 biennium total \$1.3 billion. Federal Funds contribute 97.7 percent of the agency's total appropriations.

This total is a net decrease of \$1.7 billion in All Funds from the 2022–23 biennial spending level, which is due primarily to the following changes:

- a decrease of \$1.8 billion in Federal Funds due to onetime Federal Funds related to the COVID-19 pandemic that were expended during the 2022–23 biennium and are not continued;
- an increase of \$61.4 million in Federal Funds for the COVID and Non-COVID HOME Investment Partnerships Programs that provide funding to increase the supply of affordable housing, particularly rental housing, for low-income individuals;
- an increase of \$24.4 million in Federal Funds for the Housing Trust Fund grant award to increase the supply of affordable housing;
- an increase of \$8.2 million in Federal Funds for the federal Infrastructure Investment and Jobs Act (IIJA) Weatherization Assistance Program award to assist low-income households to meet energy needs and to encourage consumers to control energy costs through energy education;
- an increase of \$2.6 million in Federal Funds for the statewide salary adjustment; and
- an increase of \$8.8 million in Other Funds through Appropriated Receipts due to anticipated increases in revenue from the issuance of notes, tax-exempt bonds, taxable bonds, and other fees associated with multifamily housing projects.

TDHCA also holds certain funds outside the state Treasury that are not included in the General Appropriations Act. TDHCA issues mortgage revenue bonds for single-family and multifamily housing projects. Most of these bonds are federally authorized, tax-exempt, private-activity bonds. The proceeds of these bonds are for financing low-interest loans to income-eligible, first-time home buyers and to developers of affordable rental housing. Funds and obligations associated with TDHCA's bond indentures contribute the majority of funds that the agency maintains in the Texas Treasury Safekeeping Trust Company. TDHCA

pays bond investors as it receives loan repayments from homeowners and developers (see the **Affordable Housing Program Area** section).

PROGRAMS

TDHCA carries out its responsibilities through five main program areas: (1) Community-based Programs; (2) Affordable Housing; (3) Compliance and Administration; (4) Manufactured Housing; and (5) Information Services.

COMMUNITY-BASED PROGRAMS

The Community-based Programs area includes efforts to improve the living conditions of homeless or poor individuals and to reduce the cost of home energy for very low-income households through several programs, many of which were established and funded through onetime Federal Funds during the 2020–21 biennium in response to the economic effects of the COVID-19 pandemic. Many of these Federal Funds were grants that initially were appropriated for the 2022–23 biennium with any unused amounts carried forward into the next biennium. For the 2024–25 biennium, the agency will expend the remaining amounts of these onetime funds. Appropriations for this program area total \$1.1 billion for the 2024–25 biennium, a net decrease of \$1.7 billion, or 62.2 percent, from the 2022–23 biennial spending level due primarily to the spending down of these pandemic-related funds.

Figure 301 shows program details and funding amounts regarding pandemic-related Federal Funds for the 2022–23 and 2024–25 biennia.

In addition to the pandemic-related programs, the agency manages several other programs: (1) Comprehensive Energy Assistance Program; (2) Weatherization Assistance Program; (3) Community Services Block Grant; (4) Emergency Solutions Grant Program; and (5) Homeless Housing and Services Program. Federal programs administered by the U.S. Department of Health and Human Services, the U.S. Department of Housing and Urban Development, the U.S. Department of Energy, and General Revenue Funds are the primary sources of funding for these programs.

The Comprehensive Energy Assistance Program assists low-income households to meet immediate energy needs and educates consumers on controlling energy costs. The program is administered through subrecipients across the state, providing services for Texas' 254 counties. TDHCA is appropriated \$395.2 million in Federal Funds

**FIGURE 301
PANDEMIC-RELATED FEDERAL FUNDS GRANTS DISTRIBUTED THROUGH THE TEXAS DEPARTMENT OF HOUSING AND
COMMUNITY AFFAIRS' COMMUNITY-BASED PROGRAMS, 2022–23 AND 2024–25 BIENNIA**

SOURCE	(IN MILLIONS)		
	2022–23 BIENNium (EXPENDED)	2024–25 BIENNium (APPROPRIATED)	DIFFERENCE
COVID-19 Community Development Block Grant (CDBG): Funding to provide housing and suitable living environments, and to expand economic opportunities, principally for individuals with low income or moderate income. CDBG funds help prevent or eliminate slums or blight by meeting community development needs that have a particular urgency, such as conditions that pose a serious and immediate threat to the health or welfare of the community where other financial resources are not available.	\$92.3	\$35.5	(\$56.9)
COVID-19 Emergency Solutions Grants: Funding for homelessness prevention to engage homeless individuals and families; operate, improve, and increase emergency shelters; provide essential services for shelter residents; and conduct street outreach to homeless individuals and families and assist with rapid rehousing.	\$64.3	\$6.2	(\$58.1)
COVID HOME Investment Partnerships Program: Funding to increase the supply of affordable housing, particularly rental housing, for low-income individuals.	\$19.8	\$55.2	\$35.4
COVID-19 Tenant-based Rental Assistance: Funding to provide rental assistance payments on behalf of low-income individuals and families, including the elderly and individuals who have disabilities.	\$11.9	\$23.7	\$11.7
COVID-19 Emergency Rental Assistance: Funding to assist eligible households at or less than 80.0 percent of area median income with rental and utility assistance.	\$1,577.0	\$28.8	(\$1,548.2)
COVID-19 Homeowners Assistance Fund: Funding for preventing homeowner mortgage delinquencies, defaults, foreclosures, loss of utilities or home energy services, and displacements of homeowners experiencing financial hardship.	\$321.1	\$369.0	\$47.9
Low-income Household Water Assistance Program COVID: Funding that targets assistance to households with the lowest incomes that pay a high portion of household income for water and wastewater services.	\$74.9	\$17.4	(\$57.5)
COVID-19 Low-income Home Energy Assistance: Funding for low-income households to meet their immediate energy needs and to encourage consumers to control energy costs through energy education.	\$174.2	\$0.0	(\$174.2)
COVID-19 Community Services Block Grant: Funding to help decrease poverty, revitalize low-income communities, and encourage self-sufficiency among low-income families and individuals.	\$5.5	\$0.0	(\$5.5)
Total	\$2,341.0	\$535.8	(\$1,805.4)

NOTE: Totals may not sum due to rounding.
SOURCE: Legislative Budget Board.

for the Comprehensive Energy Assistance Program for the 2024–25 biennium.

TDHCA also administers grants to local organizations across the state for the Weatherization Assistance Program (WAP). The program provides energy-related assistance through installation of weatherization materials and education to very low-income individuals and families. The programs help decrease families’ energy-related costs and target consumers

that are most vulnerable to extreme weather conditions, such as the elderly, individuals with disabilities, and families with small children. The WAP is appropriated \$15.6 million in Federal Funds for the 2024–25 biennium. In addition, funding available through passage of the IIJA for the WAP will provide \$26.0 million in Federal Funds.

TDHCA administers the federal Community Services Block Grant Program and the Emergency Solutions Grant Program

(ESG) to provide emergency and permanent shelter, utilities, nutrition, clothing, medical, and other services for the elderly, the needy, homeless individuals, and individuals with disabilities. These programs help communities to improve living conditions for homeless or poor individuals, transition families out of poverty, and assist individuals affected by natural disasters. Funds are disbursed statewide through community action agencies, continuum-of-care initiatives, nonprofit organizations, and local governments. TDHCA is appropriated \$72.0 million in Federal Funds for the Community Services Block Grant Program and \$18.5 million in Federal Funds for the ESG Program for the 2024–25 biennium.

The Homeless Housing and Services Program (HHSP) supports initiatives to resolve homelessness in the state's nine largest cities. The initiatives may include construction and development of housing for homeless individuals, rehabilitation of structures targeted to serve homeless individuals, or provisions to provide direct services and case management to homeless individuals. The Homeless Housing and Services Program is appropriated \$12.6 million in General Revenue Funds for the 2024–25 biennium.

Not included in appropriations are donations to the Ending Homelessness Fund, which is maintained in the Texas Treasury Safekeeping Trust Company and administered in conjunction with ESG and HHSP.

AFFORDABLE HOUSING

TDHCA operates the following programs related to affordable housing: (1) HOME Investment Partnerships Program; (2) Tax Credit Assistance Program (TCAP) Repayment Fund Program; (3) Section 8 Housing Choice Voucher; (4) Texas Housing Trust Fund – Amy Young Barrier Removal; (5) Texas Housing Trust Fund – Bootstrap Program; (6) National Housing Trust Fund; (7) Federal Housing Tax Credit; (8) Neighborhood Stabilization Program; (9) Section 811 Project Rental Assistance Program; (10) My First Texas Home, Mortgage Credit Certificate, and My Choice Texas Home programs; (11) and the Multifamily Mortgage Revenue Bond Program.

Most housing activities are made available through federally funded or federally authorized programs that provide affordable housing to extremely low-income, very low-income, low-income, and moderate-income families. **Figure 302** shows household incomes for a family of four at each income classification by metropolitan area. **Figure 303** shows, by multifamily and single-family designation, the

number of households or units funded by program for fiscal year 2023 and the number of units projected for fiscal years 2024 and 2025.

The federal HOME Investment Partnerships (HOME) Program provides grants or loans for the construction of single-family and multifamily housing units by public and private sector partnerships. HOME awards also finance home buyer, home repair, and tenant-based rental assistance, and can help eligible communities affected by natural disasters. Pursuant to statute, 95.0 percent of TDHCA's HOME funds are available only to areas of the state that are mostly rural and that do not receive HOME funds directly from the federal government. The remaining 5.0 percent of the funds are reserved for Texas residents with disabilities. TDHCA is appropriated \$99.8 million in Federal Funds for the 2024–25 biennium for the HOME Program.

The Tax Credit Assistance Program (TCAP) Repayment Fund program is funded through repayments on loans previously provided to developers of multifamily rental properties. The loan repayments are repurposed to provide loans to developers of affordable, multifamily rental properties across the state. TDHCA is appropriated \$18.0 million in Federal Funds for the 2022–23 biennium for the TCAP Repayment Fund program.

The Section 8 Housing Choice Voucher Program is a federal program in which qualified tenants typically pay 30.0 percent of their adjusted income for rent, and the federal government pays the balance in an amount not to exceed fair market value, pursuant to the federal Housing Act, Section 8 (1937). The program provides rental payments directly to residence owners on behalf of extremely low-income, very low-income, and low-income families and individuals, including the elderly and individuals with disabilities. The majority of Section 8 vouchers in the state are administered through local public housing authorities. TDHCA's Section 8 Program serves a limited number of rural or suburban communities that do not have local public housing authorities. The Section 8 Housing Choice Voucher Program is appropriated \$38.0 million in Federal Funds for the 2024–25 biennium, of which \$23.7 million is provided as a onetime response to the COVID-19 pandemic.

The Housing Trust Fund (HTF) programs are the agency's only state-funded housing programs. Except for administrative funding, all appropriations provided for the program are transferred each fiscal year to the Housing Trust Fund located outside the state Treasury. TDHCA

**FIGURE 302
TARGETED HOUSEHOLDS BY AREA MEDIAN FAMILY INCOME, FISCAL YEAR 2023**

AREA	AREA MEDIAN FAMILY INCOME (AMFI)	EXTREMELY LOW INCOME (≤30.0% AMFI)	VERY LOW INCOME (≤50.0% AMFI)	VERY LOW INCOME (≤60.0% AMFI)	LOW INCOME (≤80.0% AMFI)
State of Texas Median Income, Family of Four	\$90,100	\$26,700	\$44,450	\$54,050	\$71,200
Selected Metropolitan Statistical Areas (MSA)					
Austin–San Marcos MSA (Bastrop, Caldwell, Hays, Travis, and Williamson counties)	\$122,300	\$35,050	\$58,400	\$73,400	\$93,450
Dallas MSA (Collin, Dallas, Denton, Ellis, Henderson, Hunt, Kaufman, and Rockwall counties)	\$105,600	\$30,950	\$51,550	\$63,350	\$82,500
El Paso MSA (El Paso County)	\$63,000	\$30,000	\$36,050	\$37,800	\$57,650
Houston MSA (Chambers, Fort Bend, Harris, Liberty, Montgomery, and Waller counties)	\$93,200	\$30,000	\$46,600	\$55,900	\$74,550
San Antonio MSA (Bexar, Comal, Guadalupe, and Wilson counties)	\$88,600	\$30,000	\$43,900	\$53,150	\$70,200

NOTES:

- (1) Applicable maximum income limits are calculated by the U.S. Department of Housing and Urban Development (HUD) based on Area Median Family Income and other factors.
- (2) State median income is provided for comparative purposes and is not utilized for any program administered by the Texas Department of Housing and Community Affairs (TDHCA). HUD does not calculate 60.0 percent limits for the statewide median income; data shown represents a straight calculation.
- (3) MSA income limits shown are based on applicable federal Housing Tax Credit Program and HOME Investment Partnerships Program income limits for a family of four people. Some properties and contracts may target other income categories, such as 40.0 percent or less, as TDHCA provides incentives for assistance to lower-income households. Some programs, such as My First Texas Home, may serve moderate-income households. The Very Low Income category is defined as up to 50.0 percent AMFI federally and up to 60.0 percent AMFI pursuant to statutory provisions. Data shown utilizes the state definition.

SOURCE: Texas Department of Housing and Community Affairs.

**FIGURE 303
MULTIFAMILY AND SINGLE-FAMILY HOUSEHOLDS OR UNITS BY PROGRAM, FISCAL YEARS 2023 TO 2025**

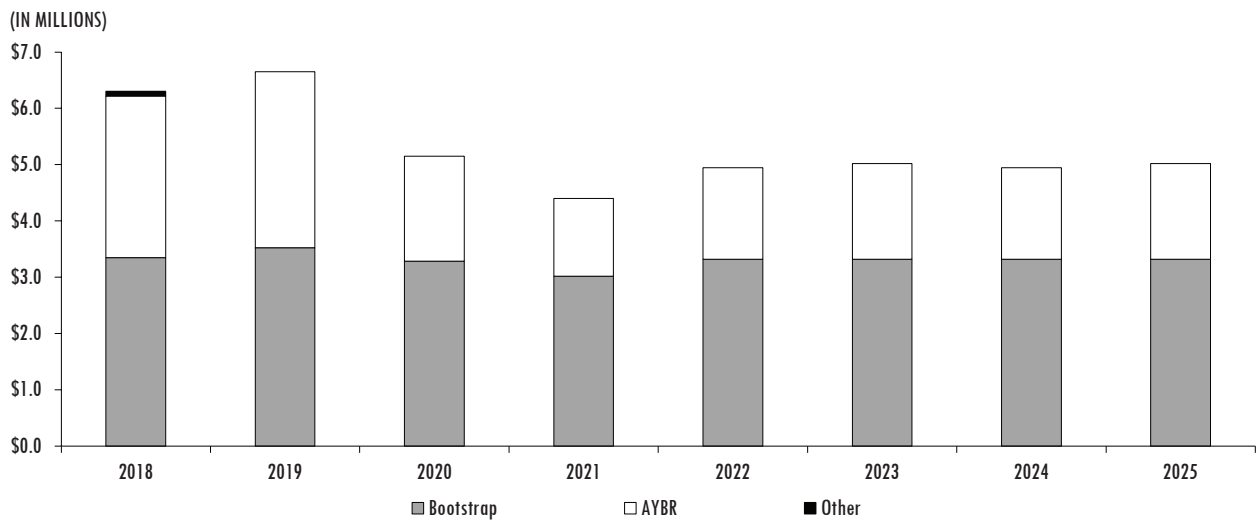
PROGRAM	2023			2024			2025		
	MULTIFAMILY	SINGLE FAMILY	TOTAL	MULTIFAMILY	SINGLE FAMILY	TOTAL	MULTIFAMILY	SINGLE FAMILY	TOTAL
Housing Trust Fund	0	83	83	0	110	110	0	110	110
HOME Program	9	1,219	1,228	177	875	1,052	195	875	1,070
Low-income Housing Tax Credit Program	14,742	0	14,742	21,967	0	21,967	22,626	0	22,626
Mortgage Revenue Bond (3)	2,170	6,595	8,765	2,465	10,400	12,865	2,589	10,400	12,989
Multifamily Direct Loan Program (excludes HOME Program) (4)	89	0	89	367	0	367	404	0	404
Section 8 Program	1,021	0	1,021	861	0	861	895	0	895
Section 811 Program	498	0	498	575	0	575	575	0	575
Total	18,529	7,897	26,426	26,412	11,385	37,797	27,284	11,385	38,669

NOTES:

- (1) Amounts shown for fiscal years 2024 and 2025 are projections.
- (2) Data for multifamily programs show units completed or to be completed during the fiscal year. Some units receive funding from multiple programs and may be counted more than once, including all multifamily units financed through the Mortgage Revenue Bond Program.
- (3) The Mortgage Revenue Bond Program includes the single-family My First Texas Home, Mortgage Credit Certificate, and My Choice Texas Home programs and the Multifamily Mortgage Revenue Bond program.
- (4) Units shown for Multifamily Direct Loan Program (excludes HOME Program) are funded through Tax Credit Assistance Program Repayment Funds, the National Housing Trust Fund, or the Neighborhood Stabilization Program. Multifamily Direct loans funded through HOME are shown as HOME multifamily units.

SOURCE: Texas Department of Housing and Community Affairs.

FIGURE 304
HOUSING TRUST FUND EXPENDITURES, FISCAL YEARS 2018 TO 2025



NOTES:

- (1) Amounts shown for fiscal years 2024 and 2025 are estimated.
 - (2) Bootstrap=Texas Bootstrap Loan Program; AYBR=Amy Young Barrier Removal program.
 - (3) Totals represent Housing Trust Fund General Revenue appropriations and excess General Revenue Funds repayments collected pursuant to the General Appropriations Act, Article VII, Texas Department of Housing and Community Affairs, Rider 8 and Rider 9.
- SOURCE: Texas Department of Housing and Community Affairs.

applies at least \$3.0 million each year to support the legislatively mandated Texas Bootstrap Loan Program, a self-help loan program that targets economically distressed communities. The majority of the remaining funds are used for the Amy Young Barrier Removal program, which provides onetime grants to individuals with disabilities that need modifications in their homes to increase accessibility or eliminate hazardous conditions. **Figure 304** shows a history of spending for programs within the Housing Trust Fund from fiscal years 2018 to 2025. TDHCA is appropriated \$9.5 million in General Revenue Funds and \$0.4 million in Other Funds for the HTF programs for the 2024–25 biennium.

The National Housing Trust Fund program provides funding to nonprofit and for-profit entities for the construction or rehabilitation of affordable multifamily rental developments serving extremely low-income households. Funding for these entities is provided in the form of low-interest, repayable loans. The National Housing Trust Fund is appropriated \$54.6 million in Federal Funds for the 2024–25 biennium.

The federal Housing Tax Credit (HTC) Program is the primary means of financing rental housing to low-income Texans. The program encourages private investment in exchange for tax credits and other incentives. In return for

the tax credits, owners must set aside a minimum of 20.0 percent to 40.0 percent of units for use by extremely low-income and very low-income tenants; however, most owners set aside 100.0 percent of units for qualified low-income families. Two types of tax credits apply: competitive and noncompetitive. The HTC program is open to nonprofit and for-profit developers and is available statewide. Appropriations for the HTC program represents only the administrative costs of this program and total \$8.3 million in Other Funds for the 2024–25 biennium.

The Neighborhood Stabilization Program is funded through repayments from loans issued to communities to acquire and redevelop foreclosed properties. Repayments are used to support previously funded land-bank activities and provide loans to developers of affordable, multifamily rental properties across the state. The Neighborhood Stabilization program is appropriated \$3.0 million in Federal Funds for the 2024–25 biennium.

TDHCA administers the Section 811 Project Rental Assistance program, which provides project-based rental assistance to select state housing finance agencies for project-based rental operating assistance for individuals with disabilities, pursuant to the federal National Affordable Housing Act, Section 811 (1990). TDHCA operates the

Section 811 Project Rental Assistance program in partnership with the Health and Human Services Commission. This program is appropriated \$13.1 million in Federal Funds for the 2024–25 biennium.

TDHCA administers the My First Texas Home, Mortgage Credit Certificate (MCC), and My Choice Texas Home programs, which are operated primarily with funding from the issuance of single-family mortgage revenue bonds (SFMRB) and other mortgage brokerage models administered outside of the state Treasury. Appropriations for these programs represent the administrative costs of the programs. The My First Texas Home and My Choice Texas Home programs offer competitive interest rates on home loans and provide down payment assistance for eligible participants. The MCC program offers homeowners a federal income tax credit for a portion of their mortgage interest paid per year. These programs are appropriated \$3.3 million in Other Funds for the 2024–25 biennium.

The Multifamily Mortgage Revenue Bond (MFMRB) program is operated primarily with funding through the issuance of multifamily mortgage revenue bonds administered outside of the state Treasury. Appropriations for the MFMRB program represent the administrative costs of this program. The MFMRB program issues taxable and tax-exempt mortgage revenue bonds to developers and uses the bond proceeds to finance the construction, acquisition, or rehabilitation of affordable rental properties. The MFMRB program is appropriated \$1.9 million in Other Funds for the 2022–23 biennium.

The bond proceeds from these single-family and multifamily mortgage revenue bonds are held by trustees outside the state Treasury and are not included in the General Appropriations Act. At the end of fiscal year 2023, TDHCA had approximately \$2.1 billion in SFMRBs outstanding and \$983.0 million in MFMRBs outstanding. TDHCA also has \$10.0 million in single-family issuer notes and \$512.0 million in multifamily issuer notes outstanding. Issuer notes are loan agreements between TDHCA and a borrower. The agency estimates that it will issue \$1.7 billion in SFMRBs and \$400.0 million in MFMRBs during the 2024–25 biennium. Factors such as the bond and housing markets will determine the amount of bonds issued each year. TDHCA also estimates that it will utilize \$1.5 billion in private activity bond authority each year of the biennium to issue MCCs. In addition, TDHCA expects to facilitate access to an estimated \$750.0 million per year in privately financed, market-rate

mortgage loans utilizing down payment assistance funded through its single-family bond indentures.

COMPLIANCE AND ADMINISTRATION

The compliance and administration program area includes four programs: (1) Central Administration; (2) Compliance and Monitoring; (3) Information Resource Technologies; and (4) Operations and Support Services.

Central Administration, Information Resource Technologies, and Operations and Support Services provide agencywide services and monitoring of contract, grant, and housing requirements. These programs also assist with TDHCA's human resources, software development, and financial administration. These three programs are appropriated \$19.5 million in All Funds for the 2024–25 biennium.

The Compliance and Monitoring program confirms that TDHCA-supported rental developments adhere to commitments made at the time of funding, including serving low-income households, charging restricted rents, and maintaining the physical condition of the properties. To ensure compliance, TDHCA conducts onsite monitoring visits to review documentation and physically inspect the properties. TDHCA also monitors to verify that subrecipients are delivering promised, contractually established benefits, such as home repair and energy assistance, to target populations, and that federal and state requirements are met. Additionally, through this program and in cooperation with the Manufactured Housing Division, TDHCA inspects and licenses private and public migrant labor housing to confirm that the housing meets minimum safety standards. The Compliance and Monitoring program is appropriated \$8.6 million in All Funds for the 2024–25 biennium.

MANUFACTURED HOUSING

TDHCA's Manufactured Housing Division, which is governed by a separate board and executive director, is funded primarily through Appropriated Receipts (Other Funds) associated with title, inspection, and licensing fees to support the manufactured housing industry. Three programs are included in Manufactured Housing: (1) inspections; (2) licensing; and (3) enforcement. The funding is provided for the purpose of providing statements of ownership and registration service; conducting inspections of manufactured homes; protecting the public and consumers; and providing processing of occupational licenses, registrations, or permit fees. The Manufactured Housing Division also provides inspection oversight as a State Administrative Agency for the U.S. Department of Housing and Urban Development.

All Funds appropriations for the Manufactured Housing Division for the 2024–25 biennium include \$4.6 million for the inspection program, \$4.6 million for the licensing program, and \$4.1 million for the enforcement program.

INFORMATION SERVICES

TDHCA provides information and technical assistance to extremely low-income, very low-income, and low-income households through three programs: (1) Housing Resource Center; (2) Office of Colonia Initiatives and Colonia Self Help Centers; and (3) Housing and Health Services Coordination Council.

The agency provides information through the statutorily required Housing Resource Center, which serves as a statewide clearinghouse of information about housing and community services programs. The housing center provides information and technical assistance regarding the state's housing needs, community services, and affordable housing programs to consumers, developers, researchers, and the public. The housing center also is responsible for developing statutorily required planning documents such as the State Low-Income Housing Plan. The Housing Resource Center program is appropriated \$1.4 million in Other Funds for the 2024–25 biennium.

The Office of Colonia Initiatives provides technical assistance, education, and self-help programs to colonia residents and communities along the Texas–Mexico border through TDHCA field offices and Colonia Self-Help Centers. The Office of Colonia Initiatives and Colonia Self-Help Centers program is appropriated \$0.6 million in Other Funds for the 2024–25 biennium.

The Housing and Health Services Coordination Council coordinates and increases state efforts to offer service-enriched housing for individuals with disabilities or older Texans. The Housing and Health Services Coordination Council is appropriated \$0.2 million in General Revenue Funds for the 2024–25 biennium.

SIGNIFICANT LEGISLATION

House Bill 2071 – Affordable housing tax exemptions.

The legislation requires TDHCA to conduct annual audits of each public facility user (i.e., an entity that has an interest in a public facility that is a multifamily residential development) that claims a tax exemption, as specified in House Bill 2071, and to complete and publish annual reports regarding the audit findings.

TEXAS LOTTERY COMMISSION

PURPOSE: Generate revenue for the state through the management and sale of entertaining lottery products and provide authorized organizations the opportunity to raise funds for their charitable purposes by conducting bingo.

ESTABLISHED: 1993

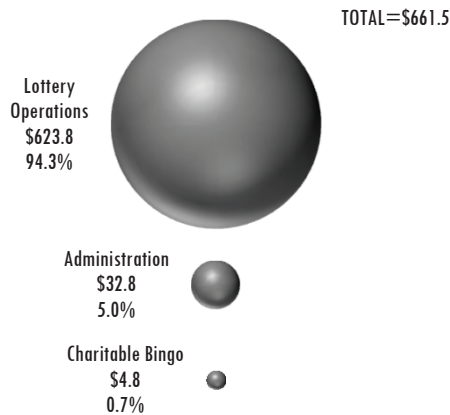
AUTHORIZING STATUTE: The Texas Government Code, Chapter 467, Subchapter B

GOVERNANCE: Texas Lottery Commission—five members appointed by the Governor with the advice and consent of the Senate

FIGURE 305
TEXAS LOTTERY COMMISSION BY METHOD OF FINANCE

METHOD OF FINANCE	(IN MILLIONS)				APPROPRIATED FULL-TIME-EQUIVALENT POSITIONS
	ESTIMATED/BUDGETED 2022–23	APPROPRIATED 2024–25	BIENNIAL CHANGE	PERCENTAGE CHANGE	
General Revenue Funds	\$4.8	\$5.1	\$0.3	5.5%	2024 321.5 2025 321.5
General Revenue–Dedicated Funds	\$629.7	\$656.4	\$26.7	4.2%	
Federal Funds	\$0.0	\$0.0	\$0.0	N/A	
Other Funds	\$0.0	\$0.0	\$0.0	N/A	
Total, All Methods of Finance	\$634.6	\$661.5	\$26.9	4.2%	

AGENCY PROGRAM AREAS BY APPROPRIATION (IN MILLIONS)



SIGNIFICANT DEVELOPMENTS

House Bill 1620, Eighty-eighth Legislature, Regular Session, 2023, changed the agency's **Sunset review** from **September 1, 2029, to September 1, 2025**.

Appropriations include an **increase of \$17.4 million in General Revenue–Dedicated Funds for an increase in contractual cost obligations for scratch-ticket production.**

SOURCE: Legislative Budget Board.

MAJOR FUNDING

Appropriations for the Texas Lottery Commission (TLC) for the 2024–25 biennium include a net increase of \$26.9 million in General Revenue Funds and General Revenue–Dedicated Funds (Account No. 5025, State Lottery) for the agency’s lottery operations. This change is due primarily to an increase of \$17.4 million for an increase in contractual cost obligations for scratch-ticket production, and an increase of \$13.6 million to align appropriations for retailer commissions with projected gross lottery sales in General Revenue–Dedicated Funds for the 2024–25 biennium, partially offset by a decrease of \$6.9 million for changes in agency operation contracting. Appropriations for lottery operator contracts and retailer commissions are based on a percentage of gross lottery ticket sales. The Comptroller of Public Accounts estimates in the 2024–25 *Biennial Revenue Estimate* that lottery sales will total \$7.8 billion for fiscal years 2024 and 2025.

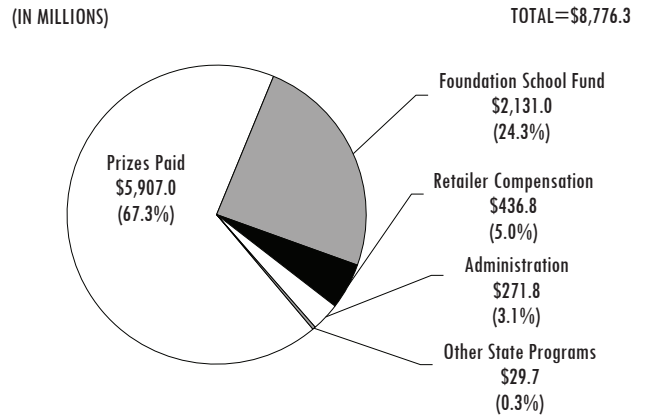
Proceeds from the sale of lottery tickets pay for all costs of operation for the Texas Lottery, including the payment of lottery prizes, retailer commissions, and other costs for operation and administration of the lottery. The Texas Government Code, Chapter 466, known as the State Lottery Act, limits the amount of these funds that may be expended for retailer commissions and agency administration to 12.0 percent of gross ticket revenues. The State Lottery Act establishes a minimum retailer commission of 5.0 percent of gross ticket sales, which leaves a maximum of 7.0 percent of gross sales that may be expended for agency administration. In practice, total appropriations for agency administration have been approximately 3.1 percent. The agency is appropriated an additional 0.5 percent of gross ticket sales each year to pay sales performance retailer commissions. The agency transfers any unexpended administrative funds to the state to fund public education.

Since fiscal year 2021, TLC has transferred nearly \$2.0 billion to the state each year after deductions for prizes and administrative costs. **Figure 306** shows the distribution of lottery proceeds in fiscal year 2023, and **Figure 307** shows gross lottery sales and revenue to the state for fiscal years 2004 to 2023.

PROGRAMS

TLC performs its responsibilities through three main program areas: (1) Texas lottery operations; (2) charitable bingo; and (3) administration.

**FIGURE 306
DISTRIBUTION OF TEXAS LOTTERY PROCEEDS
FISCAL YEAR 2023**

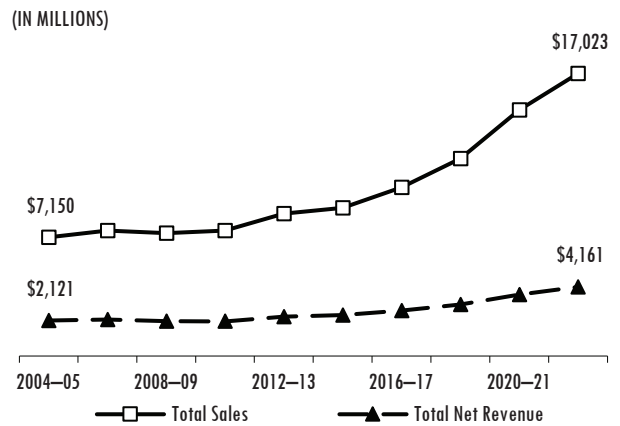


NOTES:

- (1) The Other State Programs category includes transfers to the Fund for Veterans' Assistance and the General Revenue–Dedicated Account No. 5049, State Owned Multicategorical Teaching Hospital Account, through the Health and Human Services Commission.
- (2) Transfers to the Foundation School Fund and Other State Programs include \$88.9 million in unclaimed prizes from fiscal year 2023 lottery sales.
- (3) Amounts determined on an accrual basis. Amounts may not sum due to rounding.
- (4) Amounts are estimated.

SOURCE: Texas Lottery Commission.

**FIGURE 307
TEXAS LOTTERY SALES AND NET REVENUE
2004–05 TO 2022–23 BIENNIA**



NOTES:

- (1) Amounts are calculated on an accrual accounting basis.
- (2) Total Revenue includes revenue to the Foundation School Fund, the Fund for Veterans' Assistance, and the General Revenue–Dedicated Account No. 5049, State Owned Multicategorical Teaching Hospital Account.

SOURCE: Texas Lottery Commission.

TEXAS LOTTERY OPERATIONS

TLC is tasked with operating the state’s lottery system so that it is self-supporting, produces revenue, and is free of criminal activity. The agency performs its lottery-related activities primarily through the following six programs: the lottery operator contract; marketing and promotions; retailer commissions, bonuses, and incentives; advertising services contracts; operations; and security.

The lottery operator contract is the largest component of Texas lottery operations. The operator manages all aspects of contract vendor services for scratch-ticket and online gaming, including managing all game terminals and hardware, providing field sales and business development staff, warehousing scratch tickets, ordering and distributing lottery products, and providing retailer technical support. The amount for the operator contract is based on a percentage of gross lottery ticket sales, and TLC is appropriated \$315.0 million for the 2024–25 biennium for this purpose.

Through the operator contract, TLC offers scratch-ticket lottery games benefiting the Texas Veterans Commission’s Fund for Veterans’ Assistance (Other Funds). TLC began offering scratch-ticket games in November 2009. Ticket sales have generated \$221.9 million for the Texas Veterans Commission since the contract’s inception. **Figure 308** shows net proceeds from these ticket sales from fiscal years 2014 to 2023.

TLC’s marketing and promotion program provides for the development of lottery products and games, promotes the lottery, and recruits business retailers and vendors to sell lottery tickets. This program also contracts for the production of scratch tickets, which account for approximately 77.1 percent of all ticket sales. TLC is appropriated \$176.1 million for this program during the 2024–25 biennium.

TLC’s retailer bonus and incentive program manages activities that maximize revenue to the state by providing lottery sales agents with incentives and bonuses. The State Lottery Act establishes a minimum retailer commission of 5.0 percent of gross ticket sales; these funds are not included in TLC appropriations. Appropriations for TLC include an additional 0.5 percent of gross ticket sales annually to pay commissions to retailers for sales performance. TLC receives funding to provide bonuses to retailers for selling high-tier prizes. TLC is appropriated \$78.3 million for retailer bonuses and \$4.0 million for retailer bonuses for the 2024–25 biennium.

TLC’s advertising services are contracted through external vendors and include the planning, development, and

FIGURE 308
TEXAS VETERANS COMMISSION LOTTERY REVENUE
FISCAL YEARS 2014 TO 2023

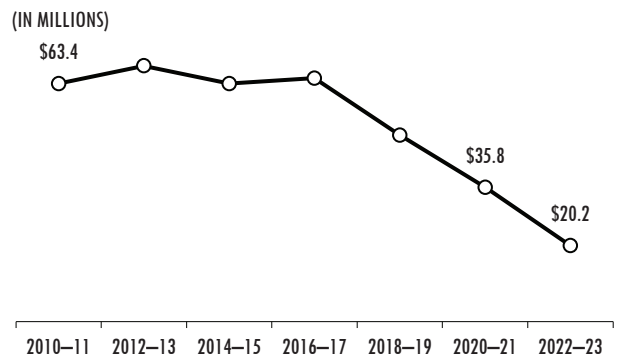
YEAR	NET PROCEEDS (IN MILLIONS)
2014	\$11.5
2015	\$13.1
2016	\$14.7
2017	\$16.2
2018	\$18.1
2019	\$19.4
2020	\$22.2
2021	\$23.4
2022	\$26.0
2023	\$29.7

NOTES:

- (1) Includes General Revenue–Dedicated Account transfers of unclaimed prize money to the Fund for Veterans’ Assistance (Other Funds).
- (2) Amounts determined on an accrual basis.

SOURCE: Texas Lottery Commission.

FIGURE 309
TEXAS LOTTERY ADVERTISING EXPENDITURES
2010–11 TO 2022–23 BIENNIUM



NOTE: Amounts for the 2022–23 biennium are estimated.

SOURCE: Texas Lottery Commission.

implementation of lottery advertising through radio, television, internet, experiential, and print media. TLC is appropriated \$20.0 million for this purpose for the 2024–25 biennium. **Figure 309** shows TLC’s biennial advertising expenditures from the 2010–11 to 2022–23 biennia.

TLC’s lottery operations program provides operations management, technical, administrative, and customer service support to all office locations, players, and retailers. This management and support includes issuing licenses to qualified lottery retailers and enforcing applicable state

laws and agency rules. The agency will license an estimated 20,000 retailer business locations each fiscal year of the 2024–25 biennium. TLC is appropriated \$14.9 million to fund operations for the biennium. The agency operates a security program to ensure the quality and integrity of the lottery drawings system and the physical security of operating sites. To enforce the State Lottery Act, the agency investigates possible criminal and regulatory violations relating to lottery games. TLC is appropriated \$15.4 million for this purpose for the 2024–25 biennium.

CHARITABLE BINGO

TLC operates the following four programs relating to charitable bingo: auditing; licensing services; accounting services; and education and training. TLC operated the bingo prize fee allocations program until January 1, 2020, when the collection and transfer of these fees transitioned to licensed outside operators. TLC estimates that charitable organizations will receive approximately \$30.0 million each fiscal year from bingo events for the 2024–25 biennium. **Figure 310** shows charitable distributions from fiscal years 2015 to 2022.

TLC’s bingo auditing program monitors licensee compliance with applicable state laws and agency rules through inspections, reviews, audits, and complaint investigations. The agency estimates that it will complete 120 complaint investigations each fiscal year of the 2024–25 biennium. TLC is appropriated \$2.7 million for the bingo auditing program for the 2024–25 biennium.

TLC’s licensing program includes the review of license applications and worker registrations to determine the eligibility of applicants to receive a license. The agency estimates that it will issue more than 11,000 licenses to individuals and organizations each fiscal year of the 2024–25 biennium. The accounting services program assists licensees with filing reports and managing their financial data, and analyzing data provided by licensed bingo conductors that report positive net proceeds to assist them in reviewing their charitable bingo operations. The education and training program manages the education and development of all licensed organizations that conduct charitable bingo activities. TLC is appropriated \$1.3 million for the bingo licensing services program, \$0.6 million for the accounting services program, and \$0.2 million for education and training programs for the 2024–25 biennium.

**FIGURE 310
TEXAS BINGO SALES AND DISTRIBUTIONS TO CHARITABLE ORGANIZATIONS
FISCAL YEARS 2015 TO 2022**

YEAR	(IN MILLIONS)	
	TOTAL SALES	CHARITABLE DISTRIBUTIONS
2015	\$753.3	\$29.0
2016	\$760.4	\$30.0
2017	\$763.2	\$30.4
2018	\$807.7	\$34.1
2019	\$849.7	\$31.2
2020	\$696.8	\$20.8
2021	\$938.4	\$40.0
2022	\$894.0	\$27.9

SOURCE: Texas Lottery Commission.

ADMINISTRATION

The final program area, administration, provides administrative and information technology support to the major programs administered by the agency. TLC is appropriated \$29.2 million for this purpose for the 2024–25 biennium.

SIGNIFICANT LEGISLATION

House Bill 1620 – Amending Sunset review dates for certain governmental entities. The legislation instructs the Sunset Advisory Commission to review TLC during the 2024–25 review cycle, prior to the agency’s statutorily specified Sunset date of September 1, 2025.

DEPARTMENT OF MOTOR VEHICLES

PURPOSE: Provide vehicle title and registration services, motor carrier registration and permitting, motor vehicle industry licensing and regulation, and other motor vehicle regulatory and enforcement services.

ESTABLISHED: 2009

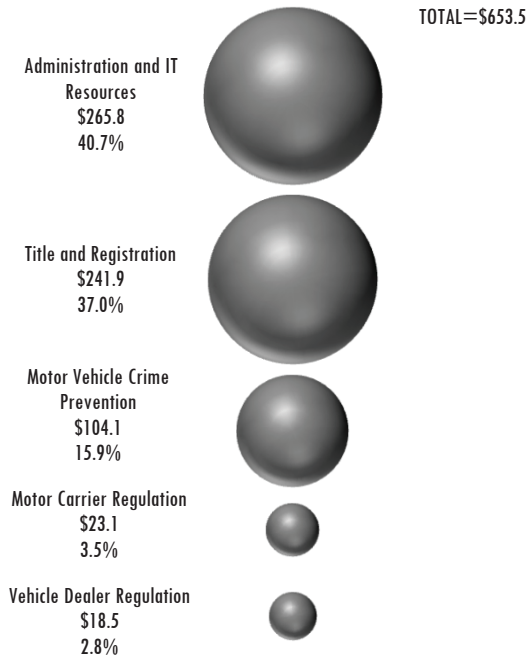
AUTHORIZING STATUTE: The Texas Transportation Code, §1001.002

GOVERNANCE: Department of Motor Vehicles Board—nine members appointed by the Governor with advice and consent of the Senate

FIGURE 311
DEPARTMENT OF MOTOR VEHICLES BY METHOD OF FINANCE

METHOD OF FINANCE	(IN MILLIONS)				APPROPRIATED FULL-TIME-EQUIVALENT POSITIONS				
	ESTIMATED/BUDGETED 2022–23	APPROPRIATED 2024–25	BIENNIAL CHANGE	PERCENTAGE CHANGE					
General Revenue Funds	\$35.4	\$104.2	\$68.8	194.1%	<table border="1"> <tr> <td>2024</td> <td>860.0</td> </tr> <tr> <td>2025</td> <td>902.0</td> </tr> </table>	2024	860.0	2025	902.0
2024	860.0								
2025	902.0								
General Revenue–Dedicated Funds	\$0.0	\$0.0	\$0.0	N/A					
Federal Funds	\$1.8	\$1.2	(\$0.7)	(36.2%)					
Other Funds	\$309.5	\$548.1	\$238.6	77.1%					
Total, All Methods of Finance	\$346.8	\$653.5	\$306.7	88.4%					

AGENCY PROGRAM AREAS BY APPROPRIATION (IN MILLIONS)



SIGNIFICANT DEVELOPMENTS

Motor Vehicle Crime Prevention program funding includes **\$104.1 million in General Revenue Funds** for grants and administration, an **increase of \$74.2 million**, or 247.6 percent, from the 2022–23 biennium.

Appropriations include **\$143.0 million in Other Funds** from revenue bond proceeds, to be issued by the Texas Public Finance Authority, to finance construction of the Department of Motor Vehicles' **Camp Hubbard Renewal Project**.

Vehicle Title and Registration funding includes **\$35.0 million in Other Funds** for implementation of **House Bill 718, Eighty-eighth Legislature, Regular Session, 2023**, relating to replacement of paper temporary vehicle tags with metal license plates.

Funding includes an **increase of 94.0 full-time-equivalent positions** across all program areas, including an additional 48.0 positions to implement legislation from the Eighty-eighth Legislature.

NOTE: IT=information technology.
SOURCE: Legislative Budget Board.

MAJOR FUNDING

Funding for the Department of Motor Vehicles (DMV) for the 2024–25 biennium represents an increase of \$306.7 million from the 2022–23 biennium, including increases of \$68.8 million in General Revenue Funds and \$238.6 million in Other Funds. General Revenue Funds increases include an increase of \$19.1 million to align funding for the Motor Vehicle Crime Prevention Authority (MVCPA) with estimated revenue collections from the statutory MVCPA fee revenue allocation for the 2024–25 biennium. Additionally, the agency is appropriated \$55.1 million in General Revenue Funds for the MVCPA to coordinate statewide regulatory and law enforcement activities to prevent and detect catalytic converter theft pursuant to Senate Bill 224, Eighty-eighth Legislature, Regular Session, 2023. These increases are offset by a decrease of \$5.5 million in General Revenue Funds from onetime information technology project funding carried forward to the 2022–23 biennium from the 2020–21 biennium. Funding includes an increase of 10.0 full-time-equivalent (FTE) positions for MVCPA administration and implementation of Senate Bill 224.

The increase in Other Funds is due primarily to an increase of \$168.0 million for the Camp Hubbard Renewal Project, including \$143.0 million in Revenue Bond Proceeds to be issued by the Texas Public Finance Authority (TPFA) for construction of a new office building and other renovations at the agency's headquarters, and \$25.0 million in Other Funds from the Texas Department of Motor Vehicles Fund for lease payments to TPFA for debt service payments on the Revenue Bonds. Additionally, Other Funds changes from the 2022–23 biennium include:

- an increase of \$35.0 million and 44.0 FTE positions for implementation of House Bill 718, Eighty-eighth Legislature, Regular Session, 2023, relating to the elimination of paper temporary tags and permits for motor vehicles;
- an increase of \$14.0 million for vehicle titling, registration, and license plates program materials and operating costs;
- a net increase of \$13.0 million for information resource technology projects and support, including \$6.8 million for the Registration and Titling System (RTS) Replacement Phase One project;
- an increase of \$3.7 million and 32.0 FTE positions to increase staffing across all agency programs; and

- an increase of \$3.5 million and 8.0 FTE positions to expand Regional Service Centers in Dallas and Houston.

Funding for fiscal year 2023 includes supplemental appropriations totaling \$1.8 million in Other Funds, pursuant to Senate Bill 30, Eighty-eighth Legislature, Regular Session, 2023, including \$1.6 million for Department of Information Resources state data center and shared technology services costs and \$0.2 million for vehicle replacement.

PROGRAMS

The agency carries out its responsibilities through five major program areas: (1) vehicle titling and registration; (2) administration and information resource technology support; (3) motor vehicle crime prevention; (4) motor carrier regulation; and (5) vehicle industry regulation.

The agency's largest program area is vehicle titles and registration. The agency supports and partners with 254 tax assessor-collectors and their agents to administer motor vehicle titles and title fraud investigations, register vehicles, distribute license plates and registration insignia stickers, distribute parking placards for individuals with disabilities, and collect the related fees. This program includes the maintenance and enhancement of an automated vehicle registration and titling system used by the agency and the tax-assessor collectors in each county to account for the titling and registration of vehicles, to collect related fees and taxes, and to provide access for law enforcement to vehicle ownership information. Additionally, this program area includes a compliance and investigations division to identify, investigate, and prevent motor vehicle-related fraud. The agency will process an estimated 8.0 million vehicle title transactions in each fiscal year, and a total of 26.7 million vehicles will be registered in Texas by the end of the 2024–25 biennium. Appropriations for vehicle titling and registration total \$241.9 million in Other Funds for the 2024–25 biennium.

The agency's administration and information resource technology support program area provides central administration, information resources, and other services to support the daily operations of all other DMV programs and the governing board of the DMV. The agency's central administration functions include executive administration, finance and accounting services, human resources, and legal support. The agency's information resources program provides support for the maintenance and enhancement of

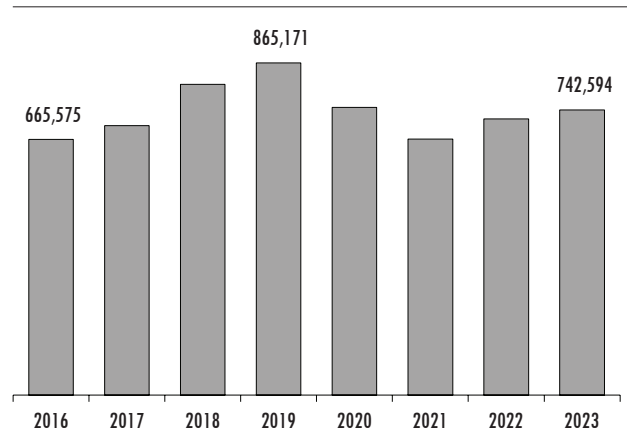
information technology (IT) systems and equipment and management of IT projects throughout the agency. Other support services include agency facilities management, motor vehicle fleet, records retention, and mail operations. Appropriations for administration and IT support total \$265.8 million in Other Funds for the 2024–25 biennium, including \$143.0 million in onetime funding for the Camp Hubbard Renewal Project at the agency’s headquarters in Austin.

The MVCPA consists of a seven-member board of directors, independent of DMV’s governing board and appointed by the Governor with the advice and consent of the Senate. The MVCPA coordinates efforts within a network of law enforcement and judicial agencies, the insurance industry, and residents to reduce motor vehicle burglary and theft and fraud-related motor vehicle crimes through grants that fund motor vehicle crime reduction initiatives. Appropriations for MVCPA program grants and administration total \$104.1 million in General Revenue Funds for the 2024–25 biennium.

The agency’s motor carrier regulation program provides for motor carrier registration services, oversize/overweight vehicle permitting, and enforcement. Motor carriers operating equipment with a gross vehicle weight exceeding 26,000 pounds, passenger bus operators, and household goods carriers operating in Texas are required to obtain a motor carrier registration with DMV. Additionally, DMV is responsible for the permitting, regulation, and routing of oversize and overweight vehicles on the state’s highways to protect the safety of the traveling public and the integrity of highways and bridges. **Figure 312** shows the number of oversize/overweight permits issued from fiscal years 2016 to 2023. DMV reported issuing 742,594 permits during fiscal year 2023, which represents a decrease of 14.2 percent from 865,171 permits issued in fiscal year 2019. The change in the number of permits issued closely correlates with economic factors, including public and private infrastructure investment, manufacturing, and energy exploration and development. Appropriations for the motor carrier regulation program total \$23.1 million in All Funds for the 2024–25 biennium.

The agency’s motor vehicle industry regulation program provides for the licensing and regulation of motor vehicle dealers, manufacturers, salvage vehicle dealers, and other entities engaged in the motor vehicle sales and distribution industry. The agency is also responsible for enforcing the state’s motor vehicle Lemon Law, which was established to

FIGURE 312
OVERSIZE/OVERWEIGHT PERMITS ISSUED
FISCAL YEARS 2016 TO 2023



SOURCE: Department of Motor Vehicles.

assist consumers who have purchased or leased new vehicles with substantial defects in obtaining repair, replacement, or repurchase of those vehicles. Appropriations for motor vehicle industry regulation total \$18.5 million in Other Funds for the 2024–25 biennium.

SIGNIFICANT LEGISLATION

House Bill 718 – Eliminating paper temporary tags and permits for motor vehicles. The legislation eliminates the issuance of temporary paper vehicle tags (paper license plates). Effective July 1, 2025, the legislation requires the issuance of metal license plates instead of the current paper temporary buyer’s, dealer’s, and converter’s temporary tags, and paper one-trip and 30-day permits. House Bill 718 requires motor vehicle dealers to issue vehicle buyers metal license plates obtained from DMV. The legislation authorizes DMV to establish the maximum number of license plates that a dealer may obtain in a calendar year and requires DMV to ensure that a dealer may obtain in advance a sufficient amount of license plates to continue selling vehicles without an unreasonable disruption of business due to the unavailability of plates. The legislation requires DMV to monitor the number of license plates obtained by a dealer and maintain a database of dealer-issued license plates.

Senate Bill 224 – Coordinated regulatory and law enforcement efforts relating to catalytic converter theft. The legislation establishes a state jail felony for unauthorized possession of a catalytic converter and establishes certain penalties and penalty enhancements for crimes involving catalytic converters. Senate Bill 224 establishes new

regulatory provisions for metal recycling entities registered with the Department of Public Safety (DPS) that engage in transactions involving catalytic converters. The legislation increases the fee that motor vehicle insurers pay to the MVCPA from \$4.00 to \$5.00 per motor vehicle year of insurance and dedicates \$1.00 out of each fee collected to be deposited to the General Revenue Fund for use in coordinated regulatory and law enforcement activities to detect and prevent catalytic converter theft. Senate Bill 224 requires the MVCPA to implement a plan to coordinate efforts with DPS, the Texas Department of Licensing and Regulation, and DMV to review the records of persons regulated by each agency involving the purchase, acquisition, sale, or transfer of catalytic converters removed from vehicles and respond to suspicious activities detected through the analysis of those records.

TEXAS DEPARTMENT OF TRANSPORTATION

PURPOSE: Provide for planning, coordination, acquisition, construction, preservation, and operation of the state’s transportation systems and services.

ESTABLISHED: 1991

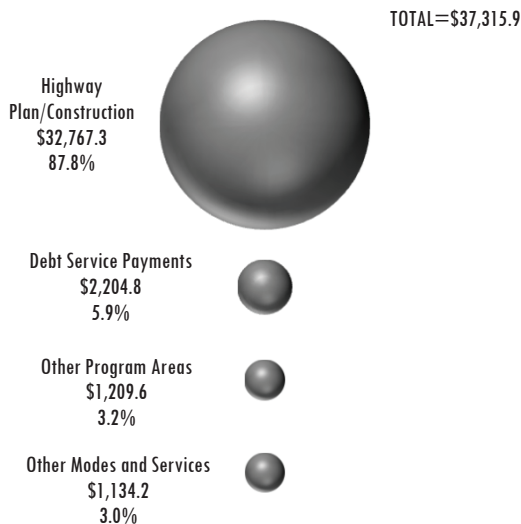
AUTHORIZING STATUTE: The Texas Transportation Code, Chapter 201

GOVERNANCE: Texas Transportation Commission—five members appointed by the Governor with the advice and consent of the Senate

FIGURE 313
TEXAS DEPARTMENT OF TRANSPORTATION BY METHOD OF FINANCE

METHOD OF FINANCE	(IN MILLIONS)				APPROPRIATED FULL-TIME-EQUIVALENT POSITIONS
	ESTIMATED/BUDGETED 2022–23	APPROPRIATED 2024–25	BIENNIAL CHANGE	PERCENTAGE CHANGE	
General Revenue Funds	\$15.4	\$598.0	\$582.6	3,790.7%	
General Revenue–Dedicated Funds	\$201.5	\$1.5	(\$200.0)	(99.3%)	
Federal Funds	\$10,413.6	\$12,839.2	\$2,425.6	23.3%	2024 13,157.0
Other Funds	\$21,283.3	\$23,877.3	\$2,594.0	12.2%	2025 13,157.0
Total, All Methods of Finance	\$31,913.7	\$37,315.9	\$5,402.2	16.9%	

AGENCY PROGRAM AREAS BY APPROPRIATION (IN MILLIONS)



SIGNIFICANT DEVELOPMENTS

Highway Planning and Construction program area funding of \$32.8 billion in All Funds represents an **increase of \$4.9 billion**, or 17.8 percent, from the 2022–23 biennial spending level.

Maritime infrastructure funding includes **\$200.0 million** in General Revenue–Dedicated Funds in fiscal year 2023 for **port infrastructure projects** and **\$400.0 million** in General Revenue Funds to capitalize the **Ship Channel Improvement Revolving Loan Fund**.

Appropriations include an estimated **\$13.3 billion** in Other Funds from oil and natural gas tax-related transfers (Proposition 1, 2014) and state sales tax and motor vehicle sales tax allocations (Proposition 7, 2015) to the **State Highway Fund**.

Funding includes an increase of 349.0 full-time-equivalent positions to support **transportation project development** and **funding increases, traffic safety, emergency operations, and cybersecurity**.

SOURCE: Legislative Budget Board.

MAJOR FUNDING

Appropriations for the Department of Transportation (TxDOT) for the 2024–25 biennium total \$37.3 billion, a net increase of \$5.4 billion in All Funds from the 2022–23 biennium. The increase is due primarily to an increase of \$2.4 billion in Federal Funds, mostly related to estimated federal reimbursements for highway planning and construction expenditures, and an increase of \$2.6 billion in Other Funds related to estimated increases in State Highway Fund (SHF) revenue sources.

Funding from General Revenue Funds includes an increase of \$582.6 million from the 2022–23 biennium. The increase is related primarily to appropriations of \$400.0 million in General Revenue Funds for transfer to the General Revenue–Dedicated Ship Channel Improvement Revolving Fund Account No. 5167 to implement the associated revolving loan program. Other significant General Revenue Funds appropriations and funding changes from the 2022–23 biennium include:

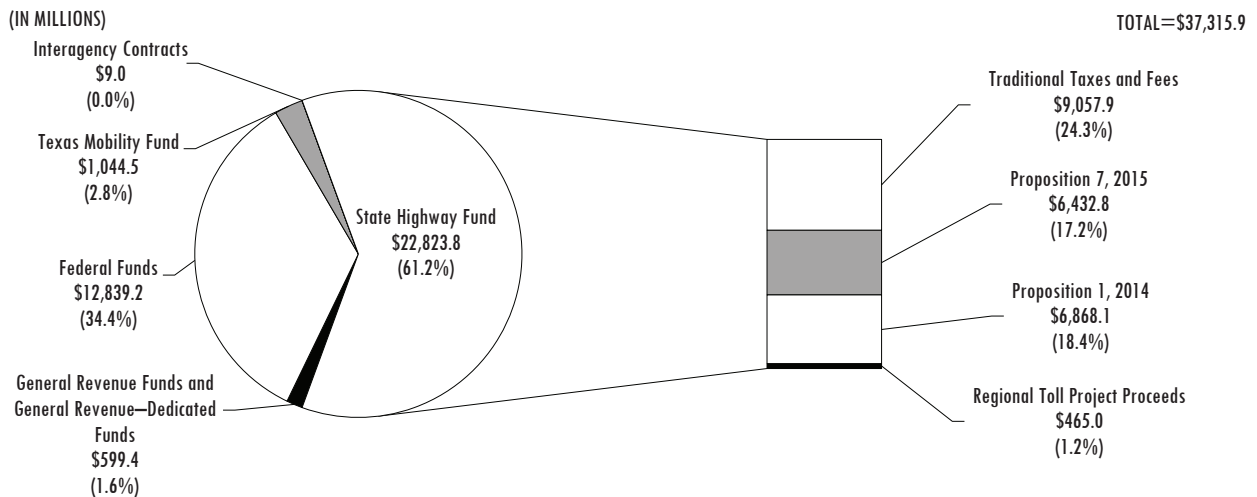
- \$152.0 million for aviation services, including \$94.0 million for development and routine maintenance programs at TxDOT’s general aviation airport facilities and \$58.0 million for capital improvement projects at certain airports in Texas;
- \$20.0 million for improvements to the Pharr International Bridge;
- \$12.0 million for construction of a new hangar and ramp rehabilitation at TxDOT’s Flight Services facility at Austin Bergstrom Airport;

- \$10.0 million for projects related to the Texas State Railroad;
- \$3.8 million to increase public transportation grant funding for rural and urban transit districts;
- a decrease of \$13.0 million from onetime funding for improvements to the McKinney National Airport; and
- a decrease \$2.4 million related to a change in the method of finance for the Rail Safety Program, pursuant to House Bill 4015, Eighty-eighth Legislature, Regular Session, 2023, which directs Rail Safety Program fee revenue to be deposited to the SHF instead of the General Revenue Fund beginning in fiscal year 2024.

Funding for fiscal year 2023 includes supplemental appropriations totaling \$231.0 million in All Funds, pursuant to Senate Bill 30, Eighty-eighth Legislature, Regular Session, 2023. Supplemental appropriations provide \$200.0 million from the General Revenue–Dedicated Port Access Account No. 5199, established by the enactment of Senate Bill 1499, Eighty-eighth Legislature, Regular Session, 2023, to fund maritime port capital improvement projects. Additionally, supplemental appropriations provide \$31.0 million in Other Funds for purchasing motor vehicles.

TxDOT funding for the 2024–25 biennium includes \$23.9 billion in Other Funds (64.0 percent of total funding), consisting primarily of SHF funds. **Figure 314** shows agency appropriations by funding source for the 2024–25 biennium.

FIGURE 314
DEPARTMENT OF TRANSPORTATION FUNDING SOURCES, 2024–25 BIENNIUM



NOTE: Amounts for the State Highway Fund and Texas Mobility Fund are estimated and exclude Federal Funds deposited to the credit of these funds.
SOURCE: Legislative Budget Board.

Funding of \$32.2 billion in All Funds is provided for highway planning and design, right-of-way acquisition, construction, and maintenance and preservation, an increase of \$4.9 billion from the 2022–23 biennium. The All Funds amount includes \$12.3 billion in Federal Funds, \$19.8 billion from all SHF revenue sources, and \$0.2 billion in Other Funds from the Texas Mobility Fund.

The Texas Constitution requires the Comptroller of Public Accounts (CPA) to deposit to the SHF \$2.5 billion of the net revenue derived from the state sales and use tax that exceeds the first \$28.0 billion collected in each fiscal year, and deposit 35.0 percent of the net revenue derived from state motor vehicle sales and rental taxes that exceed the first \$5.0 billion collected in each fiscal year to the SHF (Proposition 7, 2015). Based on the CPA's January 2023 Biennial Revenue Estimate (BRE), appropriations to TxDOT include \$5.0 billion from sales tax deposits (\$2.5 billion in each fiscal year) and \$1.4 billion in motor vehicle sales and rental tax deposits to the SHF anticipated to occur during the 2024–25 biennium. The constitution specifies that these funds may be used to construct, maintain, and acquire rights-of-way for non-tolled public roadways or to repay principal and interest on Proposition 12, 2007, General Obligation (GO) bonds. Funding from Proposition 7 proceeds for the 2024–25 biennium provides \$5.9 billion for development and delivery of non-tolled highway projects and \$0.5 billion for debt service payments on Proposition 12 GO bonds.

The Texas Constitution requires the CPA in each fiscal year to transfer from the General Revenue Fund to the Economic Stabilization Fund (ESF) and the SHF 75.0 percent of the amounts by which tax collections from oil production and natural gas production in the previous fiscal year exceed the amounts collected in fiscal year 1987. The constitution requires one-half of that amount to be allocated to the ESF and one-half to the SHF (Proposition 1, 2014), provided that oil and natural gas tax collections are sufficient and the fund balance of the ESF is greater than the sufficient balance amount determined by the CPA for the current fiscal biennium. Funding provides \$6.9 billion from Proposition 1 oil and natural gas tax-related revenue transfers to the SHF for development and delivery of non-tolled highway projects based on the CPA's January 2023 BRE.

Funding includes an increase of 349.0 full-time-equivalent (FTE) positions from the fiscal year 2023 position cap to provide additional staff to manage increases in transportation project development, to manage increases in Federal Funds

for infrastructure projects, and to provide additional staffing for traffic safety, emergency operations, and cybersecurity.

PROGRAMS

The agency carries out its responsibilities through four program areas: (1) highway planning and construction; (2) other transportation modes and services; (3) other program areas, including administrative and information resources support, traffic safety, government flight services, travel and tourism, and outdoor advertising regulation; and (4) debt service payments.

HIGHWAY PLANNING AND CONSTRUCTION

The agency's largest program area is highway planning and construction. Major functions in this program area include transportation system planning and design, acquisition of rights-of-way, highway construction and preservation, routine system maintenance, and programs that provide state financial participation in the costs of developing tolled and non-tolled roadway projects.

The agency's transportation planning and design function includes long-range road forecasting, preliminary road and bridge design, construction and environmental engineering, research and development, and other activities that contribute to the management and expansion of the state's transportation system. This function includes planning, design, management, and research activities carried out by agency staff and professional services performed by private contractors. Appropriations for transportation system planning and design total \$4.3 billion for the 2024–25 biennium. Funding includes \$1.1 billion in All Funds and 5,019.0 FTE positions for work performed by TxDOT staff, and \$3.1 billion in All Funds for contracted planning and design services.

The agency's right-of-way acquisition function includes the acquisition of rights-of-way and other real property interests for transportation projects, adjustment of utility facilities affected by transportation construction projects, and relocation assistance to displaced property owners and tenants of business and residential properties. Appropriations for right-of-way acquisition total \$3.2 billion in All Funds for the 2024–25 biennium.

The agency's highway construction and preservation function supports contracts for the construction and reconstruction of roads, bridges, and other facilities on the state highway system, and work associated with highway

preventive maintenance and rehabilitation. The agency contracts with private firms for all highway and bridge construction projects. Funding for highway construction and preservation provides for payments to contractors for actual construction work performed. Appropriations for highway construction and preservation total \$20.2 billion in All Funds for the 2024–25 biennium. The agency estimates awarding 1,560 new highway construction contracts during the 2024–25 biennium.

The agency's routine transportation system maintenance function provides routine and preventive maintenance of roadway surfaces, bridges, highway markings, and traffic signal systems. Other routine maintenance activities include roadside mowing, litter removal, rest area maintenance, emergency repairs, and ferry facilities maintenance. Routine transportation system maintenance is the agency's largest function in terms of the number of employees involved; it includes work performed by agency staff and contractors. Appropriations for routine transportation system maintenance total \$4.5 billion in Other Funds for the 2024–25 biennium (including \$2.4 billion for contracted routine maintenance and \$2.1 billion for activities to be performed by TxDOT personnel) and provides for 6,198.0 FTE positions.

Appropriations for highway planning and construction also include \$0.6 billion in All Funds for the 2024–25 biennium for programs that support the following activities: (1) pass-through financing to reimburse local governments for their participation in the development of state highway improvement projects; (2) state participation in the costs of local toll projects; and (3) loans to local governments to finance eligible highway projects through the federally authorized State Infrastructure Bank.

OTHER TRANSPORTATION MODES AND SERVICES

The agency also is responsible for other transportation modes and services, including public transportation, aviation, ferry operations, rail, and maritime transportation.

The agency's public transportation program promotes public transportation projects by distributing state and federal grants and assisting small urban and rural transportation providers, communities, nonprofit organizations, and political subdivisions in the development and delivery of public transportation services. The agency distributes federal and state grants to 36 rural transit districts (serving areas with populations of less than 50,000), 22 small urban transit districts (serving areas with populations from 50,000 to

199,999), and 10 large urban transit districts (serving areas with populations of 200,000 or more) to provide funding for transit operating expenses and capital projects such as transit vehicle replacement. Appropriations for public transportation total \$271.6 million in All Funds for the 2024–25 biennium.

The agency's aviation services program provides state and federal financial and technical assistance to Texas communities for airport development, maintenance, and capital improvement. The agency also acts as the agent of the state and each political subdivision in applying for, receiving, and disbursing federal aviation funds for the state's general aviation, reliever, and nonprimary commercial service airports. The agency anticipates approving 70 grants for airport capital improvements during each fiscal year of the 2024–25 biennium. Appropriations for aviation services total \$324.2 million in All Funds for the 2024–25 biennium.

The agency operates a toll-free ferry system that connects Port Aransas to Aransas Pass and another connecting Galveston Island to the Bolivar Peninsula. The ferry services transport vehicles and passengers across these routes 24 hours a day, seven days a week. Appropriations for ferry operations total \$104.7 million in Other Funds for the 2024–25 biennium.

The agency's rail transportation program oversees state rail planning, research, and contracts for rail facility improvements; manages the state-owned South Orient Railroad, which extends west 391.0 miles from Coleman County to the Texas–Mexico Border at Presidio; and conducts rail safety inspections to ensure compliance with state and federal regulations. Appropriations for rail transportation total \$31.4 million in All Funds for the 2024–25 biennium.

The agency's maritime program supports and promotes waterborne transportation and related intermodal transportation projects in Texas. The agency provides financial support for maritime transportation through administration of the Ship Channel Improvement Revolving Fund (SCIRF) and the Port Access Account Fund (PAAF). TxDOT administers the SCIRF to provide financial assistance through a revolving loan program to non-federal sponsors of eligible Texas ship channel improvement projects to be financed and implemented in partnership with the U.S. Army Corps of Engineers. TxDOT also provides funding through the PAAF for port development and infrastructure projects located within the jurisdiction of a maritime port. Additionally, the agency's maritime program administers the

state's responsibility as the nonfederal sponsor of the portion of the Gulf Intracoastal Waterway that extends 406.0 miles from the Sabine River to the Brownsville Ship Channel along the Texas coast. The agency provides support for navigation along the waterway by determining methods to dredge the waterway to maintain its depth and acquiring sites to dispose of dredged material. Appropriations for maritime infrastructure projects and supporting the Gulf Intracoastal Waterway total \$402.2 million in Other Funds for the 2024–25 biennium.

OTHER PROGRAM AREAS

Other programs and activities carried out by the agency include promoting traffic safety, providing travel and tourism information, providing government flight transportation services and maintenance for state-owned aircraft, regulating outdoor advertising, and providing administrative and information resources support for all agency programs.

The agency's traffic safety program coordinates efforts and activities to reduce the number and severity of traffic crashes, injuries, and fatalities. The program provides state and federal grant funding to state agencies, local jurisdictions, and private nonprofit organizations for projects focusing on vehicle occupant protection, selective traffic enforcement, impaired driving, and other roadway safety education and awareness efforts. The agency also is responsible for collecting and maintaining motor vehicle traffic crash information submitted by law enforcement agencies across the state. Appropriations for traffic safety total \$127.3 million in All Funds for the 2024–25 biennium.

The agency administers travel information programs that support and promote tourism in the state and travel on Texas roadways. The agency operates 12 travel information centers across the state that provide roadway, travel, and tourism information to the media and the public. In addition, the agency publishes the monthly *Texas Highways* magazine, an official state travel map, and other travel guides. The agency's travel information program also provides highway condition information to the public online and through a toll-free telephone service. Appropriations for travel information total \$40.6 million in All Funds for the 2024–25 biennium.

The agency's flight services program serves as a point of coordination for state officials and agencies for the use and maintenance of state-owned aircraft. The agency maintains and operates a fleet of aircraft to provide air travel services to state officials, employees, or sponsored contractors traveling on official state business. Additionally, the agency provides

maintenance services, fuel, hangar space, and other services to support the maintenance and operation of state-owned aircraft. Appropriations for flight services total \$21.0 million in All Funds for the 2024–25 biennium.

The agency's outdoor advertising regulation program regulates the display of off-premise outdoor advertising signs located within 660.0 feet of the right-of-way of certain highways in urban areas or visible from the main traveled way of highways located outside of urban areas. The agency is required by federal and state law to control outdoor advertising along regulated highways. Before installing or maintaining a sign or billboard, an individual or company must obtain an outdoor advertising license and a sign permit from TxDOT. Appropriations for outdoor advertising regulation total \$3.5 million in Other Funds for the 2024–25 biennium.

Other program areas include central administration, information resources, and other services to support the daily operations of all other TxDOT programs and the Texas Transportation Commission (TTC). The agency's central administration functions include executive administration, finance and accounting services, planning and policy development, government and public affairs, human resources, and legal support. The agency's information resources program provides for the planning, management, and operation of information technology systems and equipment. Other support services include purchasing and contract services, property management, vehicle fleet maintenance, document and records management, printing services, and internal mail operations. Appropriations for administrative and information resource support services total \$878.6 million in Other Funds for the 2024–25 biennium.

DEBT SERVICE

The agency's debt service program area provides funding for debt service payments and other financing costs associated with bond obligations, short-term borrowing, and other credit agreements issued by the TTC. With the commission's authority, the agency administers three major bond programs secured by and payable from funds in the state Treasury, including Texas Mobility Fund bonds, SHF Revenue bonds (Proposition 14, 2003), and Highway Improvement GO bonds (Proposition 12, 2007). The agency also is authorized to enter into agreements for short-term borrowing to facilitate cash management operations and address fluctuations in the cash balance of the SHF. Appropriations

for debt service payments and associated financing costs total \$2.2 billion in All Funds for the 2024–25 biennium.

PRIMARY FUNDING SOURCES

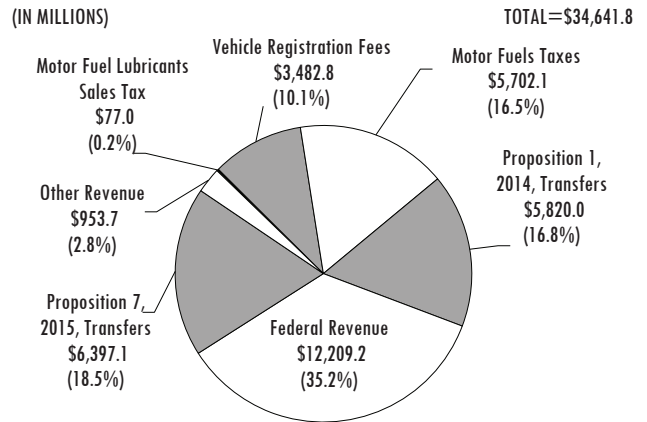
STATE HIGHWAY FUND

The SHF is the agency’s primary source of appropriations and operating funds for most of the agency’s programs. Appropriations from the SHF, excluding federal revenue deposited to the fund, total \$22.8 billion for the 2024–25 biennium (61.2 percent of total appropriations) based on the Comptroller of Public Accounts’ BRE and estimated SHF balances for the 2024–25 biennium. The SHF is not established or dedicated by the Texas Constitution, but certain revenue sources deposited to the fund are dedicated by the constitution for acquiring rights-of-way; constructing, maintaining, and policing public roadways; and for the administration of laws pertaining to the supervision of traffic and safety on public roadways. Money in the fund that the constitution does not require to be spent on public roadways may be used for any function performed by TxDOT. Revenues in the SHF that are dedicated by the constitution for public roadway purposes include motor fuels taxes, vehicle registration fees, general sales taxes, motor vehicle sales and rental taxes, sales taxes on motor fuel lubricants, oil and natural gas tax-related transfers to the fund, and federal reimbursement receipts for highway expenditures. Other statutory fees deposited to the fund that are not dedicated by the constitution include special vehicle permit fees and other fees associated with administrative and regulatory functions carried out by TxDOT and other agencies. **Figure 315** shows the estimated revenue to the SHF by revenue source for the 2024–25 biennium based on the CPA’s October 2023 Certification Revenue Estimate.

TEXAS MOBILITY FUND

The Texas Mobility Fund (TMF) is established by the constitution as a revolving fund to provide financing for construction, reconstruction, acquisition, and expansion of state highways, and state participation in the costs of publicly owned toll roads and other public transportation projects. The constitution authorizes the Legislature to dedicate to the fund any taxes or other revenues that are not otherwise dedicated to the SHF. Additionally, the constitution authorizes the Legislature to authorize TTC, by general law, to issue bonds and enter into other credit agreements secured by and payable from a pledge of money in the fund. Revenues dedicated to the fund include driver license fees, driver record information fees, motor vehicle inspection fees, and

**FIGURE 315
STATE HIGHWAY FUND REVENUE SOURCES
2024–25 BIENNIUM**

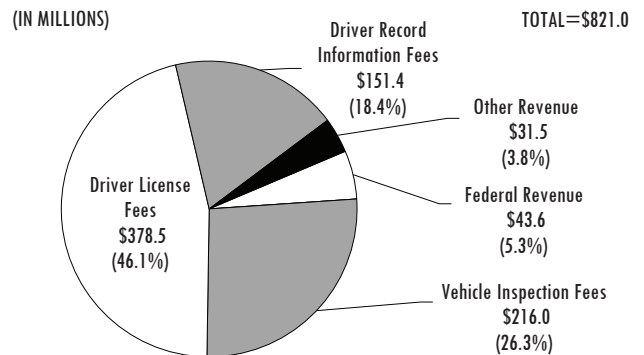


NOTES:

- (1) Amounts are estimated.
- (2) The amount for Proposition 1, 2014, represents estimated oil and natural gas tax-related transfers to the State Highway Fund (SHF).
- (3) The amount for Proposition 7, 2015, represents estimated sales tax transfers to the SHF.

SOURCES: Legislative Budget Board; Comptroller of Public Accounts.

**FIGURE 316
TEXAS MOBILITY FUND REVENUE SOURCES
2024–25 BIENNIUM**



NOTE: Amounts are estimated.

SOURCES: Legislative Budget Board; Comptroller of Public Accounts.

various other revenues related to transportation. **Figure 316** shows the estimated revenue to the TMF by revenue source for the 2024–25 biennium.

FEDERAL FUNDS

Federal Funds account for 34.4 percent of the agency’s total appropriations for the 2024–25 biennium. Of these funds, \$12.5 billion, or 96.2 percent, are for highway planning and construction. The remaining Federal Funds appropriations

FIGURE 317
TEXAS DEPARTMENT OF TRANSPORTATION BOND PROGRAM SUMMARY, AS OF AUGUST 31, 2023

(IN MILLIONS)

PROGRAM	YEAR AUTHORIZED	TOTAL AUTHORIZED AND ISSUED	PRINCIPAL OUTSTANDING	REMAINING REPAYMENTS (3)
Texas Mobility Fund	2001	\$7,390.6	\$5,645.8	\$8,271.2
Proposition 14	2003	\$6,000.0	\$2,942.8	\$3,649.8
Proposition 12 (2)	2009	\$5,000.0	\$3,201.1	\$4,625.8

NOTES:

- (1) Amounts represent total debt authorized and issued, outstanding principal, and repayments remaining as of August 31, 2023.
- (2) The Proposition 12 constitutional amendment was approved by voters in 2007. However, the Legislature did not pass enabling legislation authorizing the issuance of Proposition 12 bonds until 2009.
- (3) Remaining repayment amounts include repayments of outstanding principal plus estimated interest payments on fixed-rate and variable-rate debt through fiscal year 2046.

SOURCES: Legislative Budget Board; Texas Department of Transportation.

consist of funding for public transportation, general aviation, traffic safety programs, rail transportation studies and capital improvements, and debt service subsidies for bonds issued in accordance with the Build America Bonds program. Federal aid for transportation is typically distributed to states in the form of reimbursements of state expenditures for eligible projects. As work is completed and payments are made, the state is reimbursed in accordance with the federal–state participation matching ratios established for the federal program categories, typically 80.0 percent federal match for federal aid highway projects.

BOND PROGRAMS

The Texas Constitution and state law authorize TTC to administer bond programs. The agency administers three such major bond programs, which are used as a method of financing for transportation projects: (1) TMF bonds; (2) SHF Revenue (Proposition 14, 2003) bonds; and (3) Highway Improvement GO (Proposition 12, 2007) bonds.

TMF bonds are secured by revenue deposited to the TMF and backed by the full faith and credit of the state. Proposition 14 bonds are secured by and payable from revenue in the SHF. Proposition 12 bonds are GO bonds backed by the full faith and credit of the state and payable from General Revenue Funds.

TTC is authorized to issue debt obligations in aggregate amounts not to exceed \$6.0 billion for Proposition 14 bonds and \$5.0 billion for Proposition 12 bonds. The issuance of TMF bonds is not limited to a specific aggregate cap but is limited by statutory debt service coverage requirements based on the Comptroller of Public Accounts’ certified estimate of revenue dedicated to the fund. As of the end of the 2016–17 biennium, TTC has issued all authorized debt for each of the

three bond programs. No bond proceeds from these three programs are included in the agency’s appropriations for the 2024–25 biennium.

Figure 317 shows each bond program, including the amounts of debt authorized and issued, outstanding principal, and total principal and interest repayments remaining as August 31, 2023.

SIGNIFICANT LEGISLATION

House Bill 2230 – Determining the sufficient balance of the ESF for the purpose of allocating General Revenue Funds to the ESF and SHF. The legislation extends the statutory expiration date for the allocation of oil and gas production tax-related revenue transfers from the General Revenue Fund to the SHF (Proposition 1, 2014, allocations) from December 31, 2034, to December 31, 2042 (fiscal year 2043).

House Bill 4015 – Disposition of Rail Safety Program fees. The legislation requires fees assessed on railroads operating in Texas and collected by TxDOT for the Rail Safety Program to be deposited to the State Highway Fund instead of the General Revenue Fund, effective September 1, 2023.

House Bill 4422 – Study on enhancing border security outcomes. The legislation requires TxDOT, in consultation with the Department of Public Safety, Texas Military Department, the Texas A&M Transportation Institute, and other specified entities, to conduct a study on public safety, border security, and transportation infrastructure from Texas–Mexico border crossings onto the state highway system to ensure safe, efficient, and streamlined commercial motor vehicle connectivity. The legislation requires TxDOT,

as part of the study, to analyze current transportation routes for commercial motor vehicles at selected Texas–Mexico international border crossings and identify ways to strengthen border security initiatives that support Operation Lone Star or similar state security efforts; support law enforcement efforts to maximize oversight of border crossings and inspection of vehicles using border crossings; and improve connectivity, efficiency, and safety for movement of commercial motor vehicles from border crossings onto the state highway system. The legislation requires TxDOT by December 1, 2024, to submit a report on the findings of the study and any recommendations to the Governor, Lieutenant Governor, and the Legislature.

Senate Bill 505 – Additional fee for registration of an electric vehicle. The legislation establishes additional fees of \$400 for registration of a new electric vehicle and \$200 for renewal of registration for an electric vehicle for vehicles with a gross vehicle weight of 10,000 pounds or less, effective September 1, 2023. Revenue from fees collected will be deposited to the SHF.

Senate Bill 1499 – Funding of port infrastructure projects. The legislation reenacts the establishment of the Port Access Account Fund (PAAF) as an account in the General Revenue Fund and authorizes money appropriated to the fund by the Legislature and money received from the federal government to be credited to the PAAF. Senate Bill 1499 specifies that an applicant eligible for PAAF funding may not receive more than 20.0 percent of the total amount of money appropriated to TxDOT in a fiscal biennium to fund the applicant's eligible projects under the PAAF program.

Senate Concurrent Resolution 2 – Extending the deposit of certain tax revenue to the SHF. The resolution extends the expiration date for the CPA pursuant to the Texas Constitution, Article 8, Section 7-c (Proposition 7, 2015), to deposit to the credit of the SHF \$2.5 billion of the net revenue derived from the state sales and use tax that exceeds the first \$28.0 billion collected in each fiscal year from August 31, 2032, to August 31, 2042; and extends the expiration date for the CPA to deposit to the credit of the SHF 35.0 percent of the net revenue derived from state motor vehicle sales and rental taxes that exceed the first \$5.0 billion collected in each fiscal year from August 31, 2029, to August 31, 2039.

TEXAS WORKFORCE COMMISSION

PURPOSE: Support an effective workforce system that provides economic opportunity for employers, individuals, and communities, and administer the state Child Care and Unemployment Insurance programs.

ESTABLISHED: 1995

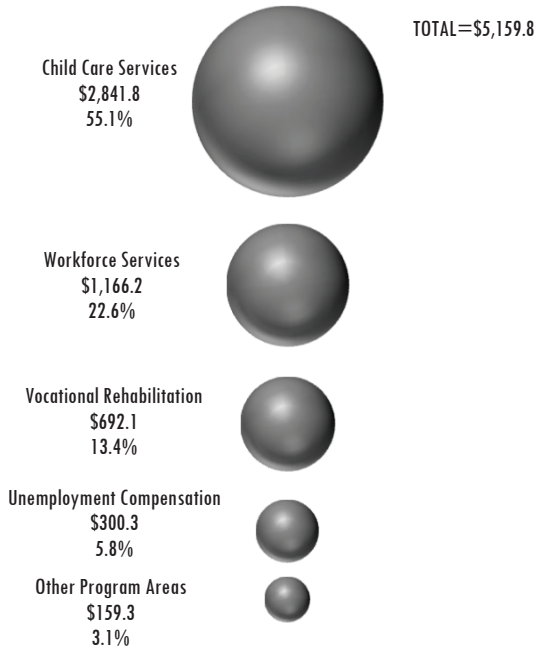
AUTHORIZING STATUTE: The Texas Labor Code, §301.001

GOVERNANCE: Texas Workforce Commission—three members appointed by the Governor with advice and consent of the Senate

FIGURE 318
TEXAS WORKFORCE COMMISSION BY METHOD OF FINANCE

METHOD OF FINANCE	(IN MILLIONS)				APPROPRIATED FULL-TIME-EQUIVALENT POSITIONS
	ESTIMATED/BUDGETED 2022–23	APPROPRIATED 2024–25	BIENNIAL CHANGE	PERCENTAGE CHANGE	
General Revenue Funds	\$378.9	\$504.6	\$125.6	33.2%	2024 4,905.5 2025 4,916.5
General Revenue–Dedicated Funds	\$11.7	\$19.2	\$7.4	63.2%	
Federal Funds	\$8,717.8	\$4,516.4	(\$4,201.4)	(48.2%)	
Other Funds	\$174.8	\$119.6	(\$55.2)	(31.6%)	
Total, All Methods of Finance	\$9,283.3	\$5,159.8	(\$4,123.5)	(44.4%)	

AGENCY PROGRAM AREAS BY APPROPRIATION (IN MILLIONS)



SIGNIFICANT DEVELOPMENTS

Appropriations include a **net decrease of \$4.2 billion** in Federal Funds, primarily related to **onetime awards from the Coronavirus Relief Fund** in Child Care Development Block grants during the 2022–23 biennium.

Appropriations include an **increase of \$35.0 million** in General Revenue Fund for the federal **Child Care and Development Block Grant** in fiscal year 2025 to meet the permanent increased federal mandatory match.

Appropriations include a **decrease of \$55.2 million** in Other Funds to align Interagency Contract transfers with **cost projections for childcare** purchased by the Department of Family and Protective Services for certain children.

Appropriations include an **increase of \$125.6 million** in General Revenue Funds primarily related to additional funding for the Skills Development, Apprenticeship, and Jobs and Education for Texans programs, and for the statewide salary adjustment.

SOURCE: Legislative Budget Board.

MAJOR FUNDING

Funding for the Texas Workforce Commission (TWC) totals \$5,159.8 million for the 2024–25 biennium, a net decrease of \$4,123.5 million in All Funds from 2022–23 biennial spending levels. The decrease in funding is related primarily to a \$4,237.5 million decrease in onetime pandemic-related federal funding that is no longer available, and a \$42.8 million net decrease primarily due to an Interagency Contract (Other Funds) transfer to align with projected childcare costs at the Department of Family and Protective Services (DFPS). Additionally, the agency received \$44.8 million in All Funds for the statewide employee salary adjustment.

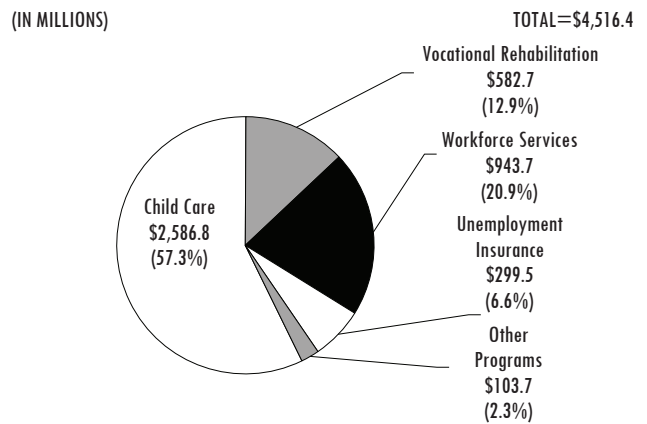
Changes in federal grants that are not related to the pandemic represent a net increase that is due primarily to the following changes:

- an increase of \$88.9 million in the federal Child Care and Development Block Grant (CCDBG) to meet the program’s increased demand for grants and contracting services;
- an increase of \$35.5 million in the Vocational Rehabilitation Services grant to provide additional services and serve additional customers in the Independent Living Services for Older Individuals Who Are Blind Program;
- an increase of \$4.8 million in the Adult Education state grant program;
- a net increase of \$4.7 million in the various Workforce Investment Act grant programs;
- an increase of \$2.7 million in Federal Funds and \$0.5 million in General Revenue Funds with capital budget authority to replace the agency’s legacy Cash Draw and Expenditure Reporting system;
- a decrease of \$88.3 million in the Unemployment Insurance program due to decreasing unemployment insurance claims; and
- a decrease of \$16.6 million in the USA Apprenticeship grant program.

Federal Funds account for \$4,516.4 million, or 87.5 percent, of the agency’s total appropriation. **Figure 319** shows the agency’s appropriations of Federal Funds by program area.

TWC’s General Revenue Fund appropriations include a net increase that is due primarily to the following changes:

FIGURE 319
TEXAS WORKFORCE COMMISSION FEDERAL FUNDS BY PROGRAM AREA, 2024–25 BIENNIUM



NOTE: Excluded are federal funds from Supplemental Nutrition Assistance Program Employment and Training, which are represented as Other Funds in the Texas Workforce Commission’s (TWC) bill pattern due to an Interagency Contract between TWC and the Health and Human Services Commission required by federal regulations.
SOURCE: Legislative Budget Board.

- an increase of \$35.0 million for the permanent federal mandatory match increase in the CCDBG in fiscal year 2025;
- an increase of \$33.8 million in the Skills Development program for the expansion of various skills development and training programs, and the expansion of the Jobs and Education for Texans program; and
- an increase of \$25.6 million in Apprenticeship programs to implement the Texas Industry-Recognized Apprenticeship Programs (IRAP) Grant Program and expand an existing pilot pre-apprenticeship program.

Additionally, TWC’s General Revenue–Dedicated Funds appropriations consist of a net increase that is due primarily to the following amounts:

- \$5.0 million for the Lone Star Workforce of the Future Fund, as established by the Eighty-eighth Legislature, Regular Session, 2023; and
- \$2.2 million to replace the agency’s legacy Labor Law System.

In addition, funding for fiscal year 2023 includes supplemental appropriations totaling \$0.7 million in All

FIGURE 320
TEXAS WORKFORCE COMMISSION (TWC) WORKFORCE SERVICES PROGRAMS, 2024–25 BIENNIUM

PROGRAM	APPROPRIATION (IN MILLIONS)	PERCENTAGE OF APPROPRIATION FEDERALLY FUNDED
Workforce Innovation and Opportunity Act	\$446.1	99.97%
TANF Choices (1)	\$199.6	88.65%
SNAP Employment and Training (2)	\$37.7	76.52%
Employment Services	\$103.9	89.35%
Trade Adjustment Assistance	\$39.1	100.00%
Adult Education and Literacy	\$191.5	88.87%
Skills Development	\$95.3	0.00%
TANF Self-Sufficiency (1)	\$4.9	100.00%
Apprenticeship	\$39.0	12.00%
Senior Community Service Employment	\$9.1	98.39%
Total	\$1,166.2	83.39%

NOTES:

- (1) TANF=Temporary Assistance for Needy Families.
 - (2) Supplemental Nutrition Assistance Program (SNAP) Employment and Training is a federally funded program; however, the program's funding is represented as Other Funds in TWC's bill pattern due to an Interagency Contract between TWC and the Health and Human Services Commission required by federal regulations.
 - (3) Amounts may differ due to rounding.
- SOURCE: Legislative Budget Board.

Funds for vehicle replacement, pursuant to Senate Bill 30, Eighty-eighth Legislature, Regular Session, 2023.

PROGRAMS

The agency carries out its responsibilities through five major program areas: (1) Workforce Services; (2) Child Care Services; (3) Vocational Rehabilitation; (4) Unemployment Compensation; and (5) Other Program Areas. These functions are administered at the state level and through 28 designated Local Workforce Development Boards (LWDB) that deliver local workforce and support services. Approximately 71.6 percent of TWC's All Funds appropriations for the 2024–25 biennium consist of block grant allocations to the LWDBs.

WORKFORCE SERVICES

The Workforce Services program area consists of 10 programs established to offer employers, individuals, and communities the opportunity to achieve and sustain economic independence. This program area includes the following programs: (1) Workforce Innovation and Opportunity Act (WIOA); (2) Temporary Assistance for Needy Families (TANF) Choices; (3) Supplemental Nutrition Assistance Program (SNAP) employment and training; (4) employment services; (5) trade adjustment assistance; (6) adult education and literacy; (7) skills development; (8) TANF self-

sufficiency; (9) apprenticeship; and (10) senior community service employment program.

Among the workforce services programs, funding for WIOA, TANF Choices, SNAP Employment and Training, Employment Services, and Trade Adjustment Assistance programs are provided as allocations to the LWDBs that administer the programs. The remaining programs, including Adult Education and Literacy, Skills Development, TANF Self-Sufficiency, Apprenticeship, and Senior Community Service Employment programs are administered by TWC at the state level. **Figure 320** shows biennial appropriations in All Funds by Workforce Services Program Area.

The goal of the WIOA program is to improve the quality of the adult workforce, decrease welfare dependency, re-employ dislocated workers, enhance economic productivity and competitiveness, and to assist eligible youth in acquiring skills, training, and support needed to successfully transition to careers and productive adulthood. TWC allocates WIOA funds to LWDBs to contract for training services, workforce services, and maintenance of the Workforce Solutions offices. Approximately 24,000 adults are estimated to participate in the WIOA program each year.

LWDBs also provide job readiness and job training services through the TANF Choices and SNAP Employment and

Training programs. TANF Choices assists applicants, recipients, and former recipients of TANF Cash Assistance in transitioning from welfare to work through participation in work-related activities and is expected to serve approximately 22,000 participants each year. SNAP Employment and Training assists SNAP recipients in working toward becoming self-sufficient and is expected to serve approximately 31,500 participants each year.

The Employment Services program provides a variety of employment-related services to the public, including job search assistance, job referral, and re-employment services for unemployment benefit claimants. Although LWDB staff provide job-search and recruitment-assistance services, approximately 610 agency employees administer these services. This program utilizes partnerships between community-based organizations and employers to assist Texans in securing permanent employment. In addition, employment services funding is provided to develop programs for women entering careers in Texas manufacturing and technology.

Pursuant to the federal Trade Adjustment Assistance Act, TWC provides funding to the LWDBs to provide training, case management, job search, and related services to qualified laid-off workers that are included in trade positions certified by the U.S. Department of Labor through the trade adjustment assistance program.

At the state level, the Adult Education and Literacy program assists adults in becoming literate and obtaining the knowledge and skills necessary for employment and self-sufficiency. The program provides English language, reading, writing, and math instruction to help adults succeed in the workforce, earn a high school equivalency, or enter college or career training. The agency anticipates serving approximately 72,000 students each year.

Both the Skills Development and TANF Self-sufficiency programs respond to the workforce needs of Texas employers and industries by providing grants to community colleges, technical schools, and school districts to fund customized training programs tailored to new or existing jobs with local employers. The TANF Self-sufficiency program requires all participating trainees to be current or potential TANF recipients. TANF trainees obtain industry-recognized certificates and credentials that lead to permanent, full-time employment. Within the Skills Development Program, the Jobs and Education for Texans (JET) program distributes grants to public community colleges, state and

technical colleges, school districts, and open-enrollment charter schools to assist with start-up costs of equipment purchases or upgrades for career and technical education programs related to high-demand occupations. Increases in appropriations for the Skills Development program for the 2024–25 biennium include the following amounts:

- \$18.8 million in General Revenue Funds, with authority for 3.0 additional full-time-equivalent (FTE) positions to accommodate an increase in demand for the agency’s various skills development and training programs;
- \$15.0 million in General Revenue Funds to expand the JET program in response to the increase of grant applicants across the state; and
- \$5.0 million in General Revenue–Dedicated Funds to implement the provisions of House Bill 1755, Eighty-eighth Legislature, 2023, which establishes the Lone Star Workforce of the Future Fund (see the **Significant Legislation** section).

The agency anticipates serving approximately 32,500 participants each year in the Skills Development program and approximately 1,950 participants each year in the TANF Self-sufficiency program.

The Apprenticeship program prepares individuals for occupations in skilled trades and crafts by combining paid on-the-job training with the supervision of experienced journey workers, with related classroom instruction that typically lasts three to five years. Increases in appropriations for the Apprenticeship program in General Revenue Funds for the 2024–25 biennium include:

- \$20.0 million to implement the Texas IRAP grant program, pursuant to House Bill 2784, Eighty-sixth Legislature, 2019; and
- \$5.6 million, with authority for 1.0 additional FTE position for the Pre-apprenticeship Career Pathways pilot program to develop preparatory instruction for high school students and adults for in-demand industries in Texas.

The Apprenticeship program will serve an anticipated 23,600 individuals each year.

The Senior Community Service Employment program funds public or community service jobs for economically disadvantaged citizens age 55 or older to enhance individual

economic self-sufficiency. The program will serve an estimated 23,600 individuals each year.

CHILD CARE SERVICES

The Child Care Services program area provides childcare services to families who qualify for and receive public assistance or whose income does not exceed a certain level. Services provided through the Child Care program allow individuals to participate in education and job training services to remain employed, or to complete education and skills training. In addition to providing subsidized childcare, the agency supports childcare providers participating in early childhood school-readiness models and professional development programs for early childhood education professionals.

TWC allocates a portion of total childcare appropriations to each LWDB along with a performance target for the number of children served. LWDBs follow these parameters in working with local childcare service providers to reimburse services rendered up to a maximum reimbursement rate set by the LWDB. Additionally, the Department of Family and Protective Services (DFPS) reimburses TWC for childcare services provided to children that are determined eligible for protective services by DFPS.

Child Care services form the largest, single program at TWC. The agency is appropriated \$2,841.8 million in All Funds for the 2024–25 biennium, or 55.1 percent of the agency’s biennial appropriations. Funds from the federal CCDBG constitute the majority of federal funds received and utilized for childcare services; approximately 91.0 percent of the Child Care program’s biennial appropriation is federally funded for the 2024–25 biennium. General Revenue Funds for the Child Care program increased \$35.0 million in the 2024–25 biennium to meet the permanent mandatory match increase pursuant to the enactment of the federal America Rescue Plan Act of 2021. Additionally, the agency was appropriated an additional \$5.0 million in Federal Funds to develop and implement a common eligibility screening tool across multiple early childhood programs to allow families to determine service eligibility more easily. The program will serve a daily average of 140,000 children across the state.

VOCATIONAL REHABILITATION

The vocational rehabilitation program primarily consists of three programs, including: (1) Vocational Rehabilitation (VR); (2) Business Enterprises of Texas (BET); and (3) BET Trust Fund.

The VR program assists disabled Texans in achieving employment through individualized services and job placement assistance services and is the largest of the programs within the Vocational Rehabilitation program area, with appropriations totaling \$686.0 million in All Funds for the 2024–25 biennium. This is an increase of \$34.9 million in All Funds from the 2022–23 biennial spending level. The program’s increase in Federal Funds will provide additional employment and education services for eligible adults and youth including vocational evaluation, physical restoration, rehabilitation technology, postsecondary education and training, and job placement assistance. The agency will serve an estimated 138,600 customers during the 2024–25 biennium.

The BET program develops and maintains business management opportunities for legally blind persons in food-service operations and vending facilities located on public and private properties. The BET Trust Fund program establishes and maintains a retirement and benefit plan for licensed managers within the BET program. The BET program is appropriated \$5.3 million in All Funds, and the BET Trust Fund is appropriated \$0.8 million in General Revenue–Dedicated Funds for the 2024–25 biennium. The agency will serve an estimated 140 business managers each year of the biennium.

UNEMPLOYMENT COMPENSATION

The agency also administers the state’s Unemployment Compensation program, which collects payroll taxes from the state’s employers and provides monetary assistance to persons unemployed through no fault of their own. The program promotes economic stability by preserving buying power in communities experiencing an economic downturn and includes an appellate component through which a claimant or employer may appeal a determination of benefit rights. TWC is responsible for measuring the propriety of benefits paid, for recovering benefits that have been overpaid, and for initiating criminal or civil legal actions when fraud is detected. The Unemployment Compensation program is appropriated \$303.3 million in All Funds for the 2024–25 biennium.

Employer taxes are collected in the Unemployment Compensation Trust Fund, from which workers’ benefits are paid. Like other employers, state agencies reimburse the Unemployment Compensation Trust Fund for benefits paid to former employees who become unemployed. TWC credits the fund for this activity through the Reimbursements to the

Unemployment Compensation Benefit Account (RUCBA). Although appropriations to RUCBA reside in a separate bill pattern, the account is managed by TWC and its purpose is to provide unemployment benefits to those former employees from state agencies, hospitals, and universities.

OTHER PROGRAM AREAS

Other program areas consist of seven additional programs, which can be organized by functions that promote accountability and enforcement within the agency's workforce system and programs that provide agency administrative support. Programs related to accountability and enforcement include: (1) Labor Law; (2) Career Schools and Colleges; (3) Civil Rights; (4) Foreign Labor Certification; (5) Labor Market and Career Information; and (6) Work Opportunity Tax Credit. The Indirect Administration Program includes: (1) Central Administration; (2) Information Resources; and (3) Other Support Services. Appropriations to other program areas total \$159.3 million in All Funds for the 2024–25 biennium.

The Labor Law program is appropriated \$10.5 million in General Revenue–Dedicated Funds for the 2024–25 biennium to enforce the Texas Pay Day Law and Texas Child Labor Law. The Texas Pay Day Law helps workers obtain payment of wages due, and the Texas Child Labor Law protects children from exploitation in the workplace. TWC's appropriation for this program includes an additional \$2.2 million in General Revenue–Dedicated Funds to replace the agency's legacy Labor Law System used to track and process labor law and wage claims and child labor law violations and investigations. The agency will conduct an estimated 2,600 onsite inspections each year of the biennium.

The Career Schools and Colleges program regulates private postsecondary schools offering vocational or continuing education to students across the state. The agency is appropriated \$2.1 million in fee-generated General Revenue Funds collected from the licensed entities. The agency will license an estimated 1,360 private postsecondary schools in the state during the 2024–25 biennium.

The Civil Rights program works in conjunction the U.S. Equal Employment Opportunity Commission and the U.S. Department of Housing and Urban Development to enforce the Texas Commission on Human Rights Act and the Texas Fair Housing Act. TWC's Civil Rights program is appropriated \$7.2 million in All Funds to investigate complaints; review policies and procedures of state agencies and institutions of higher education; report

statistics to federal, state, and local agencies; and conduct trainings. The program's appropriation increased \$0.7 million in General Revenue Funds, with authority for 6.0 additional FTE positions in the 2024–25 biennium to clear an equal employment opportunities complaint backlog. The agency plans to clear the backlog of approximately 1,000 equal employment opportunity complaints by the end of the biennium.

The Foreign Labor Certification program assists employers in creating job postings for domestic workers before applying for a labor certification, reviewing labor certification applications submitted by employers seeking to hire temporary foreign workers, conducting surveys on agricultural wages across the state to ensure compliance with fair wage laws, and inspecting employer-provided housing for temporary foreign workers. The program is appropriated \$1.7 million in Federal Funds in the 2024–25 biennium.

The Labor Market and Career Information program (LMI) collects and arranges data points on the Texas labor market to assist individuals in career and educational decisions. LMI also provides key economic data on occupations and in-demand industries across the state, as well as information on educational and training programs. The program is appropriated \$12.7 million in All Funds for the 2024–25 biennium.

The Work Opportunity Tax Credit program is a federal tax credit program for businesses. The program encourages employers to hire certain job seekers that are facing challenges in finding employment. The program is appropriated \$1.8 million in Federal Funds for the 2024–25 biennium.

The Indirect Administration program, including central administration, information technology, and support services, is appropriated \$78.6 million in All Funds for the 2024–25 biennium.

SIGNIFICANT LEGISLATION

House Bill 1755 – Lone Star Workforce of the Future Fund grant program. The legislation establishes the Lone Star Workforce of the Future Fund (LSWFF) grant program and LSWFF General Revenue–Dedicated Fund. It directs TWC to provide funding to eligible public junior colleges, public technical institutes, and nonprofit organizations for curriculum development, instructor fees and certifications, training materials, and work-related expenses for training program participants to enter career fields determined to be high-growth or high-demand occupations in the state.

Additionally, House Bill 1755 requires the agency to establish performance benchmarks for entities receiving grants and requires grantees to submit reports on participants' progress at least twice a year.

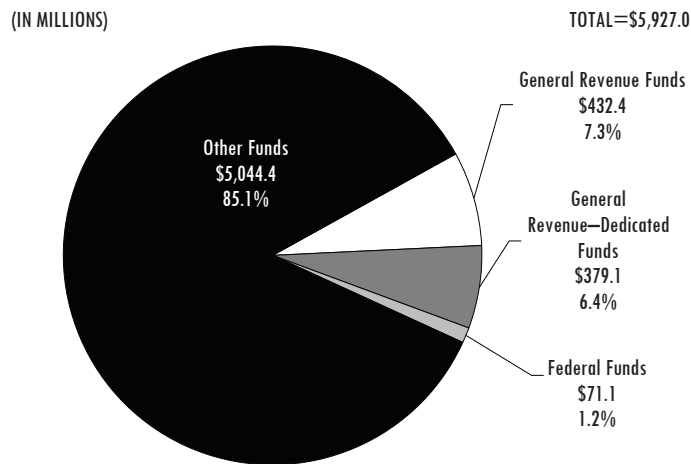
11. REGULATORY

Regulatory agencies are the state agencies charged with the regulation of a wide range of industries and occupations in the state. Regulated industries include insurance, workers' compensation, health-related occupations, non-health-related occupations, telecommunications, electric utilities, securities, and pari-mutuel racing. The appropriations and indirect costs for 18 of the regulatory agencies are supported by fees generated from the industries and occupations they regulate. These agencies are subject to a legislative requirement that fee-generated revenues cover the cost of agency appropriations and the other direct and indirect costs appropriated to other state agencies.

FIGURE 321
ARTICLE VIII – REGULATORY, BY METHOD OF FINANCE

METHOD OF FINANCE	(IN MILLIONS)			
	ESTIMATED/BUDGETED 2022–23	APPROPRIATED 2024–25	BIENNIAL CHANGE	PERCENTAGE CHANGE
General Revenue Funds	\$310.2	\$432.4	\$122.2	39.4%
General Revenue–Dedicated Funds	\$357.0	\$379.1	\$22.1	6.2%
Federal Funds	\$68.6	\$71.1	\$2.5	3.7%
Other Funds	\$94.9	\$5,044.4	\$4,949.6	5,218.3%
Total, All Methods of Finance	\$830.6	\$5,927.0	\$5,096.4	613.6%

SHARE OF FUNDING BY METHOD OF FINANCE (IN MILLIONS)



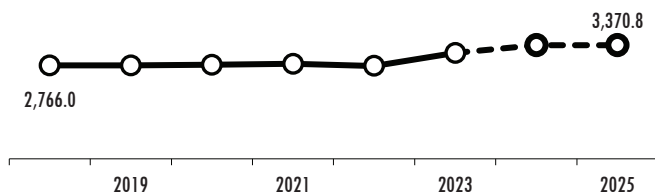
SIGNIFICANT DEVELOPMENTS

The Public Utility Commission is appropriated \$5.0 billion in Other Funds in the new **Texas Energy Fund** to support electric generating facilities established pursuant to voter approval of Senate Joint Resolution 93 and enactment of Senate Bill 2627, Eighty-eighth Legislature, 2023.

The Public Utility Commission is appropriated \$19.8 million in General Revenue Funds and 39.0 full-time-equivalent positions to address increased agency workload demands, provide salary increases, and establish new programs to increase public participation and agency outreach.

The Texas Department of Licensing and Regulation is appropriated \$32.9 million in General Revenue Funds to develop a standardized, cloud-based licensing system.

FULL-TIME-EQUIVALENT POSITIONS



NOTES:

- (1) Excludes Interagency Contracts.
- (2) Full-time-equivalent positions show actual positions for fiscal years 2018 to 2022, budgeted positions for fiscal year 2023, and appropriated positions for fiscal years 2024 and 2025.

SOURCES: Legislative Budget Board; State Auditor's Office.

FIGURE 322
ARTICLE VIII – REGULATORY APPROPRIATIONS BY AGENCY, ALL FUNDS

(IN MILLIONS)	ESTIMATED/BUDGETED 2022–23	APPROPRIATED 2024–25	BIENNIAL CHANGE	PERCENTAGE CHANGE
State Office of Administrative Hearings	\$22.7	\$25.4	\$2.7	11.9%
Behavioral Health Executive Council	\$10.2	\$10.8	\$0.6	6.1%
Board of Chiropractic Examiners	\$1.9	\$2.3	\$0.4	21.5%
Texas State Board of Dental Examiners	\$9.4	\$9.7	\$0.4	3.8%
Funeral Service Commission	\$1.8	\$3.3	\$1.6	89.7%
Board of Professional Geoscientists	\$1.2	\$1.4	\$0.1	9.0%
Health Professions Council	\$3.0	\$3.3	\$0.3	9.9%
Office of Injured Employee Counsel	\$17.4	\$20.3	\$2.9	16.7%
Texas Department of Insurance	\$307.7	\$261.0	(\$46.7)	(15.2%)
Office of Public Insurance Counsel	\$2.0	\$3.3	\$1.3	67.1%
Texas Department of Licensing and Regulation	\$92.3	\$137.3	\$45.0	48.7%
Texas Medical Board	\$32.3	\$44.4	\$12.0	37.2%
Texas Board of Nursing	\$27.2	\$30.8	\$3.6	13.2%
Optometry Board	\$1.1	\$1.1	\$0.1	5.9%
Board of Pharmacy	\$20.3	\$30.2	\$9.9	49.0%
Executive Council of Physical Therapy and Occupational Therapy Examiners	\$2.8	\$3.6	\$0.8	27.3%
Board of Plumbing Examiners	\$6.0	\$7.9	\$1.8	30.0%
Texas Racing Commission	\$14.2	\$18.3	\$4.1	28.8%
Texas State Securities Board	\$15.0	\$18.8	\$3.8	25.0%
Public Utility Commission	\$42.6	\$5,066.6	\$5,023.9	11,789.8%
Office of Public Utility Counsel	\$5.0	\$6.9	\$1.8	36.3%
Board of Veterinary Medical Examiners	\$2.9	\$6.3	\$3.5	119.8%
Subtotal, Regulatory	\$639.2	\$5,713.1	\$5,073.9	793.8%
Retirement and Group Insurance	\$165.2	\$183.1	\$17.9	10.8%
Social Security and Benefits Replacement Pay	\$38.5	\$44.4	\$5.9	15.3%
Lease Payments	\$0.0	\$0.0	\$0.0	N/A
Subtotal, Employee Benefits and Debt Service	\$203.7	\$227.5	\$23.8	11.7%
Less Interagency Contracts	\$12.3	\$13.5	\$1.2	9.7%
Total, All Functions	\$830.6	\$5,927.0	\$5,096.4	613.6%

NOTE: Biennial change and percentage change are calculated on actual amounts before rounding. Therefore, figure totals may not sum due to rounding.

SOURCE: Legislative Budget Board.

MAJOR FUNDING

The regulatory agencies regulate a variety of industries, including health-related occupations, non-health-related occupations, securities, and pari-mutuel racing. The appropriations and indirect costs for most of these regulatory agencies are supported by fees generated from the industries and occupations they regulate.

Eighteen of the regulatory agencies are subject to a legislative requirement that fee-generated revenues must cover the cost of agency appropriations and other direct and indirect costs appropriated to other state agencies. Sixteen of the regulatory agencies generate revenue in excess of these direct and indirect amounts from the regulated occupations and industries. Revenue generated that is greater than the cost of agency appropriations and other direct and indirect costs is deposited to the state Treasury for use in funding other programs across the state.

The Sunset Advisory Commission (SAC) reviewed the Public Utility Commission of Texas, the Office of Public Utility Counsel, and the Board of Veterinary Medical Examiners. House Bill 1500, Eighty-eighth Legislature, Regular Session, 2023, continues the Public Utility Commission of Texas and the Office of Public Utility Counsel until September 1, 2029. Senate Bill 1414, Eighty-eighth Legislature, Regular Session, 2023, changes the Sunset expiration date for the State Board of Veterinary Medical Examiners from September 1, 2029, to September 1, 2027.

All Funds for the regulatory agencies total \$5.9 billion for the 2024–25 biennium, an increase of \$5.1 billion from the 2022–23 biennium. This net increase results from the following changes.

Appropriations for the **Public Utility Commission of Texas** (PUC) increase by \$5.0 billion in All Funds, including the following changes:

- an increase of \$5.0 billion in Other Funds resulting from voter approval of a constitutional amendment that establishes the Texas Energy Fund and appropriations from that fund to the PUC through the General Appropriations Act. This fund supports the construction, maintenance, modernization, and operation of electric generating facilities by providing low-interest loans, grants, and completion bonuses;
- an increase of \$12.8 million in All Funds and an additional 23.0 full-time-equivalent (FTE) positions to address increased agency workload demand and operational costs, and for staff salary increases;

- an increase of \$2.9 million in All Funds and an additional 10.0 FTE positions for a Data Analysis team to support the gathering, storage, and analysis of market data, an Office of Public Participation to support public outreach and education of agency processes, and an Energy Efficiency Plan and Outreach Team to evaluate potential opportunities in energy efficiency to ensure a reliable, dependable, and affordable power supply for Texas;
- an increase of \$2.3 million in All Funds for review of electric utility power supply plans, reliability issues and weatherization of entities outside of the Electric Reliability Council of Texas region, to digitize and update electric service map areas and water utility records, and for updating state aerial imagery to support the agency's mapping staff; and
- an increase of \$1.8 million in General Revenue Funds and an additional 6.0 FTE positions for information technology modernization and to implement SAC recommendations that include the development of policies and procedures, a comprehensive review of water and wastewater rules, a plan for improving data collection and analysis, and development of a precedent manual for prioritizing rulings on water and wastewater regulation.

Appropriations for the **Texas Department of Licensing and Regulation** (TDLR) increase by \$45.0 million in All Funds primarily due to an increase of \$32.9 million in General Revenue Funds for the development of a standardized, cloud-based licensing system; \$5.8 million in General Revenue Funds for the statewide salary adjustment and salary increases for information technology staff; \$5.0 million in General Revenue Funds to expand the Financial Crimes Intelligence Center; and \$2.0 million in General Revenue Funds to support provisions of Senate Bill 1414, which temporarily attaches the Board of Veterinary Medical Examiners to TDLR for four years.

Health-related regulatory agencies' funding increases by \$33.1 million in All Funds primarily due to the following amounts:

- funding for the **Texas Medical Board** increases by \$12.0 million in All Funds and an additional 30.5 FTE positions primarily to address increasing agency workloads and growth in the licensing population, for staff salary increases, for the agency to participate in the National Practitioner Data Bank, to improve

licensee background check processes, for increased costs for agency goods and services due to inflation, and for information technology upgrades;

- funding for the **Board of Pharmacy** increases by \$9.9 million in General Revenue Funds primarily for the Prescription Monitoring Program (PMP) to provide a new enhancement, Statewide Integration, that enables healthcare providers to access a patient's history immediately within the PMP and a new enhancement, NarxCare, that analyzes prescription information and establishes a patient risk score for accidental overdose based on patient history;
- funding for the **Texas Board of Nursing** increases by \$3.6 million in General Revenue Funds and an additional 16.0 FTE positions primarily to support processing an increased number of nursing license applications, to address false and fraudulent nursing degree diplomas and transcripts, for information technology upgrades, and for the statewide salary adjustment; and
- funding for the **State Board of Veterinary Medical Examiners** increases by \$3.5 million in General Revenue Funds and an additional 8.0 FTE positions primarily to implement a new licensing database, for additional staff to address increased agency workloads and a backlog in case investigations, and to improve the market competitiveness for vacant positions through salary increases.

Appropriations for the **Texas Racing Commission** increase by \$4.1 million in All Funds primarily due to funding for equine drug testing and other medical testing provided by the Texas A&M Veterinary Medical Diagnostic Lab and for an additional 18.0 FTE positions that support licensing and regulation.

Appropriations for the **State Securities Board** increase by \$3.8 million in General Revenue Funds to provide staff salary increases, information technology modernization, and an additional 5.0 FTE positions to address agency workload demands.

Appropriations for the **Office of Injured Employee Council** increase by \$2.9 million in General Revenue–Dedicated Funds due to the statewide salary adjustment and a targeted salary increase for the Ombudsman program.

Appropriations for the **State Office of Administrative Hearings** increase by \$2.7 million in All Funds due to the

statewide salary adjustment, a projected increase in contracted workloads, and funding to build 15 hearing rooms for hybrid courtroom appearances.

Appropriations for the **Texas Board of Plumbing Examiners** increase by \$1.8 million in General Revenue Funds and an additional 9.0 FTE positions primarily to meet increased agency workload demands, provide for salary increases, and to expand the agency's statewide exam centers.

Appropriations for the **Office of Public Utility Counsel** increase by \$1.8 million in All Funds and an additional 6.0 FTE positions to support increased electric and water utility cases and projects, for legal expert witness fees, and for the statewide salary adjustment.

Appropriations for the **Office of Public Insurance Counsel** increase by \$1.3 million in General Revenue Funds due primarily to \$0.9 million and an additional 5.0 FTE positions for increased staffing to meet agency workload demands and \$0.3 million for hardware and software upgrades to the Insurance Policy Comparison Tool.

Appropriations for the **Texas Department of Insurance** decrease by \$46.7 million in All Funds due primarily to a decrease of \$65.1 million in onetime funding that is not continued offset by an increase of \$14.2 million for the statewide salary adjustment and \$4.4 million to continue the agency's State Regulatory Response Rider, which authorizes the agency to respond to unexpected changes in the insurance market, including emergencies and natural and human-caused disasters.

SIGNIFICANT LEGISLATION

House Bill 1500 – Sunset legislation for the PUC and the Office of Public Utility Counsel. The legislation continues the PUC and the Office of Public Utility Counsel until September 1, 2029.

House Bill 1620 – Amends Sunset review and other functions of the Texas Racing Commission. The legislation amends the Sunset review process and dates for certain state agencies, including the Texas Racing Commission. The legislation amends the Texas Racing Commission's Sunset expiration date from September 1, 2027, to September 1, 2029. House Bill 1620 also increases the threshold for the unappropriated balance of money that may remain in the General Revenue–Dedicated Account No. 597, Texas Racing Commission (Account No. 597), at the close of each state fiscal biennium from \$750,000 to \$2.0 million. Additionally,

the legislation repeals provisions requiring reimbursement from Account No. 597 to General Revenue Funds of amounts appropriated by the Legislature to enforce the Texas Racing Act. House Bill 1620 also authorizes the agency's executive director to apply for and receive grants applicable to the implementation or enforcement of the Texas Racing Act.

Senate Bill 1414 – Temporary regulation of the practice of veterinary medicine by TDLR. The legislation administratively attaches the State Board of Veterinary Medical Examiners (SBVME) to TDLR for four years. During this period, SBVME will serve as an advisory board as TDLR administers the Texas Veterinary Licensing Act. Additionally, TDLR is required to provide statutory recommendations to improve SBVME's operations and to assist in training SBVME staff. Senate Bill 1414 also amends SBVME's Sunset review from September 1, 2029, to September 1, 2027.

Senate Bill 2040 – Transfer of the regulation of willed body programs. The legislation abolishes the Anatomical Board of the State of Texas and authorizes the transfer of the regulation of willed body programs, nontransplant anatomical donation organizations, and anatomical facilities to the Texas Funeral Service Commission.

Senate Bill 2627 and Senate Joint Resolution 93 – Funding for the construction, maintenance, modernization, and operation of electric generating facilities. The legislation and its enabling constitutional amendment establish the Texas Energy Fund, which is provided \$5.0 billion in Other Funds in the Eighty-eighth Legislature, General Appropriations Act, 2024–25 Biennium. The legislation establishes a completion bonus for new dispatchable generation resources and provides low-interest loans for existing dispatchable generators to access necessary capital needed to maintain and improve existing generation resources.

STATE OFFICE OF ADMINISTRATIVE HEARINGS

PURPOSE: Conduct fair, objective, prompt, and efficient administrative hearings and alternative dispute resolution proceedings for contested cases at agencies that do not employ an administrative law judge to arbitrate such disputes.

ESTABLISHED: 1991

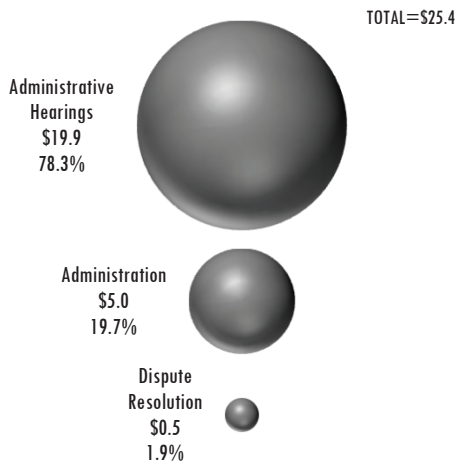
AUTHORIZING STATUTE: The Texas Government Code, §2003.021

GOVERNANCE: Chief Administrative Law Judge—appointed by the Governor with advice and consent of the Senate

FIGURE 323
STATE OFFICE OF ADMINISTRATIVE HEARINGS BY METHOD OF FINANCE

METHOD OF FINANCE	(IN MILLIONS)				APPROPRIATED FULL-TIME-EQUIVALENT POSITIONS				
	ESTIMATED/BUDGETED 2022–23	APPROPRIATED 2024–25	BIENNIAL CHANGE	PERCENTAGE CHANGE					
General Revenue Funds	\$13.8	\$15.6	\$1.8	12.7%	<table border="1"> <tr> <td>2024</td> <td>119.0</td> </tr> <tr> <td>2025</td> <td>119.0</td> </tr> </table>	2024	119.0	2025	119.0
2024	119.0								
2025	119.0								
General Revenue–Dedicated Funds	\$0.0	\$0.0	\$0.0	N/A					
Federal Funds	\$0.0	\$0.0	\$0.0	N/A					
Other Funds	\$8.9	\$9.8	\$0.9	10.6%					
Total, All Methods of Finance	\$22.7	\$25.4	\$2.7	11.9%					

AGENCY PROGRAM AREAS BY APPROPRIATION (IN MILLIONS)



SIGNIFICANT DEVELOPMENTS

Appropriations include **an increase of \$0.3 million in General Revenue Funds** from the 2022–23 biennium for onetime expenditures for technology to support 15 new hybrid courtrooms.

The State Office of Administrative Hearings will charge agencies **an hourly rate of \$165 for costs associated with administrative hearings.**

The agency will process an estimated **22,800 administrative license revocation cases** from the Department of Public Safety during **each fiscal year** of the biennium.

SOURCE: Legislative Budget Board.

MAJOR FUNDING

The State Office of Administrative Hearings (SOAH) is appropriated primarily General Revenue Funds and Interagency Contracts (Other Funds) for the 2024–25 biennium. The General Revenue Funds appropriated to the agency are intended to provide services to certain agencies that do not receive appropriations for paying SOAH for costs related to administrative hearings. This funding covers agencies that perform various functions, including the following sample of agencies: Employees Retirement System of Texas, Teacher Retirement System of Texas, Alcoholic Beverage Commission, Department of Agriculture, Department of Transportation, and Texas Medical Board.

Interagency Contracts funding consists of amounts paid to SOAH from other agencies for work relating to administrative hearings at the agency and is provided either hourly or as a lump sum. Agencies that enter Interagency Contracts for work completed by SOAH also perform various functions in the state and include the following agencies: Comptroller of Public Accounts, Department of Family and Protective Services, Texas Juvenile Justice Department, Texas Commission on Environmental Quality, and Texas Department of Motor Vehicles.

Overall appropriations at SOAH include a net increase of 11.9 percent, or \$2.7 million, from the 2022–23 biennial spending level. The All Funds increase is due primarily to an increase of \$1.4 million in General Revenue Funds for the statewide salary adjustment, a \$0.3 million increase in General Revenue Funds related to a onetime expenditure for the agency to build 15 hearing rooms for hybrid courtroom appearances, a \$0.8 million increase in Other Funds related to projected contracted workloads for the 2024–25 biennium, and a \$0.2 million increase in Other Funds for Statewide Cost Allocations for central services provided through the Texas Facilities Commission. In addition, the agency's biennial hourly billing rate for Interagency Contracts increases from \$150 per hour to \$165 per hour for the 2024–25 biennium.

PROGRAMS

SOAH fulfills its responsibilities through three main program areas: (1) conducting administrative hearings; (2) conducting alternative dispute resolution (ADR) cases; and (3) administration. **Figure 324** shows certain agency performance measures from fiscal years 2021 to 2025 related to the agency's key functions.

Conducting administrative hearings and preparing proposals for decisions and final orders are SOAH's primary functions. The agency provides an independent forum for the resolution of contested cases arising from the enforcement of state regulations. Additionally, SOAH conducts Administrative License Revocation (ALR) hearings by collaborating with the Department of Public Safety, which refers cases to SOAH relating to the suspension of driver licenses for operating a motor vehicle while under the influence of alcohol or drugs. It is estimated that SOAH will process 22,800 ALR cases during each fiscal year of the 2024–25 biennium. SOAH is appropriated \$19.9 million and 97.0 full-time-equivalent (FTE) positions for conducting administrative hearings.

SOAH's ADR function includes conducting mediated settlement conferences, arbitrations, and other alternative dispute resolution proceedings. An administrative law judge may refer cases to ADR or serve as an impartial third party for negotiated rule making. It is estimated that SOAH will receive 110 requested or referred ADR cases during each fiscal year of the 2024–25 biennium. SOAH is appropriated \$0.5 million and 2.0 FTE positions for this purpose.

The final program area, administration, provides administrative support, including accounting, budgeting, billing, information resources, human resources, payroll, and training for administering the agency's major programs. SOAH is appropriated \$3.6 million and 20.0 FTE positions for this purpose.

FIGURE 324
STATE OFFICE OF ADMINISTRATIVE HEARINGS PERFORMANCE MEASURES, FISCAL YEARS 2021 TO 2025

MEASURE	2021	2022	2023	2024 (1)	2025 (1)
Total Agencies Served	50	46	50	50	50
Total Cases Received (2)	25,300	23,064	23,467	22,800	22,800
Total General Docket Cases Disposed	5,900	3,633	3,230	3,882	3,882
Total Administrative License Revocation Cases Disposed	25,000	25,985	28,757	24,946	24,946
Total Alternative Dispute Resolution Cases Requested or Referred	110	212	188	110	110

NOTES:

(1) Amounts for fiscal years 2024 and 2025 are estimated.

(2) The Total Cases Received data excludes alternative dispute resolution cases.

SOURCE: State Office of Administrative Hearings.

OFFICE OF INJURED EMPLOYEE COUNSEL

PURPOSE: Assist, educate, and advocate on behalf of the injured employees of Texas. By statute, the Office of Injured Employee Counsel is attached administratively to the Texas Department of Insurance, Division of Workers' Compensation.

ESTABLISHED: 2005

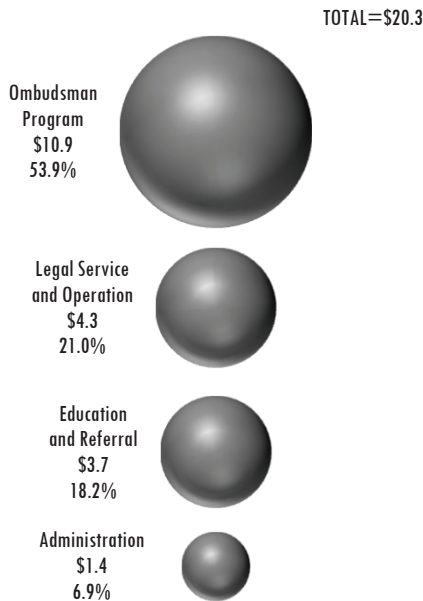
AUTHORIZING STATUTE: The Texas Labor Code, §404.002

GOVERNANCE: Public Counsel—appointed by the Governor with advice and consent of the Senate

FIGURE 325
OFFICE OF INJURED EMPLOYEE COUNSEL BY METHOD OF FINANCE

METHOD OF FINANCE	(IN MILLIONS)				APPROPRIATED FULL-TIME-EQUIVALENT POSITIONS				
	ESTIMATED/BUDGETED 2022–23	APPROPRIATED 2024–25	BIENNIAL CHANGE	PERCENTAGE CHANGE					
General Revenue Funds	\$0.0	\$0.0	\$0.0	N/A	<table border="1"> <tr> <td>2024</td> <td>162.8</td> </tr> <tr> <td>2025</td> <td>162.8</td> </tr> </table>	2024	162.8	2025	162.8
2024	162.8								
2025	162.8								
General Revenue–Dedicated Funds	\$17.4	\$20.3	\$2.9	16.7%					
Federal Funds	\$0.0	\$0.0	\$0.0	N/A					
Other Funds	\$0.0	\$0.0	(\$0.0)	(100.0%)					
Total, All Methods of Finance	\$17.4	\$20.3	\$2.9	16.7%					

AGENCY PROGRAM AREAS BY APPROPRIATION (IN MILLIONS)



SIGNIFICANT DEVELOPMENT

Funding increased by **\$2.9 million** in General Revenue–Dedicated Funds from the 2022–23 biennial spending level for the **statewide salary adjustment and targeted salary increases in the Ombudsman program**.

SOURCE: Legislative Budget Board.

MAJOR FUNDING

Funding for the Office of Injured Employee Counsel (OIEC) includes an increase of \$2.9 million in General Revenue–Dedicated Funds from the 2022–23 biennial spending levels. The increase in funding is related to the statewide salary adjustment and a targeted salary increase for the Ombudsman program.

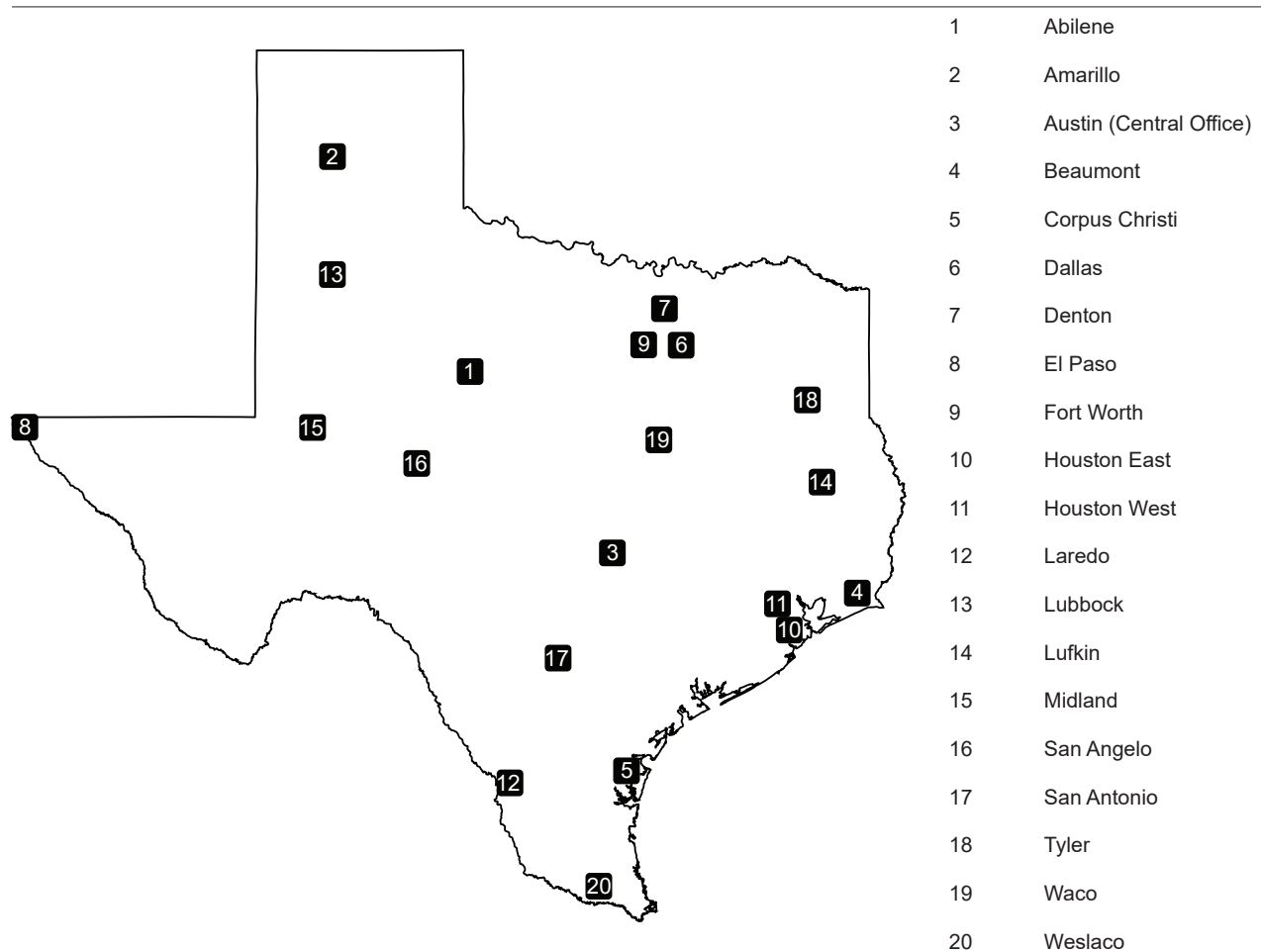
Pursuant to the Texas Labor Code, OIEC is attached administratively to the Texas Department of Insurance (TDI), which provides administrative assistance and services, personnel services, and information technology equipment and support. TDI’s appropriations for the 2024–25 biennium include amounts for OIEC’s administrative costs, including field offices’ expenses and consumable supplies. OIEC’s biennial appropriations are from the General Revenue–Dedicated Account No. 36, Texas Department of Insurance Operating Fund.

PROGRAMS

The agency carries out its responsibilities through three programs.

The Ombudsman Program assists injured employees with disputes related to workers’ compensation claims. Ombudsmen assist injured employees at benefit review conferences, contested case hearings, and appeals, and conduct preparation appointments with injured employees before these proceedings. The Ombudsman Program also assists in helping injured employees resolve disputes through early intervention and case development. Ombudsmen are based in the agency’s central office in Austin and in field offices located in 18 other Texas cities, as shown in **Figure 326**. OIEC is appropriated \$11.0 million in General Revenue–Dedicated Funds and 90.0 full-time-equivalent (FTE) positions for this purpose for the 2024–25 biennium.

FIGURE 326
OFFICE OF INJURED EMPLOYEE COUNSEL FIELD OFFICES, 2023



SOURCE: Office of Injured Employee Counsel.

The Education and Referral program enables the agency to further assist injured employees and the public through various activities related to educating injured employees regarding their rights and responsibilities and providing resource referrals. OIEC produces and distributes a Notice of Injured Employee Rights and Responsibilities in the Texas Workers' Compensation System to injured employees. The notice contains an overview of injured employees' rights and their responsibilities throughout the claims process and includes agency contact information. Additionally, the agency supports injured employees throughout the workers' compensation insurance claims process and refers injured employees to programs, services, and licensing boards when necessary. OIEC is appropriated \$3.6 million in General Revenue–Dedicated Funds and 46.0 FTE positions for these purposes for the 2024–25 biennium.

The Legal Services and Operations program has two main responsibilities; it supports the agency when OIEC represents injured employees as a class, and the program supports the agency's administration and information technology needs. Legal services represent injured employee interests as a class by participating in the legislative process and the TDI rulemaking process, and by training OIEC ombudsmen regarding workers' compensation law, dispute resolution, and hearing skills. The operations function of the program supports all administrative operations other than services covered by TDI through its administrative attachment. OIEC is appropriated \$4.2 million in General Revenue–Dedicated Funds and 26.8 FTE positions for these purposes for the 2024–25 biennium.

TEXAS DEPARTMENT OF INSURANCE

PURPOSE: Protect insurance consumers in Texas by regulating the insurance industry and promoting a stable and competitive market. The Texas Department of Insurance focuses on access to affordable insurance, promoting insurer financial strength, reducing losses due to fire, and regulating the workers' compensation system.

ESTABLISHED: 1991

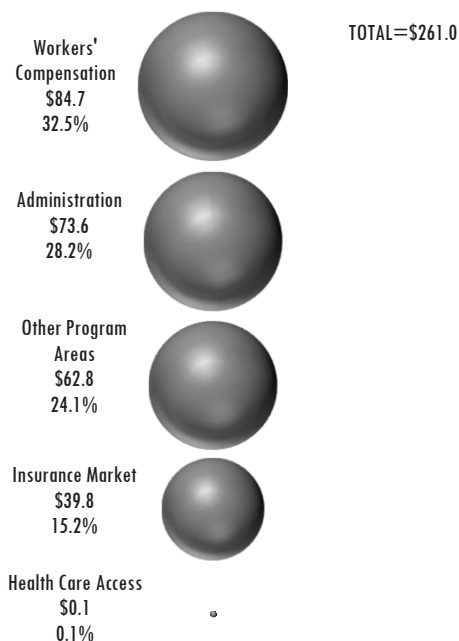
AUTHORIZING STATUTE: The Texas Insurance Code, §31.002

GOVERNANCE: Commissioner of Insurance—appointed by the Governor with advice and consent of the Senate

FIGURE 327
TEXAS DEPARTMENT OF INSURANCE BY METHOD OF FINANCE

METHOD OF FINANCE	(IN MILLIONS)				APPROPRIATED FULL-TIME-EQUIVALENT POSITIONS
	ESTIMATED/BUDGETED 2022–23	APPROPRIATED 2024–25	BIENNIAL CHANGE	PERCENTAGE CHANGE	
General Revenue Funds	\$0.6	\$0.6	\$0.0	2.4%	
General Revenue–Dedicated Funds	\$243.8	\$245.2	\$1.5	0.6%	
Federal Funds	\$4.6	\$4.6	\$0.1	1.2%	
Other Funds	\$58.8	\$10.6	(\$48.2)	(82.0%)	2024 1,221.3
Total, All Methods of Finance	\$307.7	\$261.0	(\$46.7)	(15.2%)	2025 1,221.3

AGENCY PROGRAM AREAS BY APPROPRIATION (IN MILLIONS)



SIGNIFICANT DEVELOPMENTS

Funding includes a **decrease of \$48.2 million** in Other Funds due primarily to the expiration of statutes authorizing contingency funds for the **establishment of the Health Insurance Risk Pool.**

Funding includes an **increase of \$4.4 million** in contingency funds for agency response to a significant change in the insurance regulatory environment.

SOURCE: Legislative Budget Board.

MAJOR FUNDING

Funding for the Texas Department of Insurance (TDI) includes a net decrease of \$46.7 million in All Funds from the 2022–23 biennial spending level. The decrease in funding is related primarily to onetime funding not continued in the 2024–25 biennium that includes the following amounts:

- \$42.2 million in All Funds related to the expiration of the temporary Health Insurance Risk Pool pursuant to Senate Bill 874, Eighty-seventh Legislature, Regular Session, 2021;
- \$10.7 million in General Revenue–Dedicated Funds related to agency and adjutor fee collections exceeding the Comptroller of Public Accounts’ estimates;
- \$7.2 million in Other Funds related to a decrease in Appropriated Receipts for the Three-share Premium Assistance program and various publications, conferences, and fee collections not anticipated in the 2024–25 biennium; and
- \$5.0 million in General Revenue–Dedicated Funds provided through House Bill 2, Eighty-seventh Legislature, Regular Session, 2021, for updating the Workers’ Compensation case management system.

These amounts are offset by the following increases:

- \$14.2 million in General Revenue–Dedicated Funds for the statewide salary adjustment;
- \$4.4 million in General Revenue–Dedicated Funds to continue the agency’s State Regulatory Response

Rider, which authorizes the agency to respond to unexpected changes in the insurance market, including emergencies and natural and human-caused disasters;

- \$0.3 million in General Revenue–Dedicated Funds to retain a specialist in captive insurance to support oversight and related activities in Texas’ captive insurance market; and
- \$0.1 million in Federal Funds for additional federal Occupational Safety and Health Administration’s Bureau of Labor Statistics grant funding.

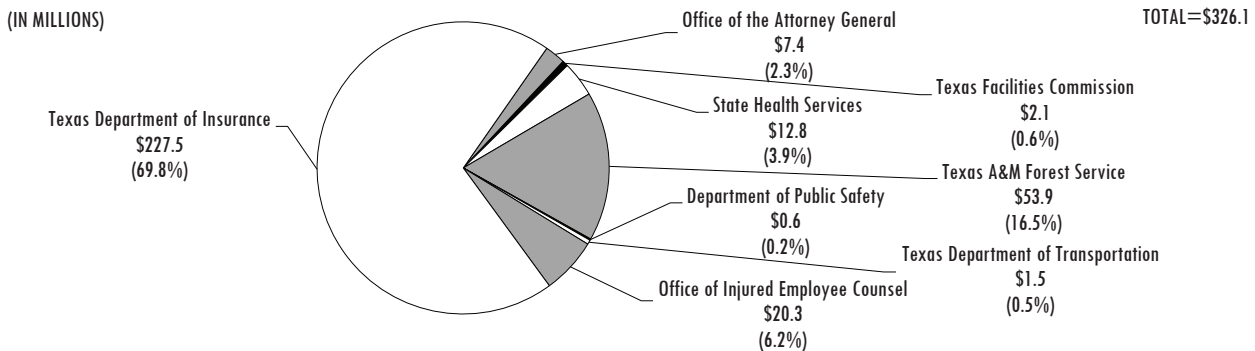
Additionally, funding for fiscal year 2023 includes a supplemental appropriation of \$450,000 in General Revenue–Dedicated Funds for vehicle replacement for the State Fire Marshal’s Office, pursuant to Senate Bill 30, Eighty-eighth Legislature, Regular Session, 2023.

TDI is required by statute to adjust taxes and fees to generate revenue equivalent to its General Revenue–Dedicated Funds appropriations and to the appropriations made to the Office of Injured Employee Counsel and certain programs in six other agencies. General Revenue–Dedicated Account No. 36, Texas Department of Insurance Operating Fund, is the only method of finance subject to this requirement. **Figure 328** shows the appropriations from maintenance tax and fee revenue for the 2024–25 biennium. **Figure 329** shows the taxable premiums and maintenance tax rates by line of insurance or entity for calendar year 2022. **Figure 330** shows a comparison of tax rates by health maintenance organization type for fiscal year 2022.

PROGRAMS

The agency carries out its responsibilities through five major program areas.

FIGURE 328
APPROPRIATIONS FROM MAINTENANCE TAX AND FEE REVENUE, 2024–25 BIENNIUM



SOURCE: Legislative Budget Board.

WORKERS' COMPENSATION

The Workers' Compensation program area at TDI consists of two programs that support the workers' compensation system, promoting safe and healthy workplaces in Texas and managing the appropriate delivery of workers' compensation benefits through 20 field offices throughout the state and a central office located in Austin. This program area includes the Workers' Compensation and Subsequent Injury Fund programs.

The Division of Workers' Compensation (DWC) at TDI is overseen by the Commissioner of Workers' Compensation. The Commissioner is appointed by the Governor, with the advice and consent of the Senate, to serve a two-year term that expires February 1 of each odd-numbered year. The Commissioner has executive authority of DWC functions, including rulemaking authority.

Field offices provide customer service functions, such as walk-in services for injured employees and other workers' compensation system participants, and serve as locations to hold workers' compensation administrative dispute resolution proceedings. Field offices also serve as in-person workspaces for Workplace Safety staff who perform inspections and consultations for local businesses and provide in-person training to those regional areas. DWC certifies and regulates self-insured employers, monitors compliance of all parties involved with a claim, and performs necessary enforcement action to ensure compliance with the Texas workers' compensation system. DWC also works to resolve indemnity issues and medical disputes. Additionally, DWC administers the Subsequent Injury Fund (SIF). The SIF collects death benefit payments from insurance carriers when no legal beneficiary is eligible, or a claim for death benefits is not timely made. The collected funds are deposited into a General Revenue–Dedicated Funds account and used primarily for payment of compensation as lifetime income benefits and reimbursement of insurance carrier claims of overpayment to the fund. TDI is appropriated \$66.6 million in General Revenue–Dedicated Funds and 409.8 full-time-equivalent (FTE) positions for workers' compensation and \$18.2 million in General Revenue–Dedicated Funds and 3.0 FTE positions for the SIF for the 2024–25 biennium.

INSURANCE MARKET

The Insurance Market program area consists of the following three programs that support and provide oversight of the Texas insurance market: Financial Regulation, Legal and Enforcement, and Property and Casualty.

FIGURE 329
TAXABLE INSURANCE PREMIUMS AND TAX RATES
CALENDAR YEAR 2022

COVERAGE OR ENTITY	GROSS PREMIUMS (IN MILLIONS)	TAX RATES
Fire and allied lines	\$23.0	0.222%
Casualty and fidelity	\$11.3	0.027%
Motor vehicle	\$32.7	0.042%
Life, accident, and health	\$62.0	0.040%
Title	\$3.5	0.030%
Third-party administrators	\$3.5	0.023%
Workers' compensation	\$2.7	0.083%

SOURCE: Texas Department of Insurance.

FIGURE 330
HEALTH MAINTENANCE ORGANIZATION (HMO)
ENROLLEES AND TAX RATES
CALENDAR YEAR 2022

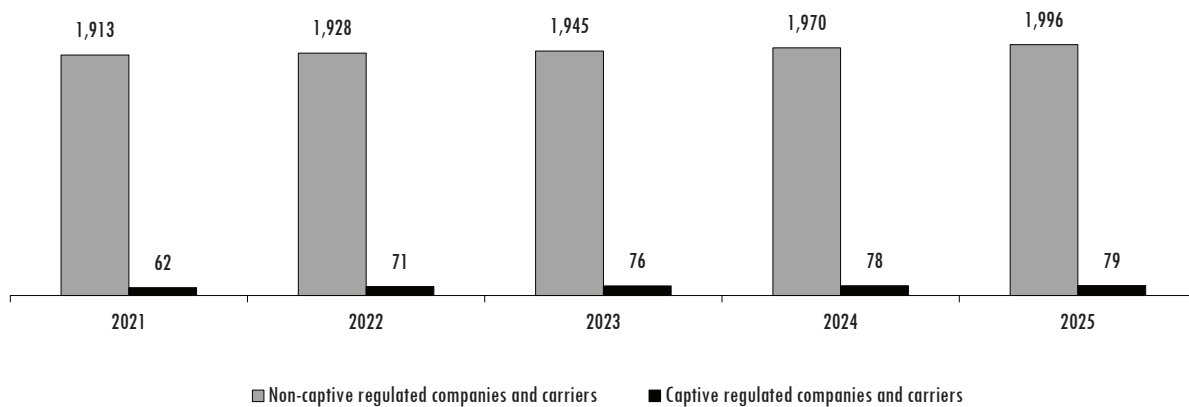
COVERAGE OR ENTITY	ENROLLEES	TAX RATES
HMO – Multiservice	6,599,926	\$0.87
HMO – Single Service	829,943	\$0.29

SOURCE: Texas Department of Insurance.

TDI directly supports the Texas insurance market by: licensing and monitoring insurance companies throughout their life cycles; investigating and taking action necessary against entities engaged in unfair, fraudulent, and illegal practices; and promoting competition by increasing access to insurance products.

The Financial Regulation program enforces solvency standards for insurance companies and related entities throughout an entity's life cycle, including initial formation and licensure, subsequent surveillance activities, and implementation of regulatory interventions as needed. The agency analyzes the financial condition of insurers operating in Texas and provides safety education programs, inspects insurance loss programs offered to policyholders, and assures compliance with filed property schedules and windstorm construction codes. When the conservation of assets is not sufficient to rehabilitate a financially weak insurance company facing insolvency, TDI may seek a court order to place the insurer into receivership administered by a special deputy receiver. **Figure 331** shows the historical and estimated number of licensed insurance companies from fiscal years 2021 to 2025. An increase of \$0.3 million in General Revenue–Dedicated Funds for this program is designated to retain a specialist in captive insurance to

FIGURE 331
INSURANCE COMPANIES IN TEXAS, FISCAL YEARS 2021 TO 2025



NOTE: Amounts shown for fiscal years 2024 and 2025 are estimated.
 SOURCE: Texas Department of Insurance.

support oversight and related activities in Texas' captive insurance market. TDI is appropriated \$11.8 million in General Revenue–Dedicated Funds and 76.0 FTE positions for these purposes for the 2024–25 biennium.

The Legal and Enforcement program oversees the drafting, enforcement, and compliance of various insurance codes, rules, and adoption orders. Activities in this program include investigating complaints regarding unfair, fraudulent, and illegal practices in the Texas insurance market and initiating enforcement actions to stop such practices from occurring. Additionally, the Legal and Enforcement program coordinates with the Office of the Attorney General to represent TDI in lawsuits or other appropriate legal matters. TDI is appropriated \$13.6 million in General Revenue–Dedicated Funds and 77.3 FTE positions for these purposes for the 2024–25 biennium.

The Property and Casualty program oversees insurance products relating to property and casualty (P&C) insurance, primarily automobile and residential. TDI regulates P&C insurance products and insurance rates for automobile and residential insurance products offered by insurance companies operating in Texas. Activities to promote competition in the P&C market include providing comparative rate and price information to consumers, insurers, and insurance agents, and certifying companies to conduct insurance business in the state's P&C market. To increase the availability of insurance, TDI identifies underserved markets for automobile and residential insurance and encourages insurers to offer policies in these markets. TDI is appropriated \$14.1 million in General Revenue–Dedicated Funds and 97.8 FTE positions for these purposes for the 2024–25 biennium.

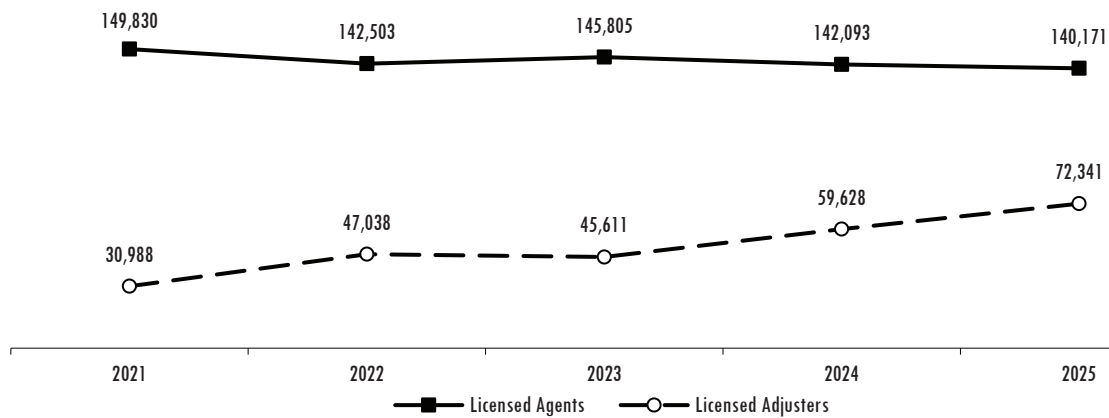
HEALTHCARE ACCESS

The Healthcare Access program area includes the Three-share Premium Assistance program. The Three-share program enables TDI to promote access to the private health insurance market. Through the Three-share program, local entities can establish healthcare programs for small employers across the state. The program awards grants through a competitive process authorizing use of state funds to subsidize premiums for low-income employees of small businesses and qualified entities. The program works to improve access to private healthcare coverage for the uninsured wherein the employer and employee pay portions of the premiums. Grants are funded through administrative fines and penalties assessed against regulated insurance entities outside of the workers' compensation system. The agency is authorized to collect up to \$2.3 million in General Revenue–Dedicated Funds each fiscal year pursuant to the Eighty-eighth Legislature, General Appropriations Act, 2024–25 Biennium, Article VIII, Department of Insurance, Rider 11, Three-share Premium Assistance Programs. In addition, TDI is appropriated \$0.1 million in General Revenue–Dedicated Funds and 1.0 FTE position to administer the Three-share program for the 2024–25 biennium.

OTHER PROGRAM AREAS

Six other programs manage customer complaints and services; promote fraud monitoring and prevention; promote fire-loss prevention and mitigation; maintain a motor vehicle insurance verification database; and respond to a significant change in insurance regulatory environments.

FIGURE 332
INSURANCE LICENSES ISSUED, FISCAL YEARS 2021 TO 2025



NOTE: Amounts shown for fiscal years 2024 and 2025 are estimated.
 SOURCE: Texas Department of Insurance.

The Customer Operations program manages TDI's help line, conducts consumer outreach, receives and resolves consumer complaints, and issues licenses for insurance agents and adjusters in the state. The Customer Operations program includes activities such as producing media content to engage and inform insurance consumers in the state, supporting consumers in filing health insurance claim appeals through a step-by-step process, providing policy comparisons, and assisting insurance agents and adjusters in managing and applying for a new or renewal license. **Figure 332** shows the historical and projected number of licensed insurance agents and adjusters in the state from fiscal years 2021 to 2025. TDI is appropriated \$20.0 million in General Revenue–Dedicated Funds and 141.0 FTE positions for these purposes for the 2024–25 biennium.

The Life and Health program oversees insurance entities and products relating to life and health (L&H) insurance offered in Texas. TDI regulates L&H insurance products and insurance rates for life insurance products offered by insurance companies. Additionally, TDI oversees provider agreements for health maintenance organization (HMO) plans, network adequacy for HMOs operating in the state, and applications for utilization review agents (URA), independent review organizations (IRO), and certified workers' compensation healthcare networks. TDI is appropriated \$10.4 million in General Revenue–Dedicated Funds and 74.0 FTE positions for these purposes for the 2024–25 biennium.

The Insurance Fraud program investigates reports of fraud committed by insurers, providers, consumers, and those conducting unauthorized business in the state. The Fraud Unit refers fraud cases to the Office of the Attorney General, local district attorneys, and appropriate federal authorities for criminal prosecution as needed. Additionally, TDI's Fraud Unit works with and trains state and local law enforcement agencies on how to investigate and prevent fraud. The agency will investigate and resolve an estimated 400 cases of suspected criminal activity related to insurance fraud each fiscal year of the 2024–25 biennium. TDI is appropriated \$8.2 million in General Revenue–Dedicated Funds and 40.0 FTE positions for these purposes in the 2024–25 biennium.

The State Fire Marshal's Office program supports the agency's efforts to reduce the loss of life and property caused by fire through prevention, education, and protection. The State Fire Marshal's Office develops and promotes methods of preventing and reducing fire losses through fire investigations, building inspections, code enforcement, licensing and regulation of fire service industries, and the development and promotion of fire prevention programs. The State Fire Marshal's Office will initiate an estimated 800 investigations each fiscal year. Additionally, the State Fire Marshal's Office oversees requirements for cigarette manufacturers to certify that their cigarettes meet performance standards and are fire-standard compliant, and that packaging contains markings with this certification. The agency is appropriated \$9.4 million in General Revenue–Dedicated Funds and 67.0 FTE positions for these purposes for the 2024–25 biennium.

The TexasSure Program supports the operation and maintenance of the TexasSure Motor Vehicle Financial Responsibility Verification Program. TexasSure is the state's vehicle insurance verification system that enables law enforcement and county tax officials to confirm whether owners of motor vehicles in Texas have established financial responsibility through required personal auto liability insurance coverage. The TexasSure vehicle insurance verification database is a joint project of TDI, the Department of Motor Vehicles, the Department of Public Safety, and the Department of Information Resources. TDI is appropriated \$10.2 million for this purpose for the 2024–25 biennium.

The Contingent Regulatory Response program is utilized if the Texas insurance market experiences a significant change in the insurance regulatory environment, such as demands for federal healthcare reform implementation, a public health or insurance crisis, a fire-related or weather-related disaster, and non-weather-related disasters. The agency is required to issue a finding of fact to access and utilize the appropriation and related FTE positions if a state regulatory response is needed. TDI is appropriated \$4.4 million in General Revenue–Dedicated Funds and 40.0 FTE positions for these purposes for the 2024–25 biennium.

ADMINISTRATION

The Administration program Administrative Operations and Agency Support supports administrative functions in TDI and most administrative functions to the Office of Injured Employee Counsel (OIEC), through OIEC's administrative attachment to TDI. TDI is appropriated \$59.3 million in All Funds and 194.5 FTE positions for these purposes for the 2024–25 biennium.

OFFICE OF PUBLIC INSURANCE COUNSEL

PURPOSE: Represents the interests of insurance consumers in Texas in regulatory matters involving automobile, residential property, and title insurance, and participates in rulemaking proceedings for life insurance and health insurance.

ESTABLISHED: 1991

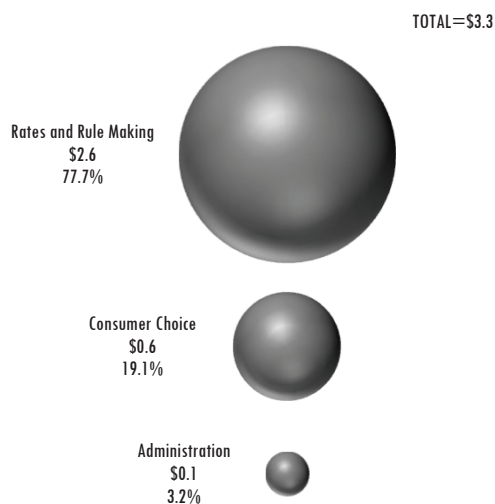
AUTHORIZING STATUTE: The Texas Insurance Code, §501.002

GOVERNANCE: Public Counsel—appointed by the Governor with advice and consent of the Senate

FIGURE 333
OFFICE OF PUBLIC INSURANCE COUNSEL BY METHOD OF FINANCE

METHOD OF FINANCE	(IN MILLIONS)				APPROPRIATED FULL-TIME-EQUIVALENT POSITIONS
	ESTIMATED/BUDGETED 2022–23	APPROPRIATED 2024–25	BIENNIAL CHANGE	PERCENTAGE CHANGE	
General Revenue Funds	\$1.6	\$3.0	\$1.3	83.0%	2024 16.0 2025 16.0
General Revenue–Dedicated Funds	\$0.0	\$0.0	\$0.0	N/A	
Federal Funds	\$0.0	\$0.0	\$0.0	N/A	
Other Funds	\$0.4	\$0.4	\$0.0	0.0%	
Total, All Methods of Finance	\$2.0	\$3.3	\$1.3	67.1%	

AGENCY PROGRAM AREAS BY APPROPRIATION (IN MILLIONS)



SIGNIFICANT DEVELOPMENTS

Appropriations **increased \$1.3 million** from the 2022–23 biennial spending level primarily due to funding for an additional 6.0 full-time-equivalent positions to meet increasing agency demands and funding for hardware and software upgrades to the Insurance Policy Comparison Tool.

The agency plans to participate in **more than 300 rate filings and completing 4,000 public presentations or communications** to enhance consumer choice and awareness during the 2024–25 biennium.

SOURCE: Legislative Budget Board.

MAJOR FUNDING

The Texas Insurance Code, Chapter 501, Subchapter E, requires the Comptroller of Public Accounts (CPA) to collect an annual assessment of 5.7 cents on all property, casualty, title (owner and mortgage), life, health, and accident insurance policies (individual or group) in force at the end of the calendar year. These assessments are deposited into the General Revenue Fund. The Legislature requires these assessments to cover the Office of Public Insurance Counsel's (OPIC) appropriations and other direct and indirect costs appropriated for the 2024–25 biennium. Annual assessments collected that exceed OPIC's biennial appropriations are available for distribution from the General Revenue Fund. Based on CPA's 2024–25 *Biennial Revenue Estimate*, the annual assessments are estimated to generate approximately \$6.6 million in General Revenue Funds, and OPIC's direct and indirect appropriations represent 31.0 percent of amounts anticipated to be collected.

Additionally, OPIC receives \$0.4 million in Other Funds through an Interagency Contract with the Texas Department of Insurance (TDI) to provide consumers with insurance information to make informed decisions. Appropriations for OPIC increased by \$1.3 million in General Revenue Funds from the 2022–23 biennial spending level.

PROGRAMS

The agency carries out its responsibilities through two program areas.

The Rates and Rule Making program area consists of one program, Participate in Rate/Rules/Forms/Judicial/Legislative, which supports the agency participating as a party in TDI hearings involving insurance rates, rules, and policy forms; in judicial proceedings; and in other proceedings in which OPIC determines that insurance consumers need representation. OPIC's role in filings and proceedings is to present expert testimony, actuarial analysis, and other supporting evidence to advocate the position most favorable to consumers as a class. The agency will participate in an estimated 336 rate filings and 56 rulemaking proceedings during the 2024–25 biennium. OPIC is appropriated \$2.6 million in General Revenue Funds and 16.0 full-time-equivalent positions for these purposes for the 2024–25 biennium.

The Consumer Choice program area consists of one program, Increase Consumer Choice, Education, and Information, which supports OPIC's efforts to increase

consumer choice by providing information and tools to assist consumers in making informed decisions about the many options in the Texas insurance market, and by providing awareness of consumers' rights through a Consumer Bill of Rights for each personal line of insurance regulated by the state. The agency's staff also make public presentations; participate in panel discussions; prepare and maintain the Consumer Bill of Rights for residential property, auto, and life insurance; and produce publicly available reports regarding health maintenance organizations. OPIC is appropriated \$0.6 million in All Funds for these purposes for the 2024–25 biennium.

TEXAS DEPARTMENT OF LICENSING AND REGULATION

PURPOSE: Serves as an umbrella occupational regulatory agency for the licensing, certification, and enforcement of regulatory statutes involving diverse businesses, industries, general trades, and occupations.

ESTABLISHED: 1989

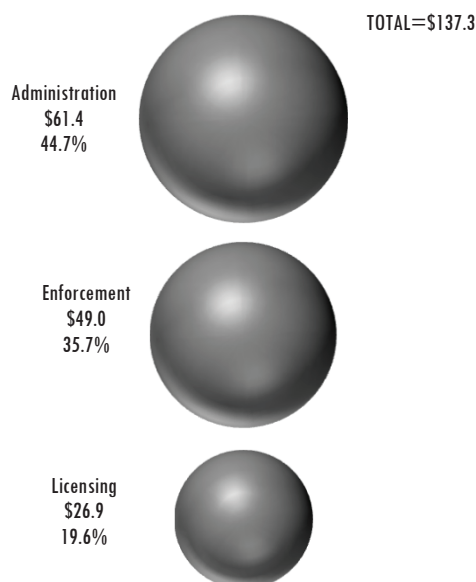
AUTHORIZING STATUTE: The Texas Occupations Code, §51.051

GOVERNANCE: Texas Commission of Licensing and Regulation—seven members appointed by the Governor with advice and consent of the Senate

FIGURE 334
TEXAS DEPARTMENT OF LICENSING AND REGULATION BY METHOD OF FINANCE

METHOD OF FINANCE	(IN MILLIONS)				APPROPRIATED FULL-TIME-EQUIVALENT POSITIONS
	ESTIMATED/BUDGETED 2022–23	APPROPRIATED 2024–25	BIENNIAL CHANGE	PERCENTAGE CHANGE	
General Revenue Funds	\$76.5	\$120.8	\$44.3	58.0%	2024 586.2 2025 590.7
General Revenue–Dedicated Funds	\$1.4	\$2.0	\$0.7	47.2%	
Federal Funds	\$0.0	\$0.0	\$0.0	N/A	
Other Funds	\$14.5	\$14.4	(\$0.0)	(0.2%)	
Total, All Methods of Finance	\$92.3	\$137.3	\$45.0	48.7%	

AGENCY PROGRAM AREAS BY APPROPRIATION (IN MILLIONS)



SIGNIFICANT DEVELOPMENTS

Funding includes **\$32.9 million** for the development of a standardized, cloud-based licensing platform.

Funding includes an **increase of \$2.0 million and 9.0 full-time-equivalent (FTE) positions** to implement provisions of Senate Bill 1414, Eighty-eighth Legislature, Regular Session, 2023, relating to the temporary regulation of the practice of veterinary medicine by the Texas Department of Licensing and Regulation.

Funding includes an increase of **\$5.0 million** to expand the agency's efforts in combatting financial crimes through the **Financial Crimes Intelligence Center**.

Funding includes an increase of **\$1.3 million** and 10.0 FTE positions to expand the agency's efforts to prevent **human trafficking**.

SOURCE: Legislative Budget Board.

MAJOR FUNDING

The Texas Department of Licensing and Regulation (TDLR) administers and enforces state laws relating to various industries and occupations, including the following areas: air conditioning and refrigeration contractors; architectural barriers; athletic trainers; auctioneers; barbers; behavior analysts; boiler inspections; code enforcement officers; combative sports; cosmetologists; dietitians; dog and cat breeders; driver education and safety; dyslexia therapists and practitioners; electricians; electric vehicle supply equipment; elevators, escalators, and related equipment; hearing instrument fitters and dispensers; industrialized housing and buildings; laser hair removal; massage therapy; midwives; mold assessors and remediators; motor fuel metering and quality; motorcycle and all-terrain vehicle operator safety; offender education programs; orthotists and prosthetists; podiatry; professional employer organizations; property tax consultants and tax professionals; sanitarians; service contract providers; speech-language pathologists and audiologists; tow trucks, operators and vehicle storage facilities; transportation network companies; used automotive parts recyclers; veterinary medical examiners; water-well drillers and pump installers; and weather modification businesses.

Funding for TDLR includes a net increase of \$44.3 million in All Funds for the 2024–25 biennium and an increase of 22.0 full-time-equivalent (FTE) positions in fiscal year 2024 and 26.5 positions in fiscal year 2025. This increase is due primarily to the following changes:

- a \$32.9 million increase in General Revenue Funds for the development of a standardized, cloud-based licensing system in conjunction with the Department of Information Resources to replace all of TDLR's current licensing systems with a single licensing platform;
- a \$5.8 million increase in General Revenue Funds to provide for the statewide salary adjustment and for salary increases for agency information technology staff;
- a \$5.0 million increase in General Revenue Funds to expand the Financial Crimes Intelligence Center, a statewide fusion center operated by Smith County in conjunction with law enforcement and financial institutions that investigates payment card fraud and other financial crimes, including organized crime and credit card skimming;
- a \$2.0 million increase in General Revenue Funds and an additional 9.0 FTE positions to implement

provisions of Senate Bill 1414, Eighty-eighth Legislature, Regular Session, 2023, temporarily attaching the Board of Veterinary Medical Examiners to TDLR for a four-year period;

- a \$1.4 million increase in General Revenue Funds and an additional 10.0 FTE positions for the Anti-Trafficking Unit to provide additional staff to improve the program's inspections, enforcement, and supporting actions that combat human trafficking for regulated programs; to provide access to a national crime database; and to provide additional training and counseling;
- a \$0.7 million increase in General Revenue–Dedicated Funds for the administration of the Motorcycle Operator Training and Safety Program in conjunction with the Texas A&M Transportation Institute and the Texas A&M Engineering Extension Service;
- a \$0.5 million increase in General Revenue Funds and an additional 3.0 FTE positions to administer the Mold Assessors and Remediators Program;
- a \$0.3 million increase in General Revenue Funds and an additional 4.5 FTE positions to implement provisions of Senate Bill 1001, Eighty-eighth Legislature, 2023, which authorizes TDLR to administer the regulation of electric vehicle supply equipment; and
- a \$3.0 million decrease in General Revenue Funds for onetime funding for vehicle replacement and development of the Texas Licensing System and for onetime funding that is not continued from the previous biennium.

PROGRAMS

TDLR enforces occupational code and practice standards for certain professions through three major program areas: (1) licensing; (2) enforcement; and (3) administration. **Figure 335** shows key performance measures related to the agency's licensing and enforcement programs and FTE positions from fiscal years 2021 to 2025.

TDLR ensures that licensees meet qualifications and practice standards for regulated professions. Licensing activities include verifying credentials of applicants and facilities, updating licensee databases, and ensuring that licensees adhere to continuing education requirements and ethical standards. The agency estimates that it will issue more than

FIGURE 335
TEXAS DEPARTMENT OF LICENSING AND REGULATION SELECT PERFORMANCE MEASURES
FISCAL YEARS 2021 TO 2025

MEASURES	2021	2022	2023	2024	2025
Licenses Held by Individuals	630,228	655,476	688,206	663,947	670,586
Licenses Held by Businesses	230,261	237,333	231,101	245,040	247,491
Complaints Closed	9,335	11,754	11,284	11,353	11,353
Full-time-equivalent Positions (1)	505.8	495.8	564.2	586.2	590.7

NOTE: (1) Full-time-equivalent (FTE) positions shown for fiscal years 2021, 2022, and 2023 show actual positions filled. Amounts shown for fiscal years 2024 and 2025 show FTE position caps appropriated by the Legislature.

SOURCE: Texas Department of Licensing and Regulation.

900,000 licenses, certifications, and registrations to individuals and businesses during each fiscal year of the 2024–25 biennium. Appropriations for the licensing program at TDLR total \$26.9 million in All Funds for the 2024–25 biennium.

Enforcement activities at TDLR include routine inspections of facilities, investigating consumer complaints about a licensee or quality of service, and suspending or revoking licenses of violators of the agency's standards. The agency also reviews building plans to verify compliance with applicable laws, rules, accessibility standards, building codes, and safety codes. As part of its enforcement function, TDLR completed 272,957 routine inspections and closed 11,284 complaint investigations during fiscal year 2023. Appropriations for the enforcement program at TDLR total \$49.0 million in All Funds for the 2024–25 biennium.

The final program area, administration, provides administrative and information technology support for the enforcement and licensing programs administered by the agency. Additionally, TDLR develops and distributes information about agency licensing and complaint processes and operates a toll-free telephone line to inform licensees and consumers about the agency and its operations. TDLR is appropriated \$61.4 million in All Funds for this purpose for the 2024–25 biennium.

SIGNIFICANT LEGISLATION

Senate Bill 1001 – Regulation of electric vehicle supply equipment. The legislation establishes a new chapter of the Texas Occupations Code for the regulation of electric vehicle supply equipment and places TDLR in charge of administering the regulation.

Senate Bill 1414 – Temporary regulation of the practice of veterinary medicine by TDLR. The legislation

temporarily attaches the Board of Veterinary Medical Examiners to TDLR. During this four-year period, the Board of Veterinary Medical Examiners will serve as an advisory board as TDLR administers the Texas Veterinary Licensing Act.

TEXAS RACING COMMISSION

PURPOSE: Enforce the Texas Racing Act and its rules to ensure the safety, integrity, and fairness of Texas pari-mutuel racing.

ESTABLISHED: 1988

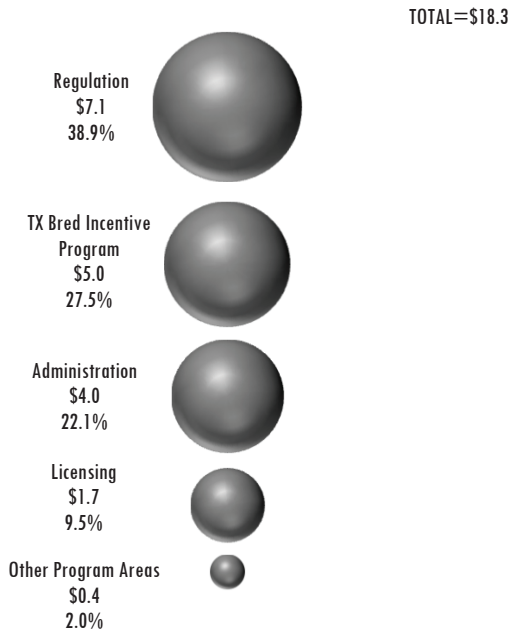
AUTHORIZING STATUTE: The Texas Racing Act, the Texas Occupations Code, Title 13, Subtitle A-1

GOVERNANCE: Texas Racing Commission—seven members appointed by the Governor with advice and consent of the Senate, and two ex officio voting members set in statute

FIGURE 336
TEXAS RACING COMMISSION BY METHOD OF FINANCE

METHOD OF FINANCE	(IN MILLIONS)				APPROPRIATED FULL-TIME-EQUIVALENT POSITIONS				
	ESTIMATED/BUDGETED 2022–23	APPROPRIATED 2024–25	BIENNIAL CHANGE	PERCENTAGE CHANGE					
General Revenue Funds	\$0.0	\$2.8	\$2.8	N/A	<table border="1"> <tr> <td>2024</td> <td>57.3</td> </tr> <tr> <td>2025</td> <td>57.3</td> </tr> </table>	2024	57.3	2025	57.3
2024	57.3								
2025	57.3								
General Revenue–Dedicated Funds	\$7.9	\$10.5	\$2.6	32.3%					
Federal Funds	\$0.0	\$0.0	\$0.0	N/A					
Other Funds	\$6.3	\$5.0	(\$1.2)	(19.6%)					
Total, All Methods of Finance	\$14.2	\$18.3	\$4.1	28.8%					

AGENCY PROGRAM AREAS BY APPROPRIATION (IN MILLIONS)



SIGNIFICANT DEVELOPMENTS

The Eighty-eighth Legislature, Regular Session, 2023, repealed a statutory provision that required the **General Revenue–Dedicated Account No. 597, Texas Racing Commission**, to reimburse any amount of General Revenue Funds appropriated for enforcement of the Texas Racing Act.

Funding includes an increase of \$2.8 million in **General Revenue Funds** to fund **equine drug testing, emergency treatment, and necropsy testing services** provided by the Texas A&M Veterinary Medical Diagnostic Laboratory.

Funding includes an increase of \$1.6 million in **General Revenue–Dedicated Funds** and **18.0 additional full-time-equivalent positions** for the agency's **Regulation and Licensing** programs.

SOURCE: Legislative Budget Board.

MAJOR FUNDING

The Texas Racing Commission is funded primarily by General Revenue–Dedicated Funds generated through fees assessed on racetracks and occupational licensees and state taxes on simulcast pari-mutuel wagering pools. The agency’s fee-generated revenue is required to cover the cost of the agency’s appropriations and other direct and indirect costs funded through the General Appropriations Act (GAA). In addition, the agency is appropriated Texas-bred Incentive Program Funds (Other Funds) to pass through to the recognized breed registries and racetracks for support of the racing industry and racing events, including purses and breeder awards.

Funding for the Texas Racing Commission includes an increase of \$4.1 million in All Funds from 2022–23 biennial spending levels. The increase includes \$2.8 million in new General Revenue Funds appropriations for equine drug testing and other medical testing services to be provided by the Texas A&M Veterinary Medical Diagnostic Laboratory; an increase of \$1.6 million in General Revenue–Dedicated Funds for an additional 18.0 full-time-equivalent positions for licensing and regulation; and \$1.2 million in General Revenue–Dedicated Funds for reimbursement of appropriations from the General Revenue Fund (see House Bill 1620 in the **Significant Legislation** section). These increases are offset by a decrease of \$1.2 million in Other Funds based on the Comptroller of Public Accounts’ *Biennial Revenue Estimate* for the Texas-bred Incentive Fund.

Funding for fiscal year 2023 includes supplemental appropriations totaling \$0.7 million in General Revenue–Dedicated Funds, pursuant to Senate Bill 30, Eighty-eighth Legislature, Regular Session, 2023, to accommodate projected salary shortfalls and acquire information resource technology applications and services.

PROGRAMS

The Texas Racing Commission carries out its responsibilities for oversight of pari-mutuel horse and greyhound racing in Texas through four major program areas: (1) regulation; (2) licensing; (3) the Texas-bred Incentive Program; and (4) administration.

The regulation program area incorporates oversight of racing and wagering. The agency regulates greyhound and horse racing at racetracks in Texas, including supervising racing conduct and providing health testing and drug testing for horses and greyhounds. Wagering regulation includes investigations into illegal wagering, completion of compliance audits at racetracks, and increasing the testing and pass rates for the computer system, called a totalisator, that tallies and

calculates pari-mutuel wagers. Appropriations for these functions total \$3.9 million in All Funds.

Racetrack and occupational licensing involves licensing racetracks and their participants, renewing existing racetrack and occupational licenses, and reviewing active and inactive racetrack licenses. Occupational licenses are required for all racetrack employees or any individuals, other than a spectator or individual placing a wager, that participate in pari-mutuel racing activities. The agency oversees nine racetrack licenses, including four active horse racetrack licenses, two active greyhound racetrack licenses, and three inactive horse racetrack licenses. Licensing appropriations total \$1.7 million in General Revenue–Dedicated Funds, generated primarily by fees.

The Texas-bred Incentive Program for horses provides an incentive award distributed as a purse supplement paid from the pari-mutuel wagering pools to breeders and owners of Texas-bred horses that place first, second, or third in any race. The program for greyhounds distributes its purse supplements to owners of the first four accredited greyhounds crossing the finish line in any race. The program encourages agriculture and the horse-breeding and greyhound-breeding industries. Appropriations for these incentives total \$5.0 million in Other Funds, generated primarily by rounding down payouts and fees on live and simulcast wagering pool funds.

Administration includes the indirect administrative functions that support the agency. This program area is appropriated \$4.0 million in General Revenue–Dedicated Funds for the 2022–23 biennium, generated primarily by fees.

SIGNIFICANT LEGISLATION

House Bill 1620 – Amending Sunset review and other functions of the Texas Racing Commission. The legislation amends the Sunset review process and Sunset dates for certain state agencies, including the Texas Racing Commission. The legislation revises the Texas Racing Commission’s Sunset expiration date from September 1, 2027, to September 1, 2029. House Bill 1620 increases the threshold for the unappropriated balance of money that may remain in the General Revenue–Dedicated Account No. 597, Texas Racing Commission, at the close of each state fiscal biennium from \$750,000 to \$2.0 million. Additionally, the legislation repealed provisions requiring the account to reimburse any amount of General Revenue Funds appropriated by the Legislature for enforcement of the Texas Racing Act. House Bill 1620 also authorizes the agency’s executive director to apply for and receive grants applicable to the implementation or enforcement of the Texas Racing Act.

TEXAS STATE SECURITIES BOARD

PURPOSE: Protect Texas investors by ensuring a free and competitive securities market in the state, increasing investor confidence, and encouraging the formation of capital and the development of new jobs.

ESTABLISHED: 1957

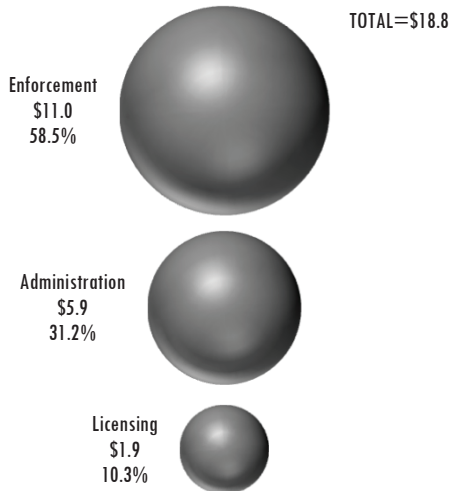
AUTHORIZING STATUTE: The Texas Government Code, Title 12

GOVERNANCE: State Securities Board—five members appointed by the Governor with advice and consent of the Senate

FIGURE 337
TEXAS STATE SECURITIES BOARD BY METHOD OF FINANCE

METHOD OF FINANCE	(IN MILLIONS)				APPROPRIATED FULL-TIME-EQUIVALENT POSITIONS				
	ESTIMATED/BUDGETED 2022–23	APPROPRIATED 2024–25	BIENNIAL CHANGE	PERCENTAGE CHANGE					
General Revenue Funds	\$15.0	\$18.8	\$3.8	25.0%	<table border="1"> <tr> <td>2024</td> <td>93.0</td> </tr> <tr> <td>2025</td> <td>93.0</td> </tr> </table>	2024	93.0	2025	93.0
2024	93.0								
2025	93.0								
General Revenue–Dedicated Funds	\$0.0	\$0.0	\$0.0	N/A					
Federal Funds	\$0.0	\$0.0	\$0.0	N/A					
Other Funds	\$0.0	\$0.0	\$0.0	(100.0%)					
Total, All Methods of Finance	\$15.0	\$18.8	\$3.8	25.0%					

AGENCY PROGRAM AREAS BY APPROPRIATION (IN MILLIONS)



SIGNIFICANT DEVELOPMENTS

Funding includes an increase of \$3.1 million for merit-based salary increases and increased staffing to address workloads related to cryptocurrency fraud schemes and protecting vulnerable adults from financial exploitation.

Revenue deposited to the state Treasury related to securities and dealer-agent applications for the 2024–25 biennium is estimated at \$315.4 million.

SOURCE: Legislative Budget Board.

MAJOR FUNDING AND PROGRAMS

Appropriations to the Texas State Securities Board increased by 25.0 percent, or \$3.8 million in General Revenue Funds from 2022–23 biennial spending levels. This increase is due primarily to the Eighty-eighth Legislature, Regular Session, 2023, appropriating the following amounts:

- \$1.5 million in General Revenue Funds for salary increases for current and vacant full-time-equivalent (FTE) positions and to address a high turnover rate within the agency;
- \$0.7 million for modernization of the agency’s network infrastructure, cloud-based computing, and cybersecurity, with an additional 3.0 FTE positions to support implementation; and
- \$0.6 million with an additional 5.0 FTE positions for increased staffing to address higher workload demands.

The agency performs its work through three major program areas: (1) enforcement; (2) licensing; and (3) administration.

Enforcement involves the investigation of suspected violations of the Texas Securities Act and, if appropriate, initiation of administrative proceedings or referral of matters for criminal prosecution or civil action. Agency staff collect and summarize evidence for cases adjudicated by State Office of Administrative Hearings administrative law judges and cases referred to the Office of the Attorney

General in civil injunction actions. The agency also verifies compliance with the Texas Securities Act through periodic inspections of registered dealers and investment advisors. The enforcement program area is appropriated \$11.0 million in General Revenue Funds and 59.0 FTE positions for the 2024–25 biennium.

The agency’s licensing responsibilities include registering securities and dealers. For securities registration, the agency reviews all applications for securities for sale in Texas to ensure investor access to full and fair disclosure of all relevant investment information. The agency ensures that offering terms comply with the Texas Securities Act and agency rules. For dealer registration, all securities dealers, their sales agents, and investment advisers in Texas must be registered with the Texas State Securities Board, unless federal law preempts them or the Texas Securities Act exempts them from registering. The agency examines these applications and maintains an ongoing review process by examining amendments and registrants’ renewal submissions. **Figure 338** shows the number of securities applications and securities agents, dealers, advisers, and adviser representatives that the agency registered, or expects to register, from fiscal years 2020 to 2025, and the agency’s projection of revenues deposited to the state Treasury from securities and dealer or agent applications during the same period. The total appropriation for the licensing program area is \$1.9 million in General Revenue Funds and 13.0 FTE positions for the 2024–25 biennium.

FIGURE 338
TEXAS STATE SECURITIES BOARD SELECTED PERFORMANCE MEASURES, FISCAL YEARS 2020 TO 2025

YEAR	APPLICATIONS	TREASURY SECURITIES REVENUE (IN MILLIONS)	REGISTERED DEALERS AND AGENTS	TREASURY DEALER REVENUES (IN MILLIONS)
2020	63,496	\$168.4	493,397	\$8.5
2021	66,097	\$181.9	527,678	\$9.2
2022	66,002	\$183.7	561,849	\$9.7
2023	56,664	\$143.0	595,685	\$8.0
2024	65,087	\$149.7	519,975	\$8.0
2025	65,087	\$149.7	519,975	\$8.0

NOTE: Amounts for fiscal years 2022 to 2025 are estimated.
SOURCE: State Securities Board.

PUBLIC UTILITY COMMISSION OF TEXAS

PURPOSE: Protect customers, foster competition, and promote high-quality utility infrastructure in the state’s electric, telecommunication, and water and wastewater utility industries.

ESTABLISHED: 1975

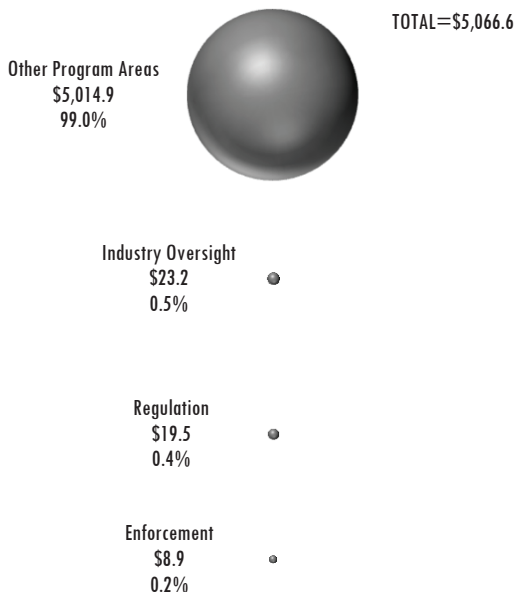
AUTHORIZING STATUTE: The Texas Utilities Code, §12.001

GOVERNANCE: Utility Commission—five members appointed by the Governor with the advice and consent of the Senate

FIGURE 339
PUBLIC UTILITY COMMISSION OF TEXAS BY METHOD OF FINANCE

METHOD OF FINANCE	(IN MILLIONS)				APPROPRIATED FULL-TIME-EQUIVALENT POSITIONS				
	ESTIMATED/BUDGETED 2022–23	APPROPRIATED 2024–25	BIENNIAL CHANGE	PERCENTAGE CHANGE					
General Revenue Funds	\$35.4	\$55.7	\$20.3	57.2%	<table border="1"> <tr> <td>2024</td> <td>283.0</td> </tr> <tr> <td>2025</td> <td>283.0</td> </tr> </table>	2024	283.0	2025	283.0
2024	283.0								
2025	283.0								
General Revenue–Dedicated Funds	\$6.2	\$9.9	\$3.7	59.0%					
Federal Funds	\$0.0	\$0.0	\$0.0	N/A					
Other Funds	\$1.0	\$5,001.0	\$5,000.0	526,315.8%					
Total, All Methods of Finance	\$42.6	\$5,066.6	\$5,023.9	11,789.8%					

AGENCY PROGRAM AREAS BY APPROPRIATION (IN MILLIONS)



SIGNIFICANT DEVELOPMENTS

Funding includes a **\$5.0 billion increase** to establish the **Texas Energy Fund** to support electric generating facilities, pursuant to voter approval of Senate Joint Resolution 93 and enactment of Senate Bill 2627, Eighty-eighth Legislature, Regular Session, 2023.

Appropriations include an **increase of \$11.2 million** in All Funds and an additional **39.0 full-time-equivalent positions** to support increased regulation and oversight workload.

Appropriations include a **\$2.4 million increase** in General Revenue Funds for agencywide salary increases.

The agency’s **Sunset legislation**, House Bill 1500, Eighty-eighth Legislature, Regular Session, 2023, continues the agency until September 1, 2029.

SOURCE: Legislative Budget Board.

MAJOR FUNDING

Appropriations to the Public Utility Commission of Texas (PUC) for the 2024–25 biennium include an All Funds increase of \$5.0 billion from 2022–23 biennial spending levels. Appropriations from General Revenue Funds and General Revenue–Dedicated Funds from Account No. 153, Water Resources Management, increased by a combined total of \$30.0 million. These increases are due primarily to the following changes:

- an increase of \$5.0 billion in Other Funds as a result of a voter-approved constitutional amendment that established the Texas Energy Fund and appropriations from that fund through the General Appropriations Act; the fund will support the construction, maintenance, modernization, and operation of electric generating facilities by providing low-interest loans, grants, and completion bonuses;
 - an increase of \$10.4 million in General Revenue Funds and General Revenue–Dedicated Funds to provide additional funding to increase the salaries for currently vacant positions to improve recruitment and provide an additional 23.0 full-time-equivalent (FTE) positions to meet increased demand for agency services; funding also covers operational costs for the new positions and the replacement of cubicles to redesign the workspace to accommodate current and future staff;
 - an increase of \$2.4 million in General Revenue Funds for the statewide salary adjustment and a 10.0 percent targeted salary increase for attorneys and other licensed professionals to improve staff recruitment and retention;
 - an increase of \$2.3 million in General Revenue Funds and General Revenue–Dedicated Funds for contracts to perform the following actions:
 - support the agency in reviewing electric utility power supply plans, reliability issues, and weatherization of entities outside of the Electric Reliability Council of Texas (ERCOT);
 - digitize and update electric service area maps and capture all approved changes to the electric service area boundaries;
 - provide the most recent aerial imagery of the state at a higher resolution than is currently available
- to the agency’s mapping staff to better see infrastructure to support emergency management activities, and for routing of electric transmission lines for power line safety oversight; and
- digitize water utility records for ease of access to the information;
- an increase of \$1.9 million in General Revenue Funds and an additional 4.0 FTE positions for a Data Analysis team within the agency’s Market Analysis team and technical infrastructure to support the gathering, storage, and analysis of market data. In addition, the Data Analysis team will analyze incoming market data, identify trends and market events that may affect the utility market, and generate reports for commissioners and agency staff that provide additional market data, analysis, and forecasting. This team also will assist in ERCOT oversight by providing a cross-check of market data provided to the agency by ERCOT;
 - an increase of \$1.0 million in General Revenue Funds for the implementation of planned projects related to replacement and modernization of legacy applications; information technology security enhancements; Docusign, a Learning Management System for training, tracking, and reporting to the agency; and general software and hardware for cybersecurity;
 - an increase of \$0.8 million in General Revenue Funds and an additional 6.0 FTE positions to support implementation of Sunset Advisory Commission management actions that include: development of agency policies and procedures; a comprehensive review of water and wastewater rules, processes, and procedures; a plan for improving data collection and analysis; and development of a precedent manual for prioritizing rulings on water and wastewater regulation;
 - an increase of \$0.5 million in General Revenue Funds and General Revenue–Dedicated Funds and an additional 3.0 FTE positions to establish a new Office of Public Participation to assist the agency with public outreach and education. This office will engage with the public to facilitate greater understanding of agency processes and solicit broader participation in matters before the commission. Agency staff will act as liaisons to the public affected by and interested

in commission proceedings by providing ongoing process information on individual proceedings and responding to requests for technical assistance; and

- an increase of \$0.5 million in General Revenue Funds with an additional 3.0 FTE positions to establish an Energy Efficiency Plan and Outreach team. This team will evaluate potential opportunities in energy efficiency to ensure a reliable, dependable, and affordable power supply for Texas. The team will collect and analyze data to identify and quantify current energy conservation efforts to provide a State Energy Efficiency Assessment.

PROGRAMS

The agency regulates the state's electric, telecommunication, and water and wastewater utility industries through four major program areas: (1) regulation; (2) industry oversight; (3) enforcement; and (4) other program areas.

The regulation program oversees rates and services in the electric, telecommunication, and water and wastewater services utility industries. Regulation is the only program that crosses all three of the utility industries that the agency oversees. The program focuses primarily on providing rate regulation services to ensure that customers receive just and reasonable rates for their utilities. Of the total \$19.5 million in appropriations to this program area, \$10.6 million in General Revenue Funds is appropriated for electric utilities, \$7.9 million in General Revenue–Dedicated Funds is appropriated for water and wastewater utilities, and \$1.0 million in All Funds is appropriated for telecommunication utilities.

Industry oversight promotes awareness about changes and standards in the electric and telecommunication industries. The program encompasses electric and telecommunication utilities, and the majority of the resources are dedicated to oversight of the competitive electric market. Within the electric market, oversight consists of wholesale competition and retail competition for all customers of investor-owned utilities in ERCOT, whose boundaries contain more than 90.0 percent of the state's electric load, as shown in **Figure 340**. **Figure 341** shows the 20 most populous cities in Texas and the availability of retail competition in those cities. Electric market oversight is appropriated \$22.2 million in General Revenue Funds of the total \$23.2 million in All Funds for this program area, and the remaining \$1.0 million in All Funds is dedicated to telecommunication market oversight.

The enforcement program area oversees the investigation and resolution of potential noncompliance with the Texas Utilities Code among electric and telecommunication utilities. This area includes the agency's work related to audit and review, investigations, and notice of violations and administrative penalties. The program is appropriated a total of \$9.0 million in All Funds for the 2024–25 biennium.

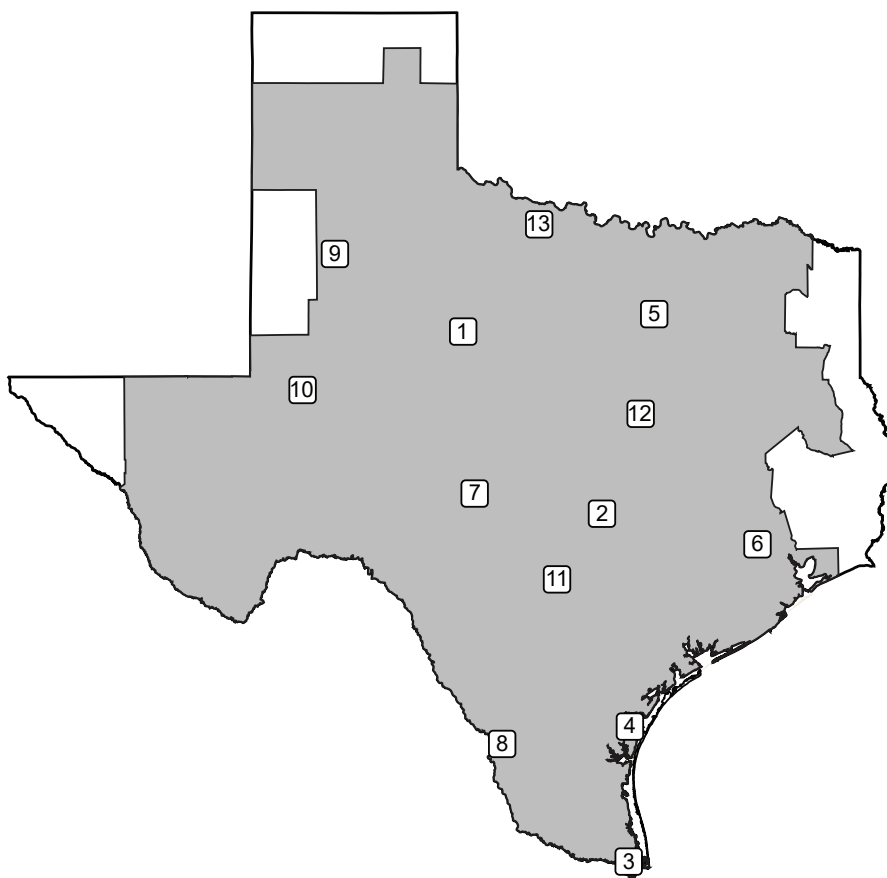
Other program areas include electric and telecommunication industry awareness, customer dispute resolution, agency administration programs, and the Texas Energy Fund. Within other program areas, \$2.7 million in All Funds is appropriated to promote consumer understanding of electric and telecommunication markets through the industry awareness program; \$2.8 million in All Funds is appropriated to assist customers in resolving disputes with electric and telecommunication utilities through the consumer dispute resolution program; \$6.7 million in All Funds is appropriated to help support the agency's administrative functions; and \$5.0 billion in Other Funds is appropriated to the Texas Energy Fund to assist in supporting electric energy-generating facilities.

SIGNIFICANT LEGISLATION

House Bill 1500 – Sunset legislation for the Public Utility Commission of Texas. The legislation continues the PUC until September 1, 2029.

Senate Bill 2627 and Senate Joint Resolution 93 – Funding mechanism to support the construction, maintenance, modernization, and operation of electric generating facilities. Senate Joint Resolution 93 establishes the Texas Energy Fund to support construction and upgrading of dispatchable generation resources. Senate Bill 2627 establishes a completion bonus grant for new dispatchable generation resources and authorizes low-interest loans for the construction or upgrading of such resources. The Eighty-eighth Legislature, General Appropriations Act, 2024–25 Biennium, provides \$5.0 billion in Other Funds to the Texas Energy Fund for these purposes.

FIGURE 340
ELECTRIC RELIABILITY COUNCIL OF TEXAS BOUNDARIES, FISCAL YEAR 2023



SELECTED CITIES SERVED BY ERCOT

1	Abilene
2	Austin
3	Brownsville
4	Corpus Christi
5	Dallas–Fort Worth
6	Houston
7	Junction
8	Laredo
9	Lubbock
10	Midland
11	San Antonio
12	Waco
13	Wichita Falls

SOURCE: Electric Reliability Council of Texas (ERCOT).

FIGURE 341
AVAILABILITY OF RESIDENTIAL ELECTRIC CHOICE IN MOST POPULOUS TEXAS CITIES, AS OF APRIL 1, 2020

CITY	POPULATION	COMPETITION	CITY	POPULATION	COMPETITION
Houston	2,304,580	Yes	Lubbock	257,141	No
San Antonio	1,434,625	No	Irving	256,684	Yes
Dallas	1,304,379	Yes	Garland	246,018	Yes
Austin	961,855	No	Frisco	200,509	Yes
Fort Worth	918,915	Yes	Amarillo	200,393	No
El Paso	678,815	No	Grand Prairie	196,100	Yes
Arlington	394,266	Yes	McKinney	195,308	Yes
Corpus Christi	317,863	Yes	Brownsville	186,738	No
Plano	285,494	Yes	Killeen	153,095	Yes
Laredo	255,205	Yes	Pasadena	151,950	Yes

NOTE: Populations shown are based on U.S. Census Bureau 2020 data.
 SOURCE: U.S. Census Bureau.

OFFICE OF PUBLIC UTILITY COUNSEL

PURPOSE: Ensure the availability of utility services at fair and reasonable rates by providing representation for Texas residential and small-business utility consumers in proceedings conducted by the Public Utility Commission, the Federal Energy Regulatory Commission, the Federal Communications Commission, and state and federal courts.

ESTABLISHED: 1983

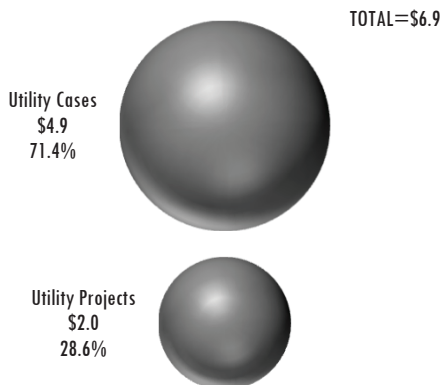
AUTHORIZING STATUTE: The Texas Utilities Code, §13.001, and the Texas Water Code, §13.017

GOVERNANCE: Public Counsel—appointed by the Governor with the advice and consent of the Senate

FIGURE 342
OFFICE OF PUBLIC UTILITY COUNSEL BY METHOD OF FINANCE

METHOD OF FINANCE	(IN MILLIONS)				APPROPRIATED FULL-TIME-EQUIVALENT POSITIONS
	ESTIMATED/BUDGETED 2022–23	APPROPRIATED 2024–25	BIENNIAL CHANGE	PERCENTAGE CHANGE	
General Revenue Funds	\$4.0	\$5.3	\$1.2	29.9%	2024 31.5 2025 31.5
General Revenue–Dedicated Funds	\$1.0	\$1.6	\$0.6	62.6%	
Federal Funds	\$0.0	\$0.0	\$0.0	N/A	
Other Funds	\$0.0	\$0.0	\$0.0	N/A	
Total, All Methods of Finance	\$5.0	\$6.9	\$1.8	36.3%	

AGENCY PROGRAM AREAS BY APPROPRIATION (IN MILLIONS)



SIGNIFICANT DEVELOPMENTS

Appropriations for the 2024–25 biennium increased by \$1.8 million from the 2022–23 biennial spending level, primarily for **additional staff to support increased electric and water utility cases, legal expert witness fees and staff salary increases.**

The Office of Public Utility Counsel will complete an estimated **43 cases** and **26 projects** during the 2024–25 biennium.

The agency's **Sunset legislation**, House Bill 1500, Eighty-eighth Legislature, Regular Session, 2023, continues the agency until September 1, 2029.

SOURCE: Legislative Budget Board.

MAJOR FUNDING AND PROGRAMS

The responsibility of the Office of Public Utility Counsel (OPUC) is to represent residential and small-business utility customers. This responsibility is carried out in two main program areas: (1) utility cases; and (2) utility projects. The agency represents customers of electric, telecommunication, and water and wastewater service utilities.

Appropriations for OPUC total \$6.9 million for the 2024–25 biennium. This amount is an increase of \$1.8 million in General Revenue Funds and General Revenue–Dedicated Funds from the 2022–23 biennium that includes the following amounts:

- an increase of \$1.0 million and an additional 6.0 full-time-equivalent (FTE) positions for additional staff to support increased electric and water utility cases and projects;
- an increase of \$0.6 million for legal expert witness fees to provide testimony for legal cases and projects; and
- an increase of \$0.2 million for the statewide salary adjustment.

Participation in utility cases consists of providing representation for consumers in major utility cases for judicial proceedings, lawsuits, and other litigation. The agency completed 41 cases during fiscal year 2023 and will complete an estimated 43 cases during each fiscal year of the 2024–25 biennium. This program area is appropriated \$4.7 million in General Revenue Funds and General Revenue–Dedicated Funds and 21.5 FTE positions.

OPUC participates in utility cases by providing representation for consumers in judicial proceedings, including those in which utility regulators adopt rules or regulations for competitive issues, consumer safeguards, rate making, and new or advanced technologies and services. The agency completed 29 projects during fiscal year 2023 and will complete an estimated 26 projects during each fiscal year of the 2024–25 biennium. This program area is appropriated \$1.9 million in General Revenue Funds and General Revenue–Dedicated Funds and 10.0 FTE positions.

SIGNIFICANT LEGISLATION

House Bill 1500 – Sunset legislation for the Office of Public Utility Counsel. The legislation continues the agency until September 1, 2029.

HEALTH-RELATED LICENSING AGENCIES

PURPOSE: Health-related licensing boards and commissions regulate certain occupations and industries within the state. Agencies confirm that licensee meet qualifications and standards protect quality of care delivered to consumers through licensing and enforcement programs.

ESTABLISHED: Varies; 1907–2019

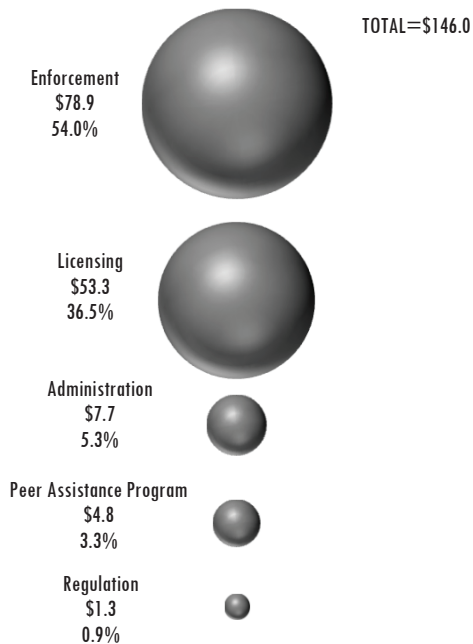
AUTHORIZING STATUTE: Varies; the Texas Occupations Code, Chapters 101, 152, 201, 252, 301, 351, 452, 501, 507, 552, 651, 801

GOVERNANCE: Varies; typically appointed by the Governor with advice and consent of the Senate

FIGURE 343
HEALTH-RELATED LICENSING AGENCIES BY METHOD OF FINANCE

METHOD OF FINANCE	(IN MILLIONS)				APPROPRIATED FULL-TIME-EQUIVALENT POSITIONS
	ESTIMATED/BUDGETED 2022–23	APPROPRIATED 2024–25	BIENNIAL CHANGE	PERCENTAGE CHANGE	
General Revenue Funds	\$89.7	\$120.3	\$30.6	34.1%	2024 740.7
General Revenue–Dedicated Funds	\$5.9	\$9.2	\$3.3	56.4%	
Federal Funds	\$0.0	\$0.0	\$0.0	N/A	2025 737.7
Other Funds	\$17.3	\$16.5	(\$0.8)	(4.9%)	
Total, All Methods of Finance	\$112.9	\$146.0	\$33.1	29.3%	

AGENCY PROGRAM AREAS BY APPROPRIATION (IN MILLIONS)



SIGNIFICANT DEVELOPMENTS

Funding for the **Board of Pharmacy** includes **\$7.4 million** to provide Statewide Integration and NarxCare enhancements to the **Prescription Monitoring Program**.

Funding for the **Texas Medical Board** includes **\$2.5 million** to participate in the **National Practitioner Data Bank** and improve licensee background checks.

Funding for the **Texas Medical Board** includes **an increase of \$5.0 million and 30.5 full-time-equivalent positions** to address an increased workload and support growth in the licensing population.

The **Board of Veterinary Medical Examiners** is attached temporarily to the Department of Licensing and Regulation for four years pursuant to Senate Bill 1414, Eighty-eighth Legislature, Regular Session, 2023.

SOURCE: Legislative Budget Board.

MAJOR FUNDING

Health-related licensing agencies include the following 10 agencies:

- the Behavioral Health Executive Council;
- the Board of Chiropractic Examiners;
- the Texas State Board of Dental Examiners;
- the Funeral Service Commission;
- the Texas Medical Board;
- the Texas Board of Nursing;
- the Texas Optometry Board;
- the Board of Pharmacy;
- the Executive Council of Physical Therapy and Occupational Therapy Examiners; and
- the State Board of Veterinary Medical Examiners.

Additionally, funding for the Health Professions Council (HPC), which coordinates regulatory efforts with the 10 health-related licensing agencies and four non-health-related licensing agencies, is included in this section.

The 10 health-related licensing agencies are subject to a legislative requirement that fee-generated revenues cover the cost of agency appropriations and other direct and indirect costs appropriated elsewhere in the General Appropriations Act. These agencies generate revenue from the regulated occupations and industries in addition to these direct and indirect amounts, and the excess revenue is deposited to the state Treasury for use in funding other state programs.

All Funds appropriations for agencies in this section increased by \$33.1 million in the 2024–25 biennium, and full-time-equivalent (FTE) positions increased by 72.5 positions in fiscal year 2024 and 69.5 and positions in fiscal year 2025 primarily due to the following increases:

- **Behavioral Health Executive Council** – \$0.7 million in General Revenue Funds for targeted staff salary increases and for the statewide salary adjustment;
- **Board of Chiropractic Examiners:**
 - \$0.3 million in General Revenue Funds for vacant positions; and
 - \$0.1 million in General Revenue Funds for the statewide salary adjustment;

- **Texas State Board of Dental Examiners** – \$0.5 million in General Revenue Funds for the statewide salary adjustment;
- **Funeral Services Commission:**
 - \$1.9 million in All Funds to implement provisions of Senate Bill 2040, Eighty-eighth Legislature, Regular Session, 2023, which authorizes the transfer of the regulation of willed body programs, non-transplant anatomical donation organizations, and anatomical facilities to the Texas Funeral Service Commission from the Anatomical Board of the State of Texas;
 - \$0.1 million in General Revenue Funds for the statewide salary adjustment; and
 - \$0.1 million in General Revenue Funds and an additional 1.0 FTE position to address increased agency license and compliance workloads;
- **Texas Medical Board:**
 - \$5.0 million in General Revenue Funds and an additional 30.5 FTE positions to address increasing agency workloads and growth in the licensing population;
 - \$3.2 million in General Revenue Funds for the statewide salary adjustment and for agencywide staff salary increases;
 - \$2.5 million in General Revenue–Dedicated Funds to participate in the National Practitioner Data Bank and to improve licensee background check processes;
 - \$1.9 million in General Revenue Funds for increased costs for agency goods and services due to inflation;
 - \$1.3 million in General Revenue Funds for a records retention scanning project, website update, a system to manage electronic documents, and digital and web-based applications to improve customer services; and
 - \$0.4 million in General Revenue Funds for Capitol Complex relocation expenses and to increase network bandwidth, storage capabilities, and cybersecurity enhancements;

- **Texas Board of Nursing:**

- \$1.3 million in General Revenue Funds for the statewide salary adjustment;
- \$0.9 million in General Revenue Funds and an additional 10.0 FTE positions to support processing an increase in the number of nursing license applications.
- \$0.9 million in General Revenue Funds and an additional 6.0 FTE positions in fiscal year 2024 and an additional 3.0 FTE positions in fiscal year 2025 to address false and fraudulent nursing degree diplomas and transcripts; and
- \$0.7 million in General Revenue Funds for increased bandwidth, enhanced cybersecurity, cloud-based computing services, and digital imaging of microfiche records;

- **Health Professions Council** – \$0.3 million in All Funds that includes General Revenue Funds for the statewide salary adjustment, and funding for staff salary increases to be transferred from member agencies via Interagency Contract to the Health Professions Council;

- **Board of Pharmacy:**

- \$7.4 million in General Revenue Funds for the Prescription Monitoring Program to provide a new enhancement, Statewide Integration, that enables healthcare providers to access a patient's history immediately within the program and a new enhancement, NarxCare, that analyzes prescription information and establishes a patient risk score for accidental overdose based on patient history;
- \$1.5 million in General Revenue Funds for the statewide salary adjustment and for targeted salary increases for vacant agency positions to increase recruitment competitiveness;
- \$1.4 million in General Revenue Funds for onetime startup and ongoing maintenance costs associated with agency use of the Texas Wholesale Distributor Database, the RxPad system, enhanced analytics software, and for software updates to the Prescription Monitoring Program; and

- \$1.1 million in General Revenue Funds and an additional 7.0 FTE positions to address increased agency workloads;

- **Executive Council of Physical Therapy and Occupational Therapy Examiners:**

- \$0.3 million in General Revenue Funds to support the agency's transition to the shared regulatory database regulated by HPC;
- \$0.1 million in General Revenue Funds and an additional 1.0 FTE position to address increased enforcement caseloads; and
- \$0.3 million in General Revenue Funds for the statewide salary adjustment and for targeted salary increases; and

- **State Board of Veterinary Medical Examiners:**

- \$1.1 million in General Revenue Funds for the development of a new licensing database;
- \$1.5 million in General Revenue Funds and an additional 8.0 FTE positions to address increased agency workloads, to address a backlog of case investigations, and to reduce the time to complete complaint investigations; and
- \$0.7 million in General Revenue Funds to improve the recruitment competitiveness for vacant positions by increasing these position's salaries, to implement a career ladder program, and for the statewide salary increase.

These increases are offset partially by a decrease of \$4.3 million in All Funds due to onetime funding in the 2022–23 biennium that is not continued, for items such as Capitol Complex relocation expenses, and decreases in Appropriated Receipts associated with the production, printing, and sale of prescription pads by the Board of Pharmacy due to an anticipated increased use of online prescription forms for the 2024–25 biennium.

PROGRAMS

Health-related licensing agencies enforce occupational code and practice standards for certain professions through five major program areas: (1) enforcement; (2) licensing; (3) peer assistance programs; (4) administration; and (5) public information. **Figure 344** shows certain agency performance measures, FTE positions, and funding from fiscal years 2021 to 2025 for each of the health-related licensing agencies.

FIGURE 344
HEALTH-RELATED AGENCIES ACTIVITIES AND FUNDING, FISCAL YEARS 2021 TO 2025

AGENCY	2021 EXPENDED	2022 EXPENDED	2023 ESTIMATED	2024 APPROPRIATED	2025 APPROPRIATED
Behavioral Health Executive Council (1)					
New Licenses Issued (Individuals)	9,293	10,047	10,362	9,300	9,300
Licenses Renewed (Individuals)	30,852	28,605	32,530	29,000	29,000
Complaints Resolved	1,159	729	618	610	610
All Funds Total	\$4,414,861	\$5,174,405	\$5,024,174	\$5,311,786	\$5,509,690
Full-time-equivalent (FTE) Positions	53.9	58.2	68.0	68.0	68.0
Board of Chiropractic Examiners					
New Licenses Issued (Individuals)	382	433	465	350	350
Licenses Renewed (Individuals)	3,226	4,076	3,462	3,100	3,100
Complaints Resolved	124	192	155	350	350
All Funds Total	\$863,540	\$993,778	\$930,778	\$1,150,870	\$1,187,498
FTE Positions	9.0	10.4	14.0	14.0	14.0
Texas State Board of Dental Examiners					
New Licenses Issued (Individuals)	9,918	8,185	8,870	4,500	4,500
Licenses Renewed (Individuals)	38,936	34,210	34,883	35,500	35,500
Total Facilities Licensed	815	785	733	850	850
Complaints Resolved	973	956	976	1,000	1,000
All Funds Total	\$4,299,595	\$4,843,690	\$4,548,074	\$4,782,479	\$4,965,088
FTE Positions	50.5	49.3	59.0	59.0	59.0
Funeral Service Commission					
Licenses Issued (Individuals)	425	389	445	380	380
Licenses Renewed (Individuals)	2,268	2,166	2,299	2,250	2,250
Licenses Issued (Facilities)	84	75	79	80	80
Licenses Renewed (Facilities)	1,557	1,427	1,620	1,500	1,500
Complaints Resolved	217	182	95	100	100
All Funds Total	\$685,498	\$887,880	\$875,156	\$1,937,260	\$1,407,276
FTE Positions	8.7	8.8	11.0	16.0	16.0
Texas Medical Board (2)					
New Licenses Issued (Individuals)	10,389	16,733	15,410	16,022	16,495
Licenses Renewed (Individuals)	75,496	79,363	81,951	82,143	84,568
Complaints Resolved	1,858	1,484	1,507	2,153	2,215
All Funds Total	\$13,985,247	\$17,815,795	\$14,503,319	\$22,975,612	\$21,374,989
FTE Positions	182.5	189.7	224.5	260.0	260.0
Texas Board of Nursing (2)					
New Licenses Issued (Individuals)	36,755	38,380	41,898	34,800	34,800
Licenses Renewed (Individuals)	231,720	238,182	242,111	230,500	230,500
Complaints Resolved	14,942	17,814	18,646	14,000	14,000
All Funds Total	\$12,780,945	\$13,722,475	\$13,525,341	\$15,194,334	\$15,645,407
FTE Positions	111.6	116.6	125.7	141.7	138.7

FIGURE 344 (CONTINUED)
HEALTH-RELATED AGENCIES ACTIVITIES AND FUNDING, FISCAL YEARS 2021 TO 2025

AGENCY	2021 EXPENDED	2022 EXPENDED	2023 ESTIMATED	2024 APPROPRIATED	2025 APPROPRIATED
Texas Optometry Board					
New Licenses Issued (Individuals)	287	288	243	189	189
Licenses Renewed (Individuals)	4,833	2,365	2,443	2,500	2,500
Complaints Resolved	158	88	108	140	140
All Funds Total	\$499,684	\$556,723	\$518,007	\$560,072	\$578,491
FTE Positions	7.0	6.4	7.0	7.0	7.0
Board of Pharmacy (2)					
New Licenses Issued (Individuals)	1,850	1,902	1,904	2,000	2,000
Licenses Renewed (Individuals)	19,679	19,755	19,839	19,500	19,500
Total Facilities Licensed	8,422	8,405	8,370	8,350	8,350
Complaints Resolved	6,010	7,006	6,713	5,420	5,420
All Funds Total	\$9,239,458	\$10,158,832	\$10,135,114	\$15,427,082	\$14,803,068
FTE Positions	102.3	94.8	108.0	117.0	117.0
Executive Council of Physical Therapy and Occupational Therapy Examiners					
New Licenses Issued (Individuals)	3,845	3,671	3,703	3,550	3,550
Licenses Renewed (Individuals)	20,363	21,118	22,294	20,500	20,650
Complaints Resolved	1,345	1,055	1,018	1,070	1,070
All Funds Total	\$1,349,499	\$1,433,576	\$1,393,824	\$1,838,272	\$1,761,311
FTE Positions	19.1	19.2	20.0	21.0	21.0
State Board of Veterinary Medical Examiners					
New Licenses Issued (Individuals)	1,012	1,008	1,049	900	900
Licenses Renewed (Individuals)	10,794	11,090	11,656	10,200	10,200
Complaints Resolved	448	359	644	980	980
All Funds Total	\$1,360,028	\$1,473,491	\$1,409,791	\$3,692,090	\$2,643,937
FTE Positions	20.0	17.7	21.0	29.0	29.0
Health Professions Council					
All Funds Total	\$1,177,706	\$1,599,529	\$1,372,832	\$1,606,222	\$1,660,416
FTE Positions	7.0	7.5	8.0	8.0	8.0

NOTES:

(1) House Bill 1501, Eighty-sixth Legislature, 2019, established the Behavioral Health Executive Council, which began regulatory operations in fiscal year 2021.

(2) The data for Licenses Issued (Individual) shown for the Texas Medical Board, Board of Nursing, and Board of Pharmacy include license types issued that are not captured in key performance measures.

SOURCES: Legislative Budget Board; Board of Chiropractic Examiners; Texas State Board of Dental Examiners; Funeral Service Commission; Texas Medical Board; Texas Board of Nursing; Texas Optometry Board; Board of Pharmacy; Executive Council of Physical Therapy and Occupational Therapy Examiners; Behavioral Health Executive Council; Health Professions Council; and State Board of Veterinary Medical Examiners.

Enforcement activities include routine inspections of facilities, investigating patient complaints about a licensee or quality of care, and suspending or revoking licenses of violators of the agency's practices standards. Appropriations for enforcement programs at the health-related licensing agencies total \$78.9 million in All Funds for the 2024–25 biennium.

Health-related licensing agencies establish licensee qualifications and practices standards for the regulated professions. Licensing activities include verifying credentials of applicants and facilities, updating licensee databases, and ensuring that continuing education requirements and ethical standards are met. Appropriations for licensing programs at health-related licensing agencies total \$53.3 million in All Funds for the 2024–25 biennium.

The Board of Pharmacy manages the Prescription Monitoring Program (PMP), which collects and monitors prescription data for controlled substances for prescribers, pharmacies, and patients through an online database. All pharmacists and prescribers, except veterinarians, are required to check patient history in the PMP database before prescribing or dispensing certain controlled substances. Six health-related licensing agencies and one non-health-related agency, including the Texas Medical Board, the Texas Optometry Board, the Texas State Board of Dental Examiners, the Texas Board of Nursing, the State Board of Veterinary Medical Examiners, the Texas Department of Licensing and Regulation, and the Board of Pharmacy, contribute to the funding of the PMP. Appropriations for the PMP total \$12.0 million in General Revenue Funds and 14.0 FTE positions for the 2024–25 biennium.

Certain health-related licensing agencies participate in peer assistance programs for licensees with impairments, such as chemical abuse or dependency and certain mental health diagnoses, to receive treatment and monitoring before returning to work. Agencies that participate in the peer assistance programs include the following: the Texas Board of Nursing, Board of Pharmacy, Texas Optometry Board, Texas State Board of Dental Examiners, and State Board of Veterinary Medical Examiners. The Texas Medical Board operates the Texas Physician Health program, which is similar in function to other health-related agencies' peer assistance programs but is attached administratively to the Texas Medical Board. Appropriations for peer assistance programs total \$4.8 million for the 2024–25 biennium. These appropriations are subject to a provision in the Eighty-eighth Legislature, General Appropriations Act, 2024–25 Biennium, which authorizes Regulatory agencies that have peer assistance programs to take part in the Statewide

Behavioral Health Coordinating Council alongside the other agencies required to participate. This council was established to coordinate the expenditure of funds for behavioral health programs across the state.

HPC provides shared support for participating agencies, including information technology support, accounting, and training. Appropriations for HPC shared support services total \$3.2 million for the 2024–25 biennium and are funded through Interagency Contracts with the participating health-related and non-health-related licensing agencies.

The Texas Medical Board also oversees the public education program, which assists in establishing continuing education standards and educating the public regarding medical malpractice. Appropriations for the public education program total \$1.0 million for the 2024–25 biennium.

SIGNIFICANT LEGISLATION

House Bill 1998 – Regulation of physicians, disciplinary authority of the Texas Medical Board, and administration of the Texas Physician Health Program. The legislation eliminates the participation fee for the Texas Physician Health Program. House Bill 1998 authorizes the Texas Medical Board to collect an additional \$15 surcharge during license registration and renewal to cover the cost of the program.

Senate Bill 1414 – Temporary regulation of the practice of veterinary medicine by the Texas Department of Licensing and Regulation. The legislation administratively attaches the State Board of Veterinary Medical Examiners (SBVME) to the Texas Department of Licensing and Regulation (TDLR) for four years. During this period, SBVME will act as an advisory board as TDLR administers the Texas Veterinary Licensing Act. Additionally, TDLR is required to provide statutory recommendations to improve SBVME's operations and to assist in training SBVME staff. The legislation also amends SBVME's Sunset expiration date from September 1, 2029, to September 1, 2027.

Senate Bill 2040 – Transfer of the regulation of willed body programs. The legislation abolishes the Anatomical Board of the State of Texas and authorizes the transfer of the regulation of willed body programs, non-transplant anatomical donation organizations, and anatomical facilities to the Texas Funeral Service Commission.

OTHER REGULATORY AGENCIES

PURPOSE: Other regulatory agencies consist of the Board of Professional Geoscientists and the Board of Plumbing Examiners, which oversee the regulation of certain occupations within Texas. Agencies ensure licensee qualifications and standards are maintained through licensing and enforcement programs.

ESTABLISHED: Geoscientists – 2001, Plumbing – 1947

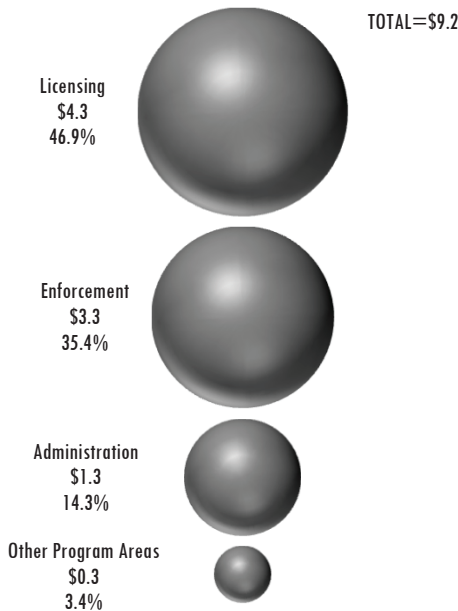
AUTHORIZING STATUTE: The Texas Occupations Code, §§1002.001 and 1301.001

GOVERNANCE: Nine-member boards appointed by the Governor with advice and consent of the Senate

**FIGURE 345
OTHER REGULATORY AGENCIES BY METHOD OF FINANCE**

METHOD OF FINANCE	(IN MILLIONS)				APPROPRIATED FULL-TIME-EQUIVALENT POSITIONS
	ESTIMATED/BUDGETED 2022–23	APPROPRIATED 2024–25	BIENNIAL CHANGE	PERCENTAGE CHANGE	
General Revenue Funds	\$7.2	\$9.2	\$1.9	27.0%	2024 58.5
General Revenue–Dedicated Funds	\$0.0	\$0.0	\$0.0	N/A	
Federal Funds	\$0.0	\$0.0	\$0.0	N/A	2025 58.5
Other Funds	\$0.1	\$0.1	(\$0.0)	(30.5%)	
Total, All Methods of Finance	\$7.3	\$9.2	\$1.9	26.4%	

AGENCY PROGRAM AREAS BY APPROPRIATION (IN MILLIONS)



SIGNIFICANT DEVELOPMENTS

Funding for the **Board of Plumbing Examiners** includes **\$0.7 million and 6.0 full-time-equivalent (FTE) positions** for increased staffing to address an **increased workload** and improve agency functions.

Funding for the **Board of Plumbing Examiners** includes an **increase of \$0.3 million and 2.0 FTE positions** for a **new testing facility** in Harlingen, **upgrades to existing testing sites**, and a **mobile testing unit**.

Funding for the **Board of Geoscientists** includes an **increase of \$1.5 million** for staff salary increases and to increase the salary competitiveness of vacant agency positions.

SOURCE: Legislative Budget Board.

MAJOR FUNDING

Other regulatory agencies include the Board of Professional Geoscientists and the Board of Plumbing Examiners. These agencies participate in shared services through the Health Professions Council. All Funds appropriations for these agencies for the 2024–25 biennium increased by \$1.9 million and 9.0 full-time-equivalent (FTE) positions. This increase is due primarily to the following General Revenue Funds increases for the Texas Board of Plumbing Examiners:

- \$0.7 million with an additional 6.0 FTE positions to meet increased agency workload demands;
- \$0.4 million for the statewide salary adjustment and targeted staff salary increases;
- \$0.3 million with an additional 2.0 FTE positions to expand the agency’s statewide examination centers, which includes a mobile testing unit to conduct practical portions of the licensing exam, improvements to existing exam facilities, and additional staff to administer the practical exams; and
- \$0.3 million for increases in the lease cost of the agency’s headquarters.

These regulatory agencies are subject to a legislative requirement that fee-generated revenues cover the cost of agency appropriations and other direct and indirect costs

appropriated in the General Appropriations Act. These agencies generate revenue from the regulated occupations and industries in addition to direct and indirect appropriations, and the excess revenue is deposited to the state Treasury for use in funding other state programs.

PROGRAMS

These regulatory agencies enforce occupational code and practice standards for their professions through two major program areas: licensing and enforcement. **Figure 346** shows total appropriations and FTE positions for each agency and certain performance measures related to each agency’s licensing and enforcement programs.

Licensing activities include verifying credentials of applicants and facilities, updating licensee databases, and ensuring that continuing education requirements and ethical standards are met. Appropriations for licensing programs at these regulatory agencies total \$4.3 million in All Funds for the 2024–25 biennium.

Enforcement activities include routine inspections of facilities, investigating consumer complaints about licensees or quality of services, and suspending or revoking licenses for violations of the agency’s standards. Appropriations for enforcement programs at these agencies total \$3.3 million in All Funds for the 2024–25 biennium.

FIGURE 346
OTHER REGULATORY AGENCIES PERFORMANCE AND FUNDING, FISCAL YEARS 2021 TO 2025

AGENCY	2021 EXPENDED	2022 ESTIMATED	2023 BUDGETED	2024 APPROPRIATED	2025 APPROPRIATED
Board of Professional Geoscientists					
Number of Licensees	159	96	70	85	85
Complaints Resolved	8	17	40	40	40
All Funds Total	\$490,243	\$650,749	\$598,655	\$671,340	\$690,261
Full-time-equivalent Positions	4.8	4.5	7.5	7.5	7.5
Board of Plumbing Examiners					
Number of Licensees	53,613	76,000	76,000	76,000	76,000
Complaints Resolved	864	784	900	900	900
All Funds Total	\$2,727,810	\$3,007,084	\$2,916,684	\$3,901,408	\$3,957,958
Full-time-equivalent Positions	31.7	34.2	42.0	51.0	51.0

NOTE: The number of licensees is a sum of these agencies’ key performance measures for new and renewal licenses.

SOURCES: Legislative Budget Board; Board of Professional Geoscientists; Board of Plumbing Examiners.

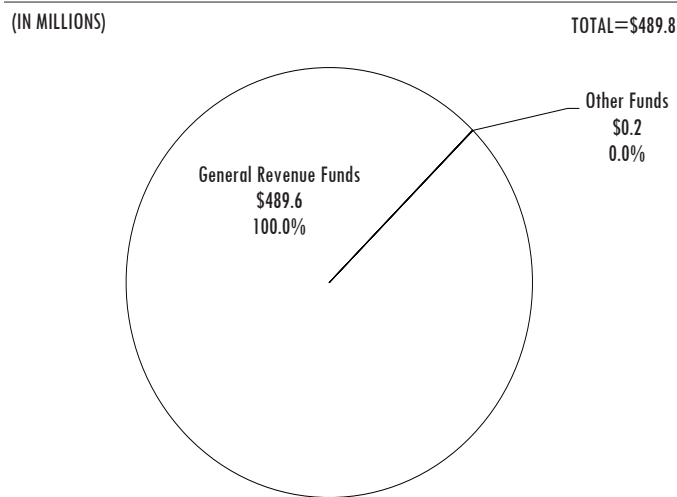
12. LEGISLATURE

All powers of the state’s legislative branch are vested in the Texas Senate and the Texas House of Representatives. The Legislature convenes biennially in Austin for a 140-day regular session, beginning on the second Tuesday in January of each odd-numbered year, to conduct a regular order of business outlined in the Texas Constitution. Appropriations support the operations of these entities and six other legislative entities, which include the Legislative Budget Board, Legislative Council, Sunset Advisory Commission, Commission on Uniform State Laws, State Auditor’s Office, and Legislative Reference Library.

FIGURE 347
ARTICLE X – LEGISLATURE, BY METHOD OF FINANCE

METHOD OF FINANCE	(IN MILLIONS)			
	ESTIMATED/BUDGETED 2022–23	APPROPRIATED 2024–25	BIENNIAL CHANGE	PERCENTAGE CHANGE
General Revenue Funds	\$433.4	\$489.6	\$56.2	13.0%
General Revenue–Dedicated Funds	\$0.0	\$0.0	\$0.0	N/A
Federal Funds	\$0.0	\$0.0	\$0.0	N/A
Other Funds	\$0.1	\$0.2	\$0.2	294.9%
Total, All Methods of Finance	\$433.5	\$489.8	\$56.3	13.0%

SHARE OF FUNDING BY METHOD OF FINANCE (IN MILLIONS)



SIGNIFICANT DEVELOPMENTS

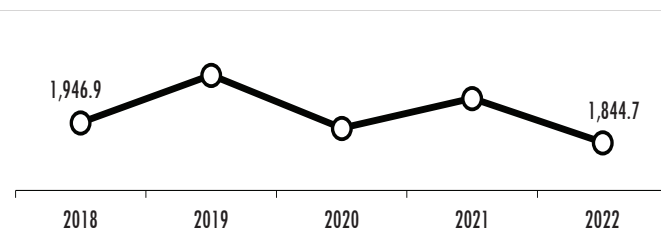
The Eighty-eighth Legislature, 2023, **passed 1,252 of 8,616 filed bills** and **14 of 337 joint resolutions** during its regular and called sessions. In addition, the Legislature passed **134 of 257 concurrent resolutions** and **3,733 of 3,880 resolutions**. The Legislative Council drafted **12,170 bills and joint resolutions** requested by the Legislature.

The Legislative Budget Board (LBB) completed **7,287 Fiscal Notes** and **750 Impact Statements**. In addition, from November 2021 to October 2023, the LBB conducted **three School Performance Reviews**.

The Legislature passed **Sunset review bills containing 95.0 percent of the Sunset Advisory Commission’s 143 recommendations**. In addition, **the agency will conduct 12 reviews** during the interim.

The **State Auditor’s Office** Audit and Review Team **completed 43 audits and other projects** related to state agencies, higher education institutions, and other entities **during fiscal year 2023**.

FULL-TIME-EQUIVALENT POSITIONS



NOTES: Excludes Interagency Contracts. Full-time-equivalent positions show actual positions for fiscal years 2018 to 2022.
SOURCES: Legislative Budget Board; State Auditor’s Office.

FIGURE 348
ARTICLE X – LEGISLATURE, ALL FUNDS

(IN MILLIONS)	ESTIMATED/BUDGETED	APPROPRIATED	BIENNIAL	PERCENTAGE
FUNCTION	2022–23	2024–25	CHANGE	CHANGE
Senate	\$80.3	\$95.5	\$15.1	18.8%
House of Representatives	\$98.9	\$115.1	\$16.2	16.4%
Legislative Budget Board	\$27.6	\$32.0	\$4.4	15.9%
Legislative Council	\$92.7	\$99.3	\$6.6	7.1%
Commission on Uniform State Laws	\$0.4	\$0.4	\$0.0	0.0%
Sunset Advisory Commission	\$5.4	\$5.7	\$0.3	6.4%
State Auditor’s Office	\$44.4	\$47.0	\$2.6	5.8%
Legislative Reference Library	\$3.9	\$4.1	\$0.2	6.0%
Subtotal, Legislature	\$353.6	\$399.1	\$45.5	12.9%
Retirement and Group Insurance	\$71.0	\$77.9	\$6.9	9.8%
Social Security and Benefits Replacement Pay	\$18.5	\$22.1	\$3.6	19.8%
Lease Payments	\$0.0	\$0.0	\$0.0	N/A
Subtotal, Employee Benefits and Debt Service	\$89.4	\$100.0	\$10.6	11.8%
Less Interagency Contracts	\$9.6	\$9.4	(\$0.2)	(2.4%)
Total, All Functions	\$433.5	\$489.8	\$56.3	13.0%

NOTE: Biennial change and percentage change are calculated on actual amounts before rounding. Therefore, totals may not sum due to rounding.

SOURCE: Legislative Budget Board.

MAJOR FUNDING

Appropriations made to the Legislature total \$489.8 million in All Funds for the 2024–25 biennium, an increase of \$56.3 million, or 13.0 percent, from the 2022–23 biennial spending level. These appropriations primarily include the following changes:

- an increase of \$10.6 million in General Revenue Funds for employee benefits; and
- an increase in General Revenue Funds for the statewide salary adjustment.

SENATE

The Senate consists of 31 senators elected to staggered four-year terms of office. Its primary duties include legislating all Texas laws and resolutions, approving the state budget, submitting all proposed constitutional amendments to Texas voters, confirming most gubernatorial appointees, and electing a President pro tempore from its members at the beginning and ending of each legislative session. This person performs the duties of the Lieutenant Governor in his or her absence or incapacitation. The Lieutenant Governor, the presiding officer (President) of the Senate, is elected statewide and serves a four-year term. The Secretary of the Senate, elected by Senate members, is the chief executive administrator in charge of central Senate operations. Appropriations for the 2024–25 biennium to fund Senate operations total \$95.5 million in General Revenue Funds.

The Lieutenant Governor appoints all committee chairs and members of Senate standing and select committees, and refers bills to the committees. Approximately 17 standing, select, interim, and joint committees study selected topics, or charges, assigned by the Lieutenant Governor between legislative sessions and receive bills for hearing and referral back to the full Senate for consideration during the session. **Figure 349** shows the number of bills and resolutions filed, passed, and vetoed during the Eighty-eighth Legislature, 2023. The Senate passed 514 bills and joint resolutions, or 17.8 percent of the 2,884 bills and joint resolutions filed by the Senate. These amounts exclude 940 resolutions that were passed in honor or acknowledgement of individuals and entities. Fifty-four bills originating in the Senate were vetoed by the Governor.

HOUSE OF REPRESENTATIVES

The House of Representatives consists of 150 representatives elected during even-numbered years to two-year terms of office. At the beginning of each regular legislative session, the House elects the Speaker of the House from its members to serve as the presiding officer. Primary duties of the House of Representatives include legislating all Texas laws and resolutions, submitting all proposed constitutional amendments for voter approval, and approving the state budget. In addition, all legislation that increases state taxation must originate in the House. Appropriations for 2024–25 biennium for the operations of the House of Representatives total \$115.1 million in General Revenue Funds.

The Speaker appoints all chairs and members of House standing and select committees and refers all bills to the committees for consideration. House committees, including 39 standing, select, and joint committees, study selected topics, or charges, assigned by the Speaker between legislative sessions and receive bills for hearing and referral back to the full House for consideration during the legislative session. **Figure 349** shows the number of bills and resolutions filed, passed, and vetoed during the Eighty-eighth Legislature, 2023. The House passed 752 bills and joint resolutions, or 12.4 percent of the 6,069 bills and joint resolutions filed by the House. These amounts exclude 2,793 resolutions, which were passed in honor or acknowledgement of individuals and entities. Twenty-two bills originating in the House were vetoed by the Governor.

FIGURE 349
LEGISLATION FILED, PASSED, AND VETOED FOR THE LEGISLATIVE SESSIONS, FISCAL YEARS 2019 TO 2023

CHAMBER	86TH LEGISLATURE			87TH LEGISLATURE			88TH LEGISLATURE			CHANGE FROM 87TH TO 88TH LEGISLATURES		
	FILED	PASSED	VETOED	FILED	PASSED	VETOED	FILED	PASSED	VETOED	FILED	PASSED	VETOED
Senate												
Bills	2,559	460	15	2,479	503	8	2,786	508	54	307	5	46
Concurrent Resolutions	68	23	0	76	51	0	77	40	0	1	(11)	0
Joint Resolutions	70	3	0	89	6	0	98	6	0	9	0	0
Resolutions	865	862	0	787	773	0	995	940	0	208	167	0
Senate Total	3,562	1,608	15	3,431	1,333	8	3,956	1,494	54	525	161	46
House of Representatives												
Bills	4,765	969	41	5,374	594	12	5,830	744	22	456	150	10
Concurrent Resolutions	186	102	2	164	63	0	180	94	0	16	31	0
Joint Resolutions	147	7	0	240	4	0	239	8	0	(1)	4	0
Resolutions	2,707	2,155	0	2,658	2,534	0	2,885	2,793	0	227	259	0
House Total	8,307	4,253	43	8,436	3,195	12	9,134	3,639	22	698	444	10
Senate and House												
Bills	7,324	1,429	56	8,182	1,097	20	8,616	1,252	76	763	155	56
Concurrent Resolutions	254	125	2	240	114	0	257	134	0	17	20	0
Joint Resolutions	217	10	0	329	10	0	337	14	0	8	4	0
Resolutions	3,082	3,017	0	3,445	3,307	0	3,880	3,733	0	435	426	0
Total	10,877	4,581	58	11,867	4,528	20	13,090	5,133	76	1,223	605	56

NOTE: Includes all regular and called sessions.
SOURCE: Legislative Reference Library.

LEGISLATIVE BUDGET BOARD

The Legislative Budget Board (LBB) is a permanent joint committee made up of 10 members including the Lieutenant Governor (joint chair), the Speaker of the House of Representatives (joint chair), the chair of the House Committee on Appropriations, the chair of the House Committee on Ways and Means, the chair of the Senate Finance Committee, three members of the Senate appointed by the Lieutenant Governor, and two members of the House of Representatives appointed by the Speaker. The board is assisted by the LBB Director and staff.

The agency serves the analysis and fiscal policy needs of the Texas Legislature through a range of responsibilities required in general law, directed by the General Appropriations Act, and designated by the Board and its staff. LBB also provides a range of services and informative documents to serve and keep the Legislature informed about significant budget and performance developments among state agencies. Appropriations for 2024–25 biennium for the operations of the LBB total \$32.0 million in General Revenue Funds.

AGENCY RESPONSIBILITIES

Significant statutory responsibilities for LBB established in various sections of the Texas Government Code include the following duties:

- the adoption of constitutional and statutory spending limits;
- preparing a General Appropriations Bill draft;
- preparing a budget estimates document;
- preparing fiscal notes and impact statements;
- reporting findings from performance and efficiency reviews;
- guiding, reviewing, and finalizing agency strategic plans; and
- taking necessary budget execution actions.

ADOPTION OF CONSTITUTIONAL AND STATUTORY SPENDING LIMITS

The Texas Constitution, Article VIII, Section 22, requires the amount of appropriations made from state tax revenues that is not dedicated by the constitution to be within the estimated rate of growth of the state's economy from the current biennium to the next biennium, commonly referred to as the

spending limit. The Texas Government Code, Chapter 316, requires the LBB to determine the amount of the limit using Texas personal income growth as a measurement of the state's economy. The Legislature can override the adopted constitutional spending limit if the Legislature finds that an emergency exists by adopting a concurrent resolution with a majority vote.

Senate Bill 1336, Eighty-seventh Legislature, Regular Session, 2021, amended the Texas Government Code, Chapter 316, to establish an additional statutory spending limit restricting the growth of consolidated general revenue appropriations (General Revenue Funds and General Revenue–Dedicated Funds) to the growth of population and inflation. The additional limit excludes appropriations that provide tax relief or pay costs associated with recovery from a disaster declared by the Governor. The LBB also is required to adopt the growth rate for the statutory spending limit in addition to the constitutional spending limit. The Legislature can override the adopted statutory spending limit by adopting a concurrent resolution with a three-fifths vote in each chamber. Appropriations must be within both the Article VIII constitutional spending limit and, beginning in the 2024–25 biennium, the new statutory spending limit established in Senate Bill 1336.

BUDGET EXECUTION AUTHORITY

The Texas Government Code, Chapter 317, provides the LBB with budget execution authority, which authorizes state expenditure decisions to be altered when a full Legislature is not convened. This process begins when the Governor or the LBB proposes that funds appropriated to an agency should be prohibited from expenditure, transferred from one agency to another, or retained by an agency to be used for a purpose other than originally intended. A budget execution order takes effect only if both the Governor and LBB concur.

GENERAL APPROPRIATIONS BILL DRAFT AND LEGISLATIVE BUDGET ESTIMATES

The LBB Director provides copies of the board's recommended General Appropriations Bill (GAB) draft and Legislative Budget Estimates (LBE) to all members of the Legislature and the Governor at the beginning of each regular legislative session and during special sessions as required. For the Eighty-eighth Legislature, Regular Session, 2023, one LBE provides both historical expenditures and proposed appropriations for each state agency and institution of higher education, and another

FIGURE 350
LEGISLATION REQUIRING A FISCAL NOTE COMPARED TO FISCAL NOTES AND COMPLETED IMPACT STATEMENTS
EIGHTY-SIXTH TO EIGHTY-EIGHTH LEGISLATIVE SESSIONS

CATEGORY	LEGISLATURE			CHANGE	
	86TH, 2019	87TH, 2021	88TH, 2023	87TH TO 88TH	87TH TO 88TH PERCENTAGE
Filed Legislation Requiring a Fiscal Note	7,556	8,204	8,972	768	9.4%
Fiscal Notes (FN)	8,627	6,984	7,287	303	4.3%
Completed Impact Statements (CIS)	9,353	1,003	750	(253)	(25.2%)
FN and CIS Totals	17,980	7,987	8,037	50	0.6%

NOTE: Includes all regular and called sessions.

SOURCES: Legislative Budget Board; Legislative Reference Library.

represents all agency programs. The GAB draft and LBE are products of both a strategic planning process and a review process that includes a public hearing on each agency's budget request and an LBB staff analysis of each agency's expenditures, performance results, and budget drivers such as population changes within entitlement programs and other metrics. LBB staff perform multiple projections and analytical modeling to support this development.

When the GAB is enacted, it is referred to as the General Appropriations Act (GAA). The GAA allocates each agency's appropriations by goals and strategies and establishes key performance targets for each strategy. Agencies are required to report actual performance data each quarter so that LBB staff can monitor progress toward achieving established performance targets. LBB also provides additional program detail for items of appropriation in the GAA on its website that includes specific programs funded, the source of the funding, and related statutory authority.

FISCAL NOTES AND IMPACT STATEMENTS

Fiscal notes are written estimates that identify probable costs, savings, revenue gains, or revenue losses of each bill or resolution that is proposed by the Legislature across five or more years. These estimates serve as a tool to help legislators better understand how a bill might affect the state budget, individual agencies, taxpayers, and in some instances, local governments. A new fiscal note is prepared for each version of a bill, unless no changes are made from one version to the next. A fiscal note representing the most recent version of the bill must remain with the bill or resolution throughout the legislative process, including the point at which it is submitted to the Governor. During the Eighty-eighth Legislature, regular and called sessions, 2023, LBB staff completed 7,287 fiscal notes.

In addition to fiscal notes, LBB staff prepare impact statements that provide the Legislature with additional analysis and information about certain bills being considered for passage. LBB provides eight types of impact statements: (1) criminal justice policy impact statements; (2) equalized education funding impact statements; (3) tax equity notes; (4) actuarial impact statements; (5) open-government impact statements; (6) water development policy impact statements; (7) higher education impact statements; and (8) dynamic economic impact statements.

Figure 350 shows the number of fiscal notes and impact statements that LBB completed during the Eighty-sixth to Eighty-eighth Legislatures.

PERFORMANCE AUDITS AND EVALUATIONS

LBB is statutorily required to establish a system of performance audits and evaluations intended to provide a comprehensive and continuing review of the programs and operations of each state institution, department, agency, or commission. In addition, it is authorized to conduct performance reviews and evaluations of state agencies, river authorities, public junior colleges, and general academic teaching institutions. As part of this process, LBB staff each interim perform a Strategic Fiscal Review (SFR) on a selected cohort of state agencies. These SFRs provide an exacting, deep review of agency authority, mission, programs, and activities.

LBB also is authorized to conduct performance reviews and evaluations of school districts. These comprehensive and targeted reviews of school districts' educational, financial, and operational services and programs result in reports that identify accomplishments, findings, and recommendations based upon the analysis of data and onsite study of the district's operations. The recommendations from the reviews

may be implemented locally by the school district board members, administrators, and the community. From November 2021 to October 2023, the School Performance Review team conducted reviews of three school districts containing a total of 154 recommendations and observations for improving school performance.

CONTRACTS AND TECHNOLOGY OVERSIGHT

LBB has a long-standing responsibility to receive notices for certain contracts and to make contract information available to the public. The Contracts Database is the single point of data entry for all contract information that state entities are required to report to LBB. The Eighty-eighth Legislature, GAA, 2024–25 Biennium, Article IX, Sections 7.04 and 7.11, continued and clarified certain reporting requirements and responsibilities for contract reporting and oversight including in-depth analysis of certain contracts with a goal of working with state entities to help mitigate or remediate issues identified through its review and analysis. LBB staff do not approve contracts but are required to notify the LBB, Governor, and Comptroller of Public Accounts (CPA) about any unmitigated risks. Staff also may make budget or policy recommendations to improve the framework and requirements related to procurement or to individual agencies' processes for administration and oversight.

LBB staff also serve on the Quality Assurance Team (QAT). The Legislature established the QAT to provide ongoing oversight of major information resources projects that receive appropriations from the Legislature. The Eighty-sixth Legislature, 2019, modified QAT oversight to require review of contracts valued at more than \$10.0 million that implement major information resources projects that QAT monitors. All state agencies are subject to QAT oversight, with the exception of institutions of higher education and self-directed, semi-independent state agencies. QAT members include CPA, the Department of Information Resources, and LBB. The State Auditor's Office serves as an advisory member to QAT.

SUNSET ADVISORY COMMISSION

The Texas Legislature created the Sunset process in 1977 to limit government expansion by questioning the need for and the effectiveness of state agencies and their programs. The 12-member Sunset Advisory Commission (SAC) consists of five members of the Senate and one public member appointed by the Lieutenant Governor, and five members of the House of Representatives and one public member appointed by the Speaker of the House. The chair position rotates between the Senate and the House every two years. Appropriations for the 2024–25 biennium to fund SAC operations total \$5.7 million in General Revenue Funds.

The Sunset process is the regular assessment of the continuing need for a state agency or program to exist. The Sunset process works by setting an automatic termination (Sunset) date in state law on which an agency will be abolished unless the Legislature passes a bill to continue it, typically for another 12 years. This date determines when an agency is subject to Sunset review and provides the Legislature a unique opportunity and a strong incentive to closely examine an agency's mission, priorities, and performance and take action to address problems identified. SAC evaluates the agency's programs, rules, operations, and success in fulfilling its mission. As part of the review, SAC also seeks public input to identify problems and opportunities for improving the agency. Some agencies, such as constitutionally created agencies, are subject to Sunset review but not abolishment. Most judicial and higher education agencies are not subject to Sunset review.

The Legislature sets the Sunset review schedule in law, and the agencies and their Sunset dates are subject to change every legislative session. Currently, 131 agencies are scheduled for Sunset review during the next 12 years, and SAC reviews about 22 agencies each biennium. For the Eighty-ninth Legislature (2025), SAC will review 12 entities as shown in **Figure 351**. Sunset staff conducts a review of each agency and issues a staff report that identifies problems and proposes both statutory and management recommendations to SAC to resolve them. Typical recommendations include whether to abolish or continue an agency or to combine an agency's functions with other agencies to streamline state government, and ways to improve an agency's efficiency, effectiveness, fairness, and accountability. SAC holds a public hearing on each agency and its staff report, and a decision meeting to vote on the recommendations in the staff report and any other recommendations proposed by SAC members. The statutory recommendations adopted by SAC are incorporated

FIGURE 351
SUNSET REVIEW SCHEDULE, 2024–25 BIENNIUM

General Government

- Texas Ethics Commission
- Department of Information Resources

Public Safety and Criminal Justice

- Correctional Managed Health Care Committee
- Texas Department of Criminal Justice
- Board of Pardons and Paroles
- Windham School District

Regulatory

- Texas Lottery Commission
- Texas Real Estate Commission (1)

Other

- Angelina and Neches River Authority
- Lower Neches Valley Authority
- Sabine River Authority of Texas
- Trinity River Authority of Texas

NOTE: (1) Limited-scope review
SOURCE: Sunset Advisory Commission.

into an agency's Sunset bill and the Legislature makes the final decisions on statutory changes to an agency. In addition to conducting reviews, Sunset staff supports SAC meetings, serves as a resource during session, and performs other duties on behalf of SAC.

SAC has conducted 591 reviews of state agencies and programs since its establishment. Based on these reviews, the Legislature has abolished 95 agencies, including 42 agencies that were abolished completely and 53 that were abolished with certain functions transferred to existing or new agencies. Changes enacted through the Sunset process have resulted in an overall positive fiscal impact of more than \$1.0 billion in state and federal savings and revenue gains, with a return of \$16 for every dollar appropriated to SAC since fiscal year 1985. Overall, approximately 80.0 percent of SAC's recommendations have become law since fiscal year 2001.

The Eighty-eighth Legislature, Regular Session, 2023, passed Sunset bills containing 95.0 percent of SAC's funding and statutory recommendations to the Legislature. Together, SAC's five funding recommendations, 138 statutory changes, and 85 management directives position the agencies and entities to better serve and protect Texans. Notable improvements include establishing guardrails on certain potential market reliability programs and providing additional direction to the Electric Reliability Council of

Texas for dealing with market uncertainty; increasing opportunities for public input, clarifying certain decision making processes, and expanding the availability of online information such as permit applications at the Texas Commission on Environmental Quality; funding the construction of new state facilities, the expansion of local placement and diversion funding, and state- and county-level salary increases at the Texas Juvenile Justice Department; and eliminating the misleading discharge categories from the F-5 separation form, which often were either negotiated or overturned at the State Office of Administrative Hearings.

The Legislature continued 12 entities for 12 years, including four river authorities that are not subject to abolishment. The Texas Commission on Law Enforcement was continued for a limited-scope re-review in eight years. The Legislature continued the Public Utility Commission and Office of Public Utility Counsel for six years. The Texas Juvenile Justice Department and Office of the Independent Ombudsman were continued for four years. The Legislature also continued the State Board of Veterinary Medical Examiners for four years and temporarily attached the agency administratively to the Texas Department of Licensing and Regulation

The Legislature abolished the Anatomical Board of the State of Texas and transferred its functions to the Texas Funeral Service Commission. Finally, the Legislature removed the defunct Bandera County River Authority from Sunset review, merged the groundwater district and the river authority, and codified its authority.

TEXAS LEGISLATIVE COUNCIL

The Texas Legislative Council was established by statute during fiscal year 1949 and began operations in 1950. The council is a 14-member board consisting of the Lieutenant Governor and the Speaker of the House of Representatives, who serve as joint chairs; six members of the Senate appointed by the Lieutenant Governor; the Chair of the House Administration Committee; and five members of the House of Representatives appointed by the Speaker. Appropriations total \$99.3 million in General Revenue Funds.

The agency’s Executive Director is responsible for employing professional and clerical staff and supervising their performance. The agency is responsible for the following statutorily defined duties:

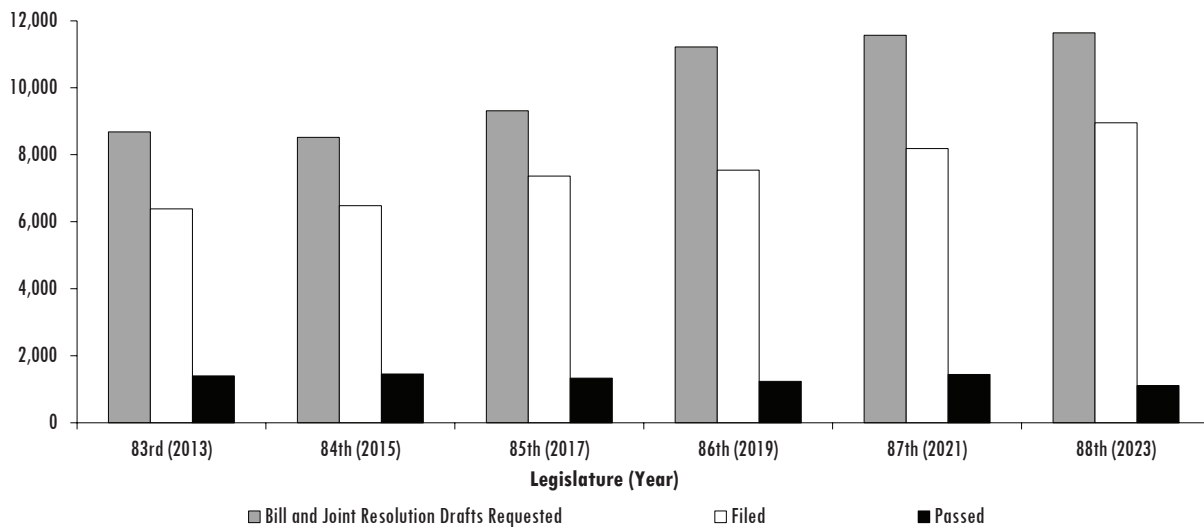
- assisting the Legislature in drafting proposed legislation;
- providing data-processing services to aid the members and committees of the Legislature in accomplishing their duties;
- gathering and disseminating information for the Legislature;
- conducting other investigations, studies, and reports that may be deemed useful to the legislative branch of state government; and
- investigating departments, agencies, and officers and studying their functions and problems.

The agency also develops and implements plans for the continuing revision of state statutes, including simplifying classification, improving numbering, and clarifying the statutes without substantively changing them.

During legislative sessions, council staff drafts bills, resolutions, amendments, committee substitutes, and conference committee reports for the Senate and the House. **Figure 352** shows the number of bills and joint resolutions requested, filed, and passed by the Legislature during each biennium since fiscal year 2013. The agency drafted 12,170 bills and joint resolutions requested by the Eighty-eighth Legislature, 2023. In addition, staff engross and enroll House documents and distribute House bills. The agency also assists the Legislature with infrequent or unusual responsibilities, such as redistricting and election contests.

The Texas Legislature is responsible for redistricting state Senate, state House, U.S. congressional, and the State Board of Education districts during the first regular session following publication of each U.S. decennial census, and for making changes to state judicial districts. Redistricting is the revision or replacement of existing districts, resulting in new districts with different geographical boundaries to equalize population in state and congressional districts. The Texas Legislative Council has the following responsibilities relating to the redistricting process:

FIGURE 352
BILLS AND JOINT RESOLUTIONS REQUESTED, FILED, AND PASSED, EIGHTY-THIRD TO EIGHTY-EIGHTH LEGISLATIVE SESSIONS



NOTE: Includes all regular and called sessions.
 SOURCE: Texas Legislative Council.

- prepare publications about the redistricting process, data, and law to assist those involved or interested in the redistricting process;
- provide technical and legal support to the Legislature, including development and support of district modeling computer systems and development of web information resources; and
- prepare and distribute maps to the Legislature of redistricting plans and current districts of the Texas House of Representatives, Texas Senate, Texas delegation to the U.S. House of Representatives, and the State Board of Education.

Between sessions, the agency assists standing and special legislative committees with research. The legal staff devotes most its interim efforts to statutory revision projects that, when completed, are presented to the next regular session of the Legislature for consideration.

The agency's Legislative Information Systems Division makes data-processing equipment and techniques available to the legislative branch, providing information technology support to the House, Senate, and other entities. This division develops and operates automated systems that support the legislative process. The division processes the text of draft documents, bills, resolutions, and House and Senate journals and reports on bill status and legislative committee activity. The division also supports automated budget analysis and the production of appropriations bills. In addition, the division provides programming support for the fiscal notes system and tracks membership of boards and commissions. The division also develops accounting, payroll, and personnel systems for use by the Legislature and legislative branch agencies.

COMMISSION ON UNIFORM STATE LAWS

The Commission on Uniform State Laws was established during fiscal year 1951 to promote uniformity in state laws in subject areas in which uniformity is desirable and practicable. The agency also promotes uniform judicial interpretation of all uniform state laws, advises the Legislature regarding adoption of uniform state laws, and sends staff to national conferences on uniform state laws.

The Commission on Uniform State Laws consists of nine members appointed by the Governor, two members or officers of the Senate appointed by the Lieutenant Governor, two members or officers of the House appointed by the Speaker of the House, the chair of the standing Senate committee with primary jurisdiction over uniform state laws, the chair of the standing House committee with primary jurisdiction over uniform state laws, the Executive Director of the Texas Legislative Council, and other members who qualify by service with the Commission or the National Conference of Commissioners on Uniform State Laws. The commission receives accounting, clerical, and other support services from the Texas Legislative Council. Appropriations for the Commission on Uniform State Laws total \$0.4 million in General Revenue Funds.

STATE AUDITOR'S OFFICE

The State Auditor's Office (SAO) was established in 1943 and functions as the independent auditor for Texas state government. SAO is authorized to perform audits, investigations, and other services to ensure that state agencies, higher education institutions, and other governmental entities follow state and federal laws and regulations.

The State Auditor is appointed by the Legislative Audit Committee, a permanent standing joint committee of the Legislature. The six-member committee consists of the Lieutenant Governor (joint chair), the Speaker of the House of Representatives (joint chair), the chair of the Senate Finance Committee, one member of the Senate appointed by the Lieutenant Governor, the chair of the House Appropriations Committee, and the chair of the House Ways and Means Committee.

The State Auditor is required statutorily to recommend an audit plan for the state for each year to the Legislative Audit Committee. The plan identifies the audits, reviews, investigations, and other activities that SAO plans to initiate during the state fiscal year. The plan includes statutorily required and discretionary projects, which are developed based on a risk-assessment process.

Appropriations for SAO total \$47.0 million in All Funds for the 2024–25 biennium. Total funding includes \$37.4 million in General Revenue Funds, Interagency Contract funding of \$9.4 million, and Appropriated Receipts of \$0.2 million.

AUDITS AND INVESTIGATIONS

Audits are performed in accordance with generally accepted government auditing standards, which include standards issued by the American Institute of Certified Public Accountants. SAO is authorized to perform the following four types of audits:

- economy and efficiency audits, which determine whether entities are managing and using their resources in an economical and efficient manner;
- effectiveness audits, which evaluate whether the objectives and intended benefits of a program are being achieved and whether the program is duplicative;
- financial audits, which evaluate whether accounting controls are adequate and whether the records, books, and accounts of state agencies, including higher

FIGURE 353
STATE AUDITOR'S OFFICE AUDITS AND OTHER PROJECTS COMPLETED, FISCAL YEARS 2015 TO 2023

YEAR	TOTAL AUDITS AND OTHER PROJECTS
2015	46
2016	41
2017	51
2018	46
2019	52
2020	45
2021	36
2022	44
2023	43

SOURCE: State Auditor's Office.

education institutions, and the financial statements for the state as a whole accurately represent their financial and fiscal operations; and

- compliance audits, which determine whether funds have been spent in accordance with the purpose for which the funds were appropriated and authorized by law.

SAO's Audit and Review Team completed 43 audits and other projects related to state agencies, higher education institutions, and other entities during fiscal year 2023. **Figure 353** shows the number of audits and other projects that SAO has completed annually since fiscal year 2015. These data do not include the reports issued by the State Classification Team within SAO, which issued seven reports for fiscal year 2023.

SAO also investigates specific acts or allegations of impropriety and abuse of state funds and resources. All state agencies and higher education institutions are required to report suspected fraud or unlawful conduct to SAO.

STATE CLASSIFICATION OFFICE

The Position Classification Act of 1961 established the State Classification Office, referred to as the Classification Team, within the State Auditor's Office. The Classification Team is responsible for maintaining and updating the state's Position Classification Plan, which provides the salary structure for classified employees in state agencies. During the biennial budget process, the Classification Team recommends the addition and deletion of job classifications, the changing of job titles, and the reallocation of salary groups assigned to

specific job classifications. The classification plan for the 2024–25 biennium adopted by the Eighty-eight Legislature, 2023, includes 1,164 classification titles covering approximately 140,239 full-time and part-time classified employees at state agencies; the classification titles are grouped into 26 occupational categories and approximately 290 job classification series. The General Appropriations Act includes three salary schedules for classified positions: Schedule A includes clerical and technical positions; Schedule B includes mainly professional and managerial positions; and Schedule C includes law enforcement positions.

The Classification Team produces reports and guides regarding compensation, classification, turnover, and workforce issues that are available online on SAO's website. For example, a current reference guide summarizing all state human resources management statutes that apply to Texas state employees is provided, along with nine other guides and resources that address issues related to workforce planning, sick and related leave types, military pay differential, military occupational codes, job descriptions, full-time-equivalent employee position reporting, job classification review, and necessary payroll actions that agencies must make before the start of each biennium. Other significant reports cover the following topics: (1) benefits as a percentage of total compensation; (2) classification compliance reviews and audits; (3) the Position Classification Plan; (4) the state's Law Enforcement Salary Schedule, Salary Schedule C; (5) executive compensation; (6) employee turnover; (7) full-time-equivalent state employee positions; and (8) legislative workforce summaries.

PROFESSIONAL DEVELOPMENT

The Texas Government Code, Chapter 2102, referred to as the Texas Internal Auditing Act, authorizes SAO, subject to approval by the Legislative Audit Committee, to make available and coordinate a training and technical assistance program to ensure that state agency internal auditors have access to current information regarding internal audit techniques, policies, and procedures. SAO makes training available to SAO staff, internal audit, and other participants. During fiscal year 2023, SAO offered 87 courses that 1,058 participants attended.

SIGNIFICANT LEGISLATION

Eighty-eighth Legislature, General Appropriations Act (GAA), 2024–25 Biennium, Article X, State Auditor's Office, Rider 5 – The legislation requires the SAO to

conduct an actuarial analysis of fiscal year 2024 Medicaid managed care rates at the Health and Human Services Commission (HHSC). The SAO is directed to file a report on the actuarial soundness of the rates and provide an audit report on the rate making process used by HHSC.

2024–25 GAA, Article X, State Auditor's Office, Rider 6 – The legislation requires the SAO to conduct a comprehensive forensic audit of the University of Texas Medical Branch at Galveston Medical Services for inmates to identify all unallowable expenses.

2024–25 GAA, Article X, State Auditor's Office, Rider 7 – The legislation requires the SAO to conduct a comprehensive forensic audit of the Texas Civil Commitment Office.

House Bill 5 – Economic development program through property tax abatement agreements. The legislation establishes a new economic development program that provides school district property tax abatement agreements for businesses in return for those businesses creating jobs. House Bill 5 requires the SAO annually to review at least 10.0 percent of the agreements active each year to determine whether each agreement accomplishes purposes of the program set forth in legislation.

House Bill 9 – Broadband infrastructure fund. The legislation establishes the broadband infrastructure fund to be administered by the Comptroller and requires the Comptroller to make a onetime transfer of \$75.0 million from the new fund to the broadband pole replacement fund. The transfer required by House Bill 9 will require the SAO to conduct an audit of the broadband pole replacement fund within one year of the fund receiving the transfer, pursuant to House Bill 1505, Eighty-seventh Legislature, Regular Session, 2021.

Senate Bill 17 – Diversity, equity, and inclusion initiatives at public universities. The legislation requires the SAO to audit each institution of higher education every four years to determine whether the institution has spent state money on diversity, equity, and inclusion initiatives outlined in the legislation.

Senate Bill 1677 – Provisions for certain programs providing mental health services. The legislation requires SAO to conduct an audit of inmates in county jails waiting for a forensic hospital bed for the provision of competency restoration.

LEGISLATIVE REFERENCE LIBRARY

The Legislative Reference Library (LRL) was established by the Sixty-first Legislature, Regular Session, 1969, as an independent agency. LRL is governed by the Legislative Library Board, a six-member board consisting of the Lieutenant Governor, the Speaker of the House of Representatives, the chair of the House Appropriations Committee, two members of the Senate appointed by the Lieutenant Governor, and one member of the House of Representatives appointed by the Speaker. Appropriations for the 2024–25 biennium total \$4.1 million in All Funds.

The library is the designated depository for legislative records and documents in the state, including original legislative bill files from 1846 to the present. Its collection focuses on issues affecting the Texas Legislature and contains Texas legal and public affairs materials, Texas state documents, and a unique collection of Texas periodicals.

LRL assists in generating, managing, and ensuring the integrity of the data in the Texas Legislative Information System—the Legislature’s online bill-status system—and operates a statewide telephone service providing citizens with legislative reference information and assistance during legislative sessions. The library also has developed and maintains specialized databases that are accessible through the Legislature’s computer network to provide information on legislators and the Texas Legislature, an online card catalog, and newspaper articles included in the legislative clipping service. Additional LRL databases provide access to historical legislative bill files, indexes on the statutory effect of legislation, and appointments to state boards and commissions made by the Governor, Lieutenant Governor, and Speaker.

APPENDIX A – AGENCIES BY ARTICLE

ARTICLE I — GENERAL GOVERNMENT

Texas Commission on the Arts
Office of the Attorney General
Bond Review Board
Cancer Prevention and Research Institute of Texas
Comptroller of Public Accounts
Fiscal Programs within the Office of the Comptroller of Public Accounts
Commission on State Emergency Communications
Texas Emergency Services Retirement System
Employees Retirement System of Texas
Texas Ethics Commission
Texas Facilities Commission
Texas Public Finance Authority
Office of the Governor
Trusted Programs within the Office of the Governor
Texas Historical Commission
Department of Information Resources
Texas State Library and Archives Commission
Pension Review Board
State Preservation Board
State Office of Risk Management
Secretary of State
Texas Veterans Commission

ARTICLE II — HEALTH AND HUMAN SERVICES

Department of Family and Protective Services
Department of State Health Services
Health and Human Services Commission

ARTICLE III — AGENCIES OF EDUCATION

PUBLIC EDUCATION

Texas Education Agency
Texas Permanent School Fund Corporation
Texas School for the Blind and Visually Impaired
Texas School for the Deaf
Teacher Retirement System of Texas
Optional Retirement Program

HIGHER EDUCATION

Higher Education Employees Group Insurance
Texas Higher Education Coordinating Board

GENERAL ACADEMIC INSTITUTIONS

University of Texas System Administration
University of Texas at Arlington
University of Texas at Austin
University of Texas at Dallas
University of Texas at El Paso
University of Texas Rio Grande Valley
University of Texas of the Permian Basin
University of Texas at San Antonio
University of Texas at Tyler
Stephen F. Austin State University
Texas A&M University System
 Administrative and General Offices
Texas A&M University
Texas A&M University at Galveston
Prairie View A&M University
Tarleton State University
Texas A&M University – Central Texas
Texas A&M University – Corpus Christi
Texas A&M University – Kingsville
Texas A&M University – San Antonio
Texas A&M International University
West Texas A&M University

ARTICLE III — AGENCIES OF EDUCATION (CONTINUED)

Texas A&M University – Commerce
 Texas A&M University – Texarkana
 University of Houston System Administration
 University of Houston
 University of Houston – Clear Lake
 University of Houston – Downtown
 University of Houston – Victoria
 Texas Woman’s University System
 Texas Woman’s University
 University of North Texas System Administration
 University of North Texas
 University of North Texas at Dallas
 Texas Tech University System Administration
 Texas Tech University
 Angelo State University
 Midwestern State University
 Texas State University System Administration
 Lamar University
 Sam Houston State University
 Texas State University
 Sul Ross State University
 Sul Ross State University Rio Grande College
 Texas Southern University

TWO-YEAR INSTITUTIONS

Lamar Institute of Technology
 Lamar State College – Orange
 Lamar State College – Port Arthur
 Texas State Technical College System Administration
 Texas State Technical College – Harlingen
 Texas State Technical College – Marshall
 Texas State Technical College – Waco
 Texas State Technical College – Fort Bend County
 Texas State Technical College – North Texas
 Texas State Technical College – West Texas
 Public Community/Junior Colleges

HEALTH-RELATED INSTITUTIONS

University of Texas Southwestern Medical Center
 University of Texas Medical Branch at Galveston
 University of Texas Health Science Center at Houston
 University of Texas Health Science Center
 at San Antonio
 University of Texas M.D. Anderson Cancer Center
 University of Texas Health Science Center at Tyler
 University of Texas at Austin Dell Medical School
 University of Texas Rio Grande Valley
 School of Medicine
 Texas A&M University System Health Science Center
 University of North Texas Health Science Center
 at Fort Worth
 Texas Tech University Health Sciences Center
 Texas Tech University Health Sciences Center at El Paso
 University of Houston College of Medicine
 Sam Houston State University College
 of Osteopathic Medicine

TEXAS A&M UNIVERSITY SERVICES

Texas A&M AgriLife Research
 Texas A&M AgriLife Extension Service
 Texas A&M Engineering Experiment Station
 Texas A&M Transportation Institute
 Texas A&M Engineering Extension Service
 Texas A&M Forest Service
 Texas A&M Veterinary Medical Diagnostic Laboratory
 Texas Division of Emergency Management

INVESTMENT FUNDS

Higher Education Fund
 Available University Fund
 Available National Research University Fund
 Available Texas University Fund
 Support for Military and Veterans Exemptions

ARTICLE IV — JUDICIARY

Supreme Court of Texas
 Court of Criminal Appeals
 First Court of Appeals District, Houston
 Second Court of Appeals District, Fort Worth
 Third Court of Appeals District, Austin
 Fourth Court of Appeals District, San Antonio
 Fifth Court of Appeals District, Dallas
 Sixth Court of Appeals District, Texarkana
 Seventh Court of Appeals District, Amarillo
 Eighth Court of Appeals District, El Paso
 Ninth Court of Appeals District, Beaumont
 Tenth Court of Appeals District, Waco
 Eleventh Court of Appeals District, Eastland
 Twelfth Court of Appeals District, Tyler
 Thirteenth Court of Appeals District,
 Corpus Christi–Edinburg
 Fourteenth Court of Appeals District, Houston
 Fifteenth Court of Appeals District, Austin
 Office of Court Administration, Texas Judicial Council
 Office of Capital and Forensic Writs
 Office of the State Prosecuting Attorney
 State Law Library
 State Commission on Judicial Conduct
 Judiciary Section, Comptroller’s Department

ARTICLE V — PUBLIC SAFETY AND CRIMINAL JUSTICE

Texas Alcoholic Beverage Commission
 Texas Department of Criminal Justice
 Texas Commission on Fire Protection
 Texas Commission on Jail Standards
 Texas Juvenile Justice Department
 Texas Commission on Law Enforcement
 Texas Military Department
 Texas Department of Public Safety

ARTICLE VI — NATURAL RESOURCES

Texas Department of Agriculture
 Texas Animal Health Commission
 Texas Commission on Environmental Quality
 Texas General Land Office and Texas Veterans Land Board
 Texas Low-level Radioactive Waste Disposal Compact
 Commission
 Texas Parks and Wildlife Department
 Railroad Commission of Texas
 Texas State Soil and Water Conservation Board
 Texas Water Development Board

ARTICLE VII — BUSINESS AND ECONOMIC DEVELOPMENT

Texas Department of Housing and Community Affairs
 Texas Lottery Commission
 Texas Department of Motor Vehicles
 Texas Department of Transportation
 Texas Workforce Commission

ARTICLE VIII — REGULATORY

State Office of Administrative Hearings
Texas Behavioral Health Executive Council
Texas Board of Chiropractic Examiners
Texas State Board of Dental Examiners
Texas Funeral Service Commission
Texas Board of Professional Geoscientists
Health Professions Council
Office of Injured Employee Counsel
Texas Department of Insurance
Office of Public Insurance Counsel
Texas Department of Licensing and Regulation
Texas Medical Board
Texas Board of Nursing
Texas Optometry Board
Texas State Board of Pharmacy
Executive Council of Physical Therapy
and Occupational Therapy Examiners
Texas State Board of Plumbing Examiners
Texas Racing Commission
Texas State Securities Board
Public Utility Commission of Texas
Office of Public Utility Counsel
State Board of Veterinary Medical Examiners

ARTICLE X — LEGISLATURE

Senate
House of Representatives
Legislative Budget Board
Texas Legislative Council
Commission on Uniform State Laws
Sunset Advisory Commission
State Auditor’s Office
Legislative Reference Library

APPENDIX B – SUMMARY OF STATE BUDGET BY FISCAL YEAR

The following applies to all methods of finance in shown Appendix B:

- appropriations made by Senate Bill 30, Eighty-eighth Legislature, Regular Session, 2023, are subject to the appropriation life stated therein and are not shortened by inclusion in Senate Bill 1, Eighty-seventh Legislature, 2021; and
- unless expressly provided in Senate Bill 30 and House Bill 4041, Eighty-eighth Legislature, Regular Session, 2023, or other appropriating legislation, such appropriations are not subject to General Provisions contained in Senate Bill 1, Eighty-seventh Legislature, 2021, Article IX, or House Bill 1, Eighty-eighth Legislature, Regular Session, 2023, Article IX.

An interactive version of this data can be found at www.lbb.texas.gov/Interactive_Graphics.aspx.

ALL FUNDS

FIGURE B1
ALL FUNDS – STATEWIDE SUMMARY

FUNCTION	EXPENDED 2022	BUDGETED 2023	APPROPRIATED 2024	APPROPRIATED 2025
Article I – General Government	\$6,745,874,452	\$15,195,050,171	\$10,043,801,385	\$4,463,113,053
Article II – Health and Human Services	\$56,424,592,934	\$56,374,583,268	\$51,689,543,112	\$50,715,171,338
Article III – Agencies of Education	\$52,782,024,421	\$51,099,132,628	\$65,403,518,280	\$57,542,726,420
<i>Public Education</i>	\$36,906,309,049	\$35,121,367,342	\$49,501,888,449	\$43,638,660,171
<i>Higher Education</i>	\$15,875,715,372	\$15,977,765,286	\$15,901,629,831	\$13,904,066,249
Article IV – Judiciary	\$491,843,593	\$500,646,834	\$682,873,135	\$539,627,672
Article V – Public Safety and Criminal Justice	\$7,447,054,112	\$6,892,352,737	\$10,461,165,832	\$8,922,872,440
Article VI – Natural Resources	\$5,818,065,973	\$6,255,835,344	\$5,787,501,648	\$2,996,623,993
Article VII – Business and Economic Development	\$26,266,594,834	\$19,791,922,276	\$23,105,414,042	\$22,937,978,862
Article VIII – Regulatory	\$385,024,241	\$445,581,041	\$5,476,463,437	\$450,578,670
Article X – Legislature	\$197,350,779	\$236,108,970	\$235,404,525	\$254,395,495
Total, All Functions	\$156,558,425,339	\$156,791,213,269	\$172,885,685,396	\$148,823,087,943

NOTES:

- (1) Budgeted 2023 incorporates certain appropriation adjustments relating to Senate Bill 30, Eighty-eighth Legislature, Regular Session, 2023; and technical and/or reconciling adjustments.
- (2) Appropriated 2024 and 2025 amounts incorporate certain appropriation adjustments relating to House Bill 1 (Conference Committee Report), Eighty-eighth Legislature, Regular Session, 2023, Article IX; other legislation passed by the Eighty-eighth Legislature that affects appropriations; and technical and/or reconciling adjustments.
- (3) Appropriated 2024 and 2025 amounts incorporate certain appropriation adjustments relating to Senate Bill 2 and House Joint Resolution 2, Eighty-eighth Legislature, Second Called Session, 2023; Senate Bill 2, Eighty-eighth Legislature, Second Called Session, 2023; Senate Bill 3, Eighty-eighth Legislature, Second Called Session, 2023; other legislation passed by the Eighty-eighth Legislature, Second Called Session, 2023, that affects appropriations; and technical and/or reconciling adjustments.
- (4) Included in amounts shown for Article I and Article III – Public Education are a total of \$497.3 million and \$4,048.8 million, respectively, appropriated from General Revenue Funds in the Eighty-eighth Legislature, General Appropriations Act, 2024–25 Biennium, Article IX, Sections 18.78(d), (e), and (f), contingent on the enactment of legislation by the Eighty-eighth Legislature.
- (5) Appropriated 2024 and 2025 amounts incorporate certain appropriation adjustments relating to Senate Bill 3, Eighty-eighth Legislature, Fourth Called Session, 2023; other legislation passed by the Eighty-eighth Legislature, Fourth Called Session, 2023, that affects appropriations; and technical and/or reconciling adjustments.
- (6) Appropriations made in Article I to establish certain funds are not represented in base amounts in Chapter 4, General Government, as they are appropriated to funds rather than agencies.
- (7) Article totals exclude Interagency Contracts.

SOURCE: Legislative Budget Board.

FIGURE B1 (CONTINUED)
ALL FUNDS – GENERAL GOVERNMENT

ARTICLE I – GENERAL GOVERNMENT	EXPENDED 2022	BUDGETED 2023	APPROPRIATED 2024	APPROPRIATED 2025
Texas Commission on the Arts	\$14,023,312	\$11,630,338	\$15,775,518	\$15,785,158
Office of the Attorney General	\$658,681,568	\$691,005,628	\$784,997,274	\$738,966,484
Bond Review Board	\$898,912	\$898,911	\$1,383,083	\$1,299,239
Cancer Prevention and Research Institute of Texas	\$297,472,926	\$296,932,968	\$300,051,000	\$300,051,000
Comptroller of Public Accounts	\$332,918,107	\$331,973,213	\$353,559,652	\$367,849,175
Fiscal Programs – Comptroller of Public Accounts	\$772,269,197	\$6,555,467,910	\$2,839,308,300	\$974,192,776
Commission on State Emergency Communications	\$214,507,861	\$76,134,855	\$64,293,225	\$64,475,380
Texas Emergency Services Retirement System	\$1,943,425	\$1,943,424	\$2,080,233	\$2,108,176
Employees Retirement System of Texas	\$527,553,582	\$1,399,128,245	\$523,750,000	\$523,750,000
Texas Ethics Commission	\$3,238,058	\$3,313,058	\$4,211,854	\$3,947,148
Texas Facilities Commission	\$990,899,504	\$532,594,017	\$475,586,232	\$105,931,776
Texas Public Finance Authority	\$1,741,000	\$1,849,580	\$2,193,118	\$2,238,093
Office of the Governor	\$13,803,735	\$13,783,107	\$14,447,969	\$15,129,312
Trusteed Programs within the Office of the Governor	\$2,347,175,150	\$4,163,391,739	\$3,759,218,734	\$512,960,622
Texas Historical Commission	\$100,990,125	\$252,489,305	\$67,505,785	\$35,393,217
Department of Information Resources	\$593,869,508	\$604,589,484	\$696,707,279	\$663,344,836
Texas State Library and Archives Commission	\$40,779,108	\$40,446,633	\$35,773,058	\$36,385,631
Pension Review Board	\$1,228,749	\$1,628,749	\$1,281,259	\$1,281,259
State Preservation Board	\$12,177,256	\$209,676,443	\$27,555,284	\$11,716,648
State Office of Risk Management	\$50,060,089	\$51,249,167	\$51,384,084	\$51,774,472
Secretary of State	\$117,371,613	\$32,828,823	\$94,033,130	\$40,064,194
Texas Veterans Commission	\$69,470,061	\$64,873,286	\$64,277,589	\$65,039,173
Subtotal, General Government	\$7,163,072,846	\$15,337,828,883	\$10,179,373,660	\$4,533,683,769
Retirement and Group Insurance	\$164,296,212	\$166,871,970	\$177,372,828	\$184,173,793
Social Security and Benefit Replacement Pay	\$44,291,804	\$45,040,712	\$49,745,141	\$52,689,855
Subtotal, Employee Benefits	\$208,588,016	\$211,912,682	\$227,117,969	\$236,863,648
Bond Debt Service Payments	\$208,606,799	\$205,540,299	\$247,442,355	\$270,629,575
Lease Payments	\$58,822,783	\$25,250,003	\$58,133,754	\$68,310,949
Subtotal, Debt Service	\$267,429,582	\$230,790,302	\$305,576,109	\$338,940,524
Less Interagency Contracts	\$893,215,992	\$585,481,696	\$668,266,353	\$646,374,888
Total, Article I – General Government	\$6,745,874,452	\$15,195,050,171	\$10,043,801,385	\$4,463,113,053

NOTES:

- (1) Budgeted 2023 incorporates certain appropriation adjustments relating to Senate Bill 30, Eighty-eighth Legislature, Regular Session, 2023; and technical and/or reconciling adjustments.
- (2) Appropriated 2024 and 2025 amounts incorporate certain appropriation adjustments relating to House Bill 1 (Conference Committee Report), Eighty-eighth Legislature, Regular Session, 2023, Article IX; other legislation passed by the Eighty-eighth Legislature that affects appropriations; and technical and/or reconciling adjustments.
- (3) Appropriated 2024 and 2025 amounts incorporate certain appropriation adjustments relating to Senate Bill 2 and House Joint Resolution 2, Eighty-eighth Legislature, Second Called Session, 2023; Senate Bill 2, Eighty-eighth Legislature, Second Called Session, 2023; Senate Bill 3, Eighty-eighth Legislature, Second Called Session, 2023; other legislation passed by the Eighty-eighth Legislature, Second Called Session, 2023, that affects appropriations; and technical and/or reconciling adjustments.
- (4) Included in amounts shown is a total of \$497.3 million in General Revenue Funds appropriated to the Fiscal Programs within the Comptroller of Public Accounts in the Eighty-eighth Legislature, General Appropriations Act, 2024–25 Biennium, Article IX, Section 18.78(e), contingent on the enactment of legislation by the Eighty-eighth Legislature.
- (5) Appropriated 2024 and 2025 amounts incorporate certain appropriation adjustments relating to Senate Bill 3, Eighty-eighth Legislature, Fourth Called Session, 2023; other legislation passed by the Eighty-eighth Legislature, Fourth Called Session, 2023, that affects appropriations; and technical and/or reconciling adjustments.
- (6) Appropriations made in Article I to establish certain funds are not represented in base amounts in Chapter 4, General Government, as they are appropriated to funds rather than agencies.
- (7) Article totals exclude Interagency Contracts.

SOURCE: Legislative Budget Board.

FIGURE B1 (CONTINUED)
ALL FUNDS – HEALTH AND HUMAN SERVICES

ARTICLE II – HEALTH AND HUMAN SERVICES	EXPENDED 2022	BUDGETED 2023	APPROPRIATED 2024	APPROPRIATED 2025
Department of Family and Protective Services	\$2,278,739,162	\$2,252,326,990	\$2,498,900,694	\$2,488,397,005
Department of State Health Services	\$5,901,039,756	\$1,735,130,229	\$1,226,468,867	\$1,019,534,808
Health and Human Services Commission	\$47,502,352,951	\$51,603,130,397	\$47,108,901,122	\$46,304,026,015
Subtotal, Health and Human Services	\$55,682,131,869	\$55,590,587,616	\$50,834,270,683	\$49,811,957,828
Retirement and Group Insurance	\$823,097,041	\$862,579,146	\$922,182,111	\$954,050,861
Social Security and Benefit Replacement Pay	\$197,426,501	\$210,382,766	\$236,284,894	\$249,819,522
Subtotal, Employee Benefits	\$1,020,523,542	\$1,072,961,912	\$1,158,467,005	\$1,203,870,383
Bond Debt Service Payments	\$21,116,158	\$22,120,016	\$19,987,713	\$15,974,989
Lease Payments	\$18,872,853	\$8,099,765	\$25,856,906	\$29,089,535
Subtotal, Debt Service	\$39,989,011	\$30,219,781	\$45,844,619	\$45,064,524
Article II, Special Provisions	\$0	\$0	\$0	\$0
Less Interagency Contracts	\$318,051,488	\$319,186,041	\$349,039,195	\$345,721,397
Total, Article II – Health and Human Services	\$56,424,592,934	\$56,374,583,268	\$51,689,543,112	\$50,715,171,338

NOTES:

- (1) Budgeted 2023 incorporates certain appropriation adjustments relating to Senate Bill 30, Eighty-eighth Legislature, Regular Session, 2023; and technical and/or reconciling adjustments.
- (2) Appropriated 2024 and 2025 amounts incorporate certain appropriation adjustments relating to House Bill 1 (Conference Committee Report), Eighty-eighth Legislature, Regular Session, 2023, Article IX; other legislation passed by the Eighty-eighth Legislature that affects appropriations; and technical and/or reconciling adjustments.
- (3) Appropriated 2024 and 2025 amounts incorporate certain appropriation adjustments relating to Senate Bill 2 and House Joint Resolution 2, Eighty-eighth Legislature, Second Called Session, 2023; Senate Bill 2, Eighty-eighth Legislature, Second Called Session, 2023; Senate Bill 3, Eighty-eighth Legislature, Second Called Session, 2023; other legislation passed by the Eighty-eighth Legislature, Second Called Session, 2023, that affects appropriations; and technical and/or reconciling adjustments.
- (4) Appropriated 2024 and 2025 amounts incorporate certain appropriation adjustments relating to Senate Bill 3, Eighty-eighth Legislature, Fourth Called Session, 2023; other legislation passed by the Eighty-eighth Legislature, Fourth Called Session, 2023, that affects appropriations; and technical and/or reconciling adjustments.
- (5) Article totals exclude Interagency Contracts.

SOURCE: Legislative Budget Board.

FIGURE B1 (CONTINUED)
ALL FUNDS – AGENCIES OF EDUCATION

ARTICLE III – AGENCIES OF EDUCATION	EXPENDED 2022	BUDGETED 2023	APPROPRIATED 2024	APPROPRIATED 2025
Public Education				
Texas Education Agency	\$32,886,094,202	\$31,925,444,822	\$40,555,897,806	\$40,056,209,263
Texas Permanent School Fund Corporation	\$0	\$45,477,575	\$46,590,852	\$51,882,342
Texas School for the Blind and Visually Impaired	\$31,413,836	\$31,105,197	\$29,309,581	\$30,182,468
Texas School for the Deaf	\$34,481,464	\$92,950,709	\$37,185,982	\$37,619,262
Subtotal, Public Education	\$32,951,989,502	\$32,094,978,303	\$40,668,984,221	\$40,175,893,335
Public Higher Education				
Two-Year Institutions				
Public Community/Junior Colleges	\$942,433,595	\$938,101,548	\$1,157,420,867	\$1,155,420,828
Lamar State Colleges				
Lamar Institute of Technology	\$23,340,795	\$30,635,848	\$30,737,201	\$30,742,557
Lamar State College – Orange	\$15,407,053	\$25,468,013	\$20,152,765	\$20,156,667
Lamar State College – Port Arthur	\$15,293,433	\$25,120,843	\$21,596,271	\$21,594,641
Subtotal, Lamar State Colleges	\$54,041,281	\$81,224,704	\$72,486,237	\$72,493,865
Texas State Technical Colleges				
Texas State Technical College System Administration	\$5,959,942	\$8,002,941	\$5,888,190	\$5,891,087
Texas State Technical College – Harlingen	\$25,090,733	\$29,194,471	\$37,444,591	\$37,507,052
Texas State Technical College – West Texas	\$15,976,749	\$18,391,594	\$20,532,415	\$20,557,924
Texas State Technical College – Marshall	\$5,744,984	\$7,649,946	\$11,897,648	\$11,904,565
Texas State Technical College – Waco	\$38,008,074	\$43,680,131	\$54,669,946	\$54,752,432
Texas State Technical College – Fort Bend	\$8,020,419	\$11,885,190	\$11,906,666	\$11,914,928
Texas State Technical College – North Texas	\$4,842,143	\$6,046,627	\$7,012,038	\$7,015,998
Subtotal, Texas State Technical Colleges	\$103,643,044	\$124,850,900	\$149,351,494	\$149,543,986
Subtotal, Two-year Institutions	\$1,100,117,920	\$1,144,177,152	\$1,379,258,598	\$1,377,458,679
General Academic Institutions				
University of Texas System Administration	\$12,464,026	\$11,522,799	\$32,341,179	\$12,341,179
University of Texas at Arlington	\$206,601,446	\$207,150,807	\$228,229,569	\$227,593,622
University of Texas at Austin	\$445,831,239	\$896,732,282	\$454,293,910	\$448,890,646
University of Texas at Dallas	\$185,287,888	\$197,467,521	\$231,931,665	\$231,966,838
University of Texas at El Paso	\$121,559,371	\$126,453,015	\$142,815,416	\$142,584,565
University of Texas Rio Grande Valley	\$150,579,239	\$150,079,955	\$158,202,036	\$151,072,760
University of Texas Permian Basin	\$39,530,883	\$44,088,542	\$47,505,810	\$47,509,221
University of Texas at San Antonio	\$178,381,676	\$185,471,879	\$192,690,431	\$192,704,239
University of Texas at Tyler	\$48,161,500	\$53,506,954	\$58,977,971	\$56,426,645
Stephen F. Austin State University	\$53,331,604	\$56,478,669	\$77,171,688	\$58,182,186
Texas A&M University System Administrative and General Offices	\$731,526	\$231,350,611	\$5,267,551	\$5,267,551
Texas A&M University	\$489,156,443	\$500,598,970	\$725,241,798	\$525,315,829
Texas A&M University at Galveston	\$28,233,757	\$72,078,678	\$29,973,298	\$29,976,353
Prairie View A&M University	\$61,241,651	\$73,353,997	\$83,405,248	\$81,515,745
Tarleton State University	\$65,702,197	\$74,568,443	\$84,312,817	\$84,319,783
Texas A&M University – Central Texas	\$20,206,559	\$26,435,966	\$24,806,925	\$24,807,667
Texas A&M University – Corpus Christi	\$71,877,490	\$72,249,143	\$76,172,601	\$76,178,928
Texas A&M University – Kingsville	\$51,560,081	\$54,028,988	\$54,007,051	\$54,006,904
Texas A&M University – San Antonio	\$39,079,944	\$41,822,722	\$43,613,806	\$43,612,222
Texas A&M International University	\$48,035,862	\$50,805,239	\$55,853,390	\$55,857,369
West Texas A&M University	\$46,043,363	\$47,488,588	\$54,675,841	\$54,681,927

FIGURE B1 (CONTINUED)
ALL FUNDS – AGENCIES OF EDUCATION

ARTICLE III – AGENCIES OF EDUCATION	EXPENDED 2022	BUDGETED 2023	APPROPRIATED 2024	APPROPRIATED 2025
General Academic Institutions (continued)				
Texas A&M University – Commerce	\$56,643,572	\$61,231,437	\$63,960,522	\$63,959,350
Texas A&M University – Texarkana	\$26,609,174	\$32,334,275	\$34,269,957	\$34,275,675
University of Houston System Administration	\$58,440,270	\$51,840,661	\$59,858,921	\$59,848,018
University of Houston	\$253,747,516	\$309,525,550	\$259,543,564	\$259,575,096
University of Houston – Clear Lake	\$46,996,298	\$46,624,893	\$44,837,983	\$44,842,633
University of Houston – Downtown	\$47,010,177	\$45,343,268	\$46,605,749	\$46,610,500
University of Houston – Victoria	\$21,214,695	\$21,794,403	\$21,785,783	\$22,317,064
University of North Texas System Administration	\$5,915,495	\$5,921,670	\$5,917,695	\$5,916,158
University of North Texas	\$214,115,380	\$235,018,186	\$233,886,191	\$233,931,868
University of North Texas at Dallas	\$35,050,414	\$44,825,827	\$47,209,035	\$46,970,298
Texas Southern University	\$83,160,174	\$86,779,706	\$81,296,521	\$80,432,098
Texas Tech University System Administration	\$1,299,600	\$1,299,600	\$1,299,600	\$1,299,600
Texas Tech University	\$282,418,725	\$277,334,743	\$282,052,368	\$282,111,998
Angelo State University	\$41,233,880	\$43,484,339	\$45,343,557	\$45,341,909
Midwestern State University	\$24,215,462	\$30,427,116	\$32,257,317	\$32,255,310
Texas Woman's University System	\$0	\$0	\$265,526	\$265,526
Texas Woman's University	\$91,292,098	\$98,689,139	\$106,048,963	\$105,693,735
Texas State University System	\$1,299,600	\$2,390,742	\$2,279,600	\$2,279,600
Lamar University	\$85,879,587	\$99,596,258	\$104,149,564	\$104,160,652
Sam Houston State University	\$97,170,837	\$100,989,637	\$111,871,234	\$107,639,347
Texas State University	\$177,198,876	\$193,280,808	\$185,949,965	\$185,964,163
Sul Ross State University	\$13,853,157	\$15,395,351	\$13,821,710	\$13,821,851
Sul Ross State University Rio Grande College	\$4,286,010	\$7,479,200	\$8,477,595	\$8,477,640
Subtotal, General Academic Institutions	\$4,032,648,742	\$4,985,340,577	\$4,654,478,921	\$4,392,802,268
Health-related Institutions				
University of Texas Southwestern Medical Center	\$193,959,001	\$214,704,107	\$207,552,830	\$200,483,280
University of Texas Medical Branch at Galveston	\$290,003,444	\$302,744,507	\$298,533,270	\$298,534,970
University of Texas Health Science Center at Houston	\$226,829,944	\$269,485,264	\$244,612,132	\$240,265,022
University of Texas Health Science Center at San Antonio	\$168,927,248	\$222,442,677	\$199,805,662	\$199,150,812
University of Texas Rio Grande Valley School of Medicine	\$37,219,763	\$37,250,728	\$44,401,621	\$44,401,620
University of Texas M.D. Anderson Cancer Center	\$217,751,257	\$233,176,170	\$230,577,821	\$230,555,471
University of Texas Health Science Center at Tyler	\$53,275,725	\$67,850,928	\$60,801,862	\$60,751,461
University of Texas at Austin Dell Medical School	\$0	\$0	\$17,583,108	\$17,583,108
Texas A&M University System Health Science Center	\$176,776,382	\$200,507,476	\$230,420,109	\$205,425,219
University of North Texas Health Science Center at Fort Worth	\$111,288,116	\$120,578,044	\$128,319,752	\$128,318,767
Texas Tech University Health Sciences Center	\$159,333,821	\$176,179,927	\$168,264,302	\$168,266,924
Texas Tech University Health Sciences Center at El Paso	\$78,299,332	\$149,660,895	\$84,174,830	\$84,181,473
University of Houston College of Medicine	\$14,018,939	\$16,176,375	\$20,230,516	\$20,230,516
Sam Houston State University College of Osteopathic Medicine	\$0	\$0	\$18,365,006	\$18,365,006
Subtotal, Health-related Institutions	\$1,727,682,972	\$2,010,757,098	\$1,953,642,821	\$1,916,513,649

FIGURE B1 (CONTINUED)
ALL FUNDS – AGENCIES OF EDUCATION

ARTICLE III – AGENCIES OF EDUCATION	EXPENDED 2022	BUDGETED 2023	APPROPRIATED 2024	APPROPRIATED 2025
Texas A&M University Services				
Texas A&M AgriLife Research	\$80,937,098	\$95,937,096	\$98,078,316	\$102,845,366
Texas A&M AgriLife Extension Service	\$75,288,897	\$99,476,251	\$79,926,255	\$84,481,907
Texas A&M Engineering Experiment Station	\$186,006,020	\$184,627,513	\$223,061,303	\$192,063,567
Texas A&M Transportation Institute	\$71,028,945	\$72,412,088	\$76,143,316	\$79,671,043
Texas A&M Engineering Extension Service	\$86,868,435	\$116,334,720	\$96,829,510	\$98,935,700
Texas A&M Forest Service	\$65,950,063	\$244,233,627	\$64,924,432	\$65,126,300
Texas A&M Veterinary Medical Diagnostic Laboratory	\$23,504,552	\$28,228,646	\$25,132,316	\$25,663,791
Texas Division of Emergency Management	\$3,967,746,291	\$2,704,453,418	\$2,017,790,912	\$386,210,412
Subtotal, Texas A&M University Services	\$4,557,330,301	\$3,545,703,359	\$2,681,886,360	\$1,034,998,086
Other Higher Education				
Special Provisions for the School for the Blind and Visually Impaired	\$0	\$0	\$0	\$0
Texas Higher Education Coordinating Board	\$1,392,673,860	\$1,009,912,785	\$1,510,691,448	\$1,325,662,815
Higher Education Fund	\$393,750,000	\$393,750,000	\$393,750,000	\$393,750,000
Available University Fund	\$1,261,319,189	\$1,344,242,993	\$1,446,506,273	\$1,552,781,099
Available National Research University Fund	\$28,622,809	\$28,868,632	\$0	\$0
Available Texas University Fund	\$0	\$0	\$136,364,139	\$137,000,000
Support for Military and Veterans Exemptions	\$23,529,778	\$24,146,384	\$117,329,617	\$117,329,617
Special Provisions Relating Only to Components of Texas State Technical Colleges	\$0	\$0	\$0	\$0
Article III, Special Provisions	\$0	\$0	\$0	\$0
Subtotal, Other Higher Education	\$3,099,895,636	\$2,800,920,794	\$3,604,641,477	\$3,526,523,531
Subtotal, Public Higher Education	\$14,517,675,571	\$14,486,898,980	\$14,273,908,177	\$12,248,296,213
Employee Benefits				
Teacher Retirement System	\$4,460,973,808	\$3,295,522,767	\$9,125,358,926	\$3,766,302,430
Optional Retirement Program	\$147,482,055	\$147,479,189	\$147,479,249	\$147,482,259
Higher Education Employees Group Insurance Contributions	\$714,315,926	\$714,315,925	\$797,687,530	\$797,687,532
Retirement and Group Insurance	\$60,020,906	\$61,943,361	\$68,481,774	\$73,114,530
Social Security and Benefit Replacement Pay	\$345,660,413	\$359,020,928	\$385,792,658	\$400,006,400
Subtotal, Employee Benefits	\$5,728,453,108	\$4,578,282,170	\$10,524,800,137	\$5,184,593,151
Debt Service				
Bond Debt Service Payments	\$6,616,027	\$6,378,680	\$5,658,982	\$3,727,087
Lease Payments	\$0	\$0	\$0	\$0
Subtotal, Debt Service	\$6,616,027	\$6,378,680	\$5,658,982	\$3,727,087
Less Interagency Contracts	\$422,709,787	\$67,405,505	\$69,833,237	\$69,783,366
Total, Article III – Agencies of Education	\$52,782,024,421	\$51,099,132,628	\$65,403,518,280	\$57,542,726,420

NOTES:

- (1) Budgeted 2023 incorporates certain appropriation adjustments relating to Senate Bill 30, Eighty-eighth Legislature, Regular Session, 2023; and technical and/or reconciling adjustments.
- (2) Appropriated 2024 and 2025 amounts incorporate certain appropriation adjustments relating to House Bill 1 (Conference Committee Report), Eighty-eighth Legislature, Regular Session, 2023, Article IX; other legislation passed by the Eighty-eighth Legislature that affects appropriations; and technical and/or reconciling adjustments.
- (3) Appropriated 2024 and 2025 amounts incorporate certain appropriation adjustments relating to Senate Bill 2 and House Joint Resolution 2, Eighty-eighth Legislature, Second Called Session, 2023; Senate Bill 2, Eighty-eighth Legislature, Second Called Session, 2023; Senate Bill 3, Eighty-eighth Legislature, Second Called Session, 2023; other legislation passed by the Eighty-eighth Legislature, Second Called Session, 2023, that affects appropriations; and technical and/or reconciling adjustments.
- (4) Included in amounts shown is a total of \$4,048.8 million appropriated to the Texas Education Agency and Teacher Retirement System of Texas in the Eighty-eighth Legislature, General Appropriations Act, 2024–25 Biennium, Article IX, Sections 18.78(d), (e), and (f), contingent on the enactment of legislation by the Eighty-eighth Legislature.
- (5) Appropriated 2024 and 2025 amounts incorporate certain appropriation adjustments relating to Senate Bill 3, Eighty-eighth Legislature, Fourth Called Session, 2023; other legislation passed by the Eighty-eighth Legislature, Fourth Called Session, 2023, that affects appropriations; and technical and/or reconciling adjustments.
- (6) Article totals exclude Interagency Contracts.

SOURCE: Legislative Budget Board.

FIGURE B1 (CONTINUED)
ALL FUNDS – JUDICIARY

ARTICLE IV – JUDICIARY	EXPENDED 2022	BUDGETED 2023	APPROPRIATED 2024	APPROPRIATED 2025
Supreme Court of Texas	\$54,372,190	\$49,323,793	\$56,184,805	\$46,560,098
Court of Criminal Appeals	\$18,379,028	\$21,499,155	\$23,533,745	\$23,840,756
First Court of Appeals District, Houston	\$4,791,070	\$4,881,615	\$5,692,050	\$5,862,785
Second Court of Appeals District, Fort Worth	\$3,718,231	\$3,847,993	\$4,547,156	\$4,676,116
Third Court of Appeals District, Austin	\$3,189,778	\$3,172,688	\$3,917,736	\$4,029,751
Fourth Court of Appeals District, San Antonio	\$3,549,103	\$4,046,113	\$4,509,690	\$4,692,768
Fifth Court of Appeals District, Dallas	\$6,678,419	\$6,678,420	\$8,127,171	\$8,354,124
Sixth Court of Appeals District, Texarkana	\$1,675,261	\$1,736,682	\$2,024,260	\$2,081,803
Seventh Court of Appeals District, Amarillo	\$2,177,290	\$2,177,291	\$2,575,611	\$2,639,038
Eighth Court of Appeals District, El Paso	\$1,664,501	\$1,752,277	\$2,001,275	\$2,067,745
Ninth Court of Appeals District, Beaumont	\$1,961,939	\$2,433,235	\$2,564,277	\$2,637,233
Tenth Court of Appeals District, Waco	\$1,648,728	\$1,906,619	\$2,061,261	\$2,113,815
Eleventh Court of Appeals District, Eastland	\$1,657,954	\$1,793,704	\$2,021,352	\$2,108,918
Twelfth Court of Appeals District, Tyler	\$1,754,552	\$1,754,552	\$2,056,930	\$2,116,153
Thirteenth Court of Appeals District, Corpus Christi–Edinburg	\$3,212,252	\$3,211,065	\$3,950,639	\$4,060,820
Fourteenth Court of Appeals District, Houston	\$5,026,255	\$5,094,635	\$5,911,110	\$6,078,942
Fifteenth Court of Appeals District, Austin	\$0	\$0	\$0	\$2,327,569
Office of Court Administration, Texas Judicial Council	\$118,621,938	\$132,668,224	\$169,263,638	\$127,664,369
Office of Capital and Forensic Writs	\$2,229,177	\$2,272,243	\$3,319,248	\$3,163,719
Office of the State Prosecuting Attorney	\$456,250	\$485,990	\$501,817	\$528,590
State Law Library	\$1,071,293	\$1,126,979	\$1,313,984	\$1,339,055
State Commission on Judicial Conduct	\$1,221,954	\$1,221,954	\$1,506,020	\$1,485,935
Judiciary Section, Comptroller's Department	\$188,905,254	\$182,002,228	\$200,385,646	\$201,308,216
Subtotal, Judiciary	\$427,962,417	\$435,087,455	\$507,969,421	\$461,738,318
Retirement and Group Insurance	\$63,817,927	\$64,199,843	\$170,871,667	\$73,406,011
Social Security and Benefit Replacement Pay	\$13,501,997	\$13,633,009	\$15,118,013	\$15,565,743
Subtotal, Employee Benefits	\$77,319,924	\$77,832,852	\$185,989,680	\$88,971,754
Lease Payments	\$0	\$0	\$0	\$0
Subtotal, Debt Service	\$0	\$0	\$0	\$0
Article IV, Special Provisions	\$0	\$0	\$0	\$0
Less Interagency Contracts	\$13,438,748	\$12,273,473	\$11,085,966	\$11,082,400
Total, Article IV – Judiciary	\$491,843,593	\$500,646,834	\$682,873,135	\$539,627,672

NOTES:

- (1) Budgeted 2023 incorporates certain appropriation adjustments relating to Senate Bill 30, Eighty-eighth Legislature, Regular Session, 2023; and technical and/or reconciling adjustments.
- (2) Appropriated 2024 and 2025 amounts incorporate certain appropriation adjustments relating to House Bill 1 (Conference Committee Report), Eighty-eighth Legislature, Regular Session, 2023, Article IX; other legislation passed by the Eighty-eighth Legislature that affects appropriations; and technical and/or reconciling adjustments.
- (3) Appropriated 2024 and 2025 amounts incorporate certain appropriation adjustments relating to Senate Bill 2 and House Joint Resolution 2, Eighty-eighth Legislature, Second Called Session, 2023; Senate Bill 2, Eighty-eighth Legislature, Second Called Session, 2023; Senate Bill 3, Eighty-eighth Legislature, Second Called Session, 2023; other legislation passed by the Eighty-eighth Legislature, Second Called Session, 2023, that affects appropriations; and technical and/or reconciling adjustments.
- (4) Appropriated 2024 and 2025 amounts incorporate certain appropriation adjustments relating to Senate Bill 3, Eighty-eighth Legislature, Fourth Called Session, 2023; other legislation passed by the Eighty-eighth Legislature, Fourth Called Session, 2023, that affects appropriations; and technical and/or reconciling adjustments.
- (5) Article totals exclude Interagency Contracts.

SOURCE: Legislative Budget Board.

FIGURE B1 (CONTINUED)
ALL FUNDS – PUBLIC SAFETY AND CRIMINAL JUSTICE

ARTICLE V – PUBLIC SAFETY AND CRIMINAL JUSTICE	EXPENDED 2022	BUDGETED 2023	APPROPRIATED 2024	APPROPRIATED 2025
Texas Alcoholic Beverage Commission	\$53,390,291	\$54,343,677	\$61,873,685	\$58,985,649
Texas Department of Criminal Justice	\$3,808,776,724	\$3,776,904,893	\$4,269,568,636	\$4,253,027,055
Texas Commission on Fire Protection	\$1,929,488	\$2,532,852	\$2,822,658	\$2,481,552
Texas Commission on Jail Standards	\$1,655,204	\$1,440,419	\$1,987,188	\$1,978,982
Texas Juvenile Justice Department	\$325,884,830	\$334,363,624	\$604,955,958	\$421,079,286
Texas Commission on Law Enforcement	\$10,299,631	\$7,783,092	\$13,111,758	\$12,718,465
Texas Military Department	\$1,401,929,046	\$449,358,531	\$1,258,796,956	\$1,282,923,444
Department of Public Safety	\$1,628,346,245	\$1,387,217,860	\$2,165,599,457	\$1,504,459,964
Subtotal, Public Safety/Criminal Justice	\$7,232,211,459	\$6,013,944,948	\$8,378,716,296	\$7,537,654,397
Retirement and Group Insurance	\$915,502,253	\$990,126,062	\$1,865,945,490	\$1,127,720,318
Social Security and Benefit Replacement Pay	\$225,517,717	\$245,910,512	\$275,969,513	\$290,751,359
Subtotal, Employee Benefits	\$1,141,019,970	\$1,236,036,574	\$2,141,915,003	\$1,418,471,677
Bond Debt Service Payments	\$63,389,398	\$62,436,974	\$58,500,746	\$43,670,238
Lease Payments	\$21,942	\$0	\$0	\$0
Subtotal, Debt Service	\$63,411,340	\$62,436,974	\$58,500,746	\$43,670,238
Article V, Special Provisions	\$0	\$0	\$0	\$0
Less Interagency Contracts	\$989,588,657	\$420,065,759	\$117,966,213	\$76,923,872
Total, Article V – Public Safety and Criminal Justice	\$7,447,054,112	\$6,892,352,737	\$10,461,165,832	\$8,922,872,440

NOTES:

- (1) Budgeted 2023 incorporates certain appropriation adjustments relating to Senate Bill 30, Eighty-eighth Legislature, Regular Session, 2023; and technical and/or reconciling adjustments.
- (2) Appropriated 2024 and 2025 amounts incorporate certain appropriation adjustments relating to House Bill 1 (Conference Committee Report), Eighty-eighth Legislature, Regular Session, 2023, Article IX; other legislation passed by the Eighty-eighth Legislature that affects appropriations; and technical and/or reconciling adjustments.
- (3) Appropriated 2024 and 2025 amounts incorporate certain appropriation adjustments relating to Senate Bill 2 and House Joint Resolution 2, Eighty-eighth Legislature, Second Called Session, 2023; Senate Bill 2, Eighty-eighth Legislature, Second Called Session, 2023; Senate Bill 3, Eighty-eighth Legislature, Second Called Session, 2023; other legislation passed by the Eighty-eighth Legislature, Second Called Session, 2023, that affects appropriations; and technical and/or reconciling adjustments.
- (4) Appropriated 2024 and 2025 amounts incorporate certain appropriation adjustments relating to Senate Bill 3, Eighty-eighth Legislature, Fourth Called Session, 2023; other legislation passed by the Eighty-eighth Legislature, Fourth Called Session, 2023, that affects appropriations; and technical and/or reconciling adjustments.
- (5) Article totals exclude Interagency Contracts.

SOURCE: Legislative Budget Board.

FIGURE B1 (CONTINUED)
ALL FUNDS – NATURAL RESOURCES

ARTICLE VI – NATURAL RESOURCES	EXPENDED 2022	BUDGETED 2023	APPROPRIATED 2024	APPROPRIATED 2025
Texas Department of Agriculture	\$959,842,358	\$731,503,205	\$825,235,019	\$825,879,786
Texas Animal Health Commission	\$16,681,421	\$17,582,236	\$18,424,880	\$18,789,374
Texas Commission on Environmental Quality	\$340,230,297	\$335,037,245	\$389,660,701	\$361,246,426
General Land Office and Veterans' Land Board	\$3,019,562,671	\$3,240,248,926	\$2,108,227,918	\$566,418,043
Texas Low-level Radioactive Waste Disposal Compact Commission	\$443,227	\$443,227	\$498,227	\$498,227
Texas Parks and Wildlife Department	\$747,836,603	\$627,727,125	\$1,509,945,530	\$447,542,061
Railroad Commission of Texas	\$172,330,212	\$197,777,748	\$243,365,613	\$237,152,107
Texas State Soil and Water Conservation Board	\$38,369,470	\$38,031,273	\$94,637,308	\$70,595,246
Texas Water Development Board	\$316,088,143	\$856,522,592	\$350,046,774	\$209,548,238
Subtotal, Natural Resources	\$5,611,384,402	\$6,044,873,577	\$5,540,041,970	\$2,737,669,508
Retirement and Group Insurance	\$171,169,414	\$173,674,105	\$190,051,209	\$197,296,225
Social Security and Benefit Replacement Pay	\$42,152,169	\$43,290,448	\$49,813,458	\$52,872,920
Subtotal, Employee Benefits	\$213,321,583	\$216,964,553	\$239,864,667	\$250,169,145
Bond Debt Service Payments	\$10,289,659	\$9,836,713	\$18,061,137	\$19,253,627
Lease Payments	\$739,527	\$0	\$0	\$0
Subtotal, Debt Service	\$11,029,186	\$9,836,713	\$18,061,137	\$19,253,627
Less Interagency Contracts	\$17,669,198	\$15,839,499	\$10,466,126	\$10,468,287
Total, Article VI – Natural Resources	\$5,818,065,973	\$6,255,835,344	\$5,787,501,648	\$2,996,623,993

NOTES:

- (1) Budgeted 2023 incorporates certain appropriation adjustments relating to Senate Bill 30, Eighty-eighth Legislature, Regular Session, 2023; and technical and/or reconciling adjustments.
- (2) Appropriated 2024 and 2025 amounts incorporate certain appropriation adjustments relating to House Bill 1 (Conference Committee Report), Eighty-eighth Legislature, Regular Session, 2023, Article IX; other legislation passed by the Eighty-eighth Legislature that affects appropriations; and technical and/or reconciling adjustments.
- (3) Appropriated 2024 and 2025 amounts incorporate certain appropriation adjustments relating to Senate Bill 2 and House Joint Resolution 2, Eighty-eighth Legislature, Second Called Session, 2023; Senate Bill 2, Eighty-eighth Legislature, Second Called Session, 2023; Senate Bill 3, Eighty-eighth Legislature, Second Called Session, 2023; other legislation passed by the Eighty-eighth Legislature, Second Called Session, 2023, that affects appropriations; and technical and/or reconciling adjustments.
- (4) Appropriated 2024 and 2025 amounts incorporate certain appropriation adjustments relating to Senate Bill 3, Eighty-eighth Legislature, Fourth Called Session, 2023; other legislation passed by the Eighty-eighth Legislature, Fourth Called Session, 2023, that affects appropriations; and technical and/or reconciling adjustments.
- (5) Article totals exclude Interagency Contracts.

SOURCE: Legislative Budget Board.

FIGURE B1 (CONTINUED)
ALL FUNDS – BUSINESS AND ECONOMIC DEVELOPMENT

ARTICLE VII – BUSINESS AND ECONOMIC DEVELOPMENT	EXPENDED 2022	BUDGETED 2023	APPROPRIATED 2024	APPROPRIATED 2025
Texas Department of Housing and Community Affairs	\$2,189,160,337	\$893,398,320	\$742,007,099	\$606,739,647
Texas Lottery Commission	\$308,619,572	\$325,938,812	\$323,393,787	\$338,098,234
Texas Department of Motor Vehicles	\$184,581,060	\$162,218,199	\$422,399,717	\$231,090,218
Texas Department of Transportation	\$16,282,772,873	\$15,630,920,131	\$18,632,354,551	\$18,683,509,447
Texas Workforce Commission	\$6,906,811,617	\$2,376,460,946	\$2,541,651,937	\$2,618,103,656
Reimbursements to the Unemployment Compensation Benefit Account	\$29,538,096	\$17,808,772	\$20,114,206	\$21,764,385
Subtotal, Business/Economic Development	\$25,901,483,555	\$19,406,745,180	\$22,681,921,297	\$22,499,305,587
Retirement and Group Insurance	\$379,970,442	\$387,251,989	\$401,297,186	\$416,687,419
Social Security and Benefit Replacement Pay	\$82,705,806	\$84,396,158	\$88,801,611	\$94,357,052
Subtotal, Employee Benefits	\$462,676,248	\$471,648,147	\$490,098,797	\$511,044,471
Bond Debt Service Payments	\$10,220,397	\$9,951,967	\$9,136,396	\$7,102,641
Lease Payments	\$0	\$0	\$0	\$0
Subtotal, Debt Service	\$10,220,397	\$9,951,967	\$9,136,396	\$7,102,641
Less Interagency Contracts	\$107,785,366	\$96,423,018	\$75,742,448	\$79,473,837
Total, Article VII – Business and Economic Development	\$26,266,594,834	\$19,791,922,276	\$23,105,414,042	\$22,937,978,862

NOTES:

- (1) Budgeted 2023 incorporates certain appropriation adjustments relating to Senate Bill 30, Eighty-eighth Legislature, Regular Session, 2023; and technical and/or reconciling adjustments.
- (2) Appropriated 2024 and 2025 amounts incorporate certain appropriation adjustments relating to House Bill 1 (Conference Committee Report), Eighty-eighth Legislature, Regular Session, 2023, Article IX; other legislation passed by the Eighty-eighth Legislature that affects appropriations; and technical and/or reconciling adjustments.
- (3) Appropriated 2024 and 2025 amounts incorporate certain appropriation adjustments relating to Senate Bill 2 and House Joint Resolution 2, Eighty-eighth Legislature, Second Called Session, 2023; Senate Bill 2, Eighty-eighth Legislature, Second Called Session, 2023; Senate Bill 3, Eighty-eighth Legislature, Second Called Session, 2023; other legislation passed by the Eighty-eighth Legislature, Second Called Session, 2023, that affects appropriations; and technical and/or reconciling adjustments.
- (4) Appropriated 2024 and 2025 amounts incorporate certain appropriation adjustments relating to Senate Bill 3, Eighty-eighth Legislature, Fourth Called Session, 2023; other legislation passed by the Eighty-eighth Legislature, Fourth Called Session, 2023, that affects appropriations; and technical and/or reconciling adjustments.
- (5) Article totals exclude Interagency Contracts.

SOURCE: Legislative Budget Board.

FIGURE B1 (CONTINUED)
ALL FUNDS – REGULATORY

ARTICLE VIII – REGULATORY	EXPENDED 2022	BUDGETED 2023	APPROPRIATED 2024	APPROPRIATED 2025
State Office of Administrative Hearings	\$11,351,012	\$11,351,011	\$12,444,210	\$12,955,813
Texas Behavioral Health Executive Council	\$5,174,405	\$5,024,174	\$5,311,786	\$5,509,690
Texas Board of Chiropractic Examiners	\$993,778	\$930,778	\$1,150,870	\$1,187,498
Texas State Board of Dental Examiners	\$4,843,690	\$4,548,074	\$4,782,479	\$4,965,088
Texas Funeral Service Commission	\$887,880	\$875,156	\$1,937,260	\$1,407,276
Texas Board of Professional Geoscientists	\$650,749	\$598,655	\$671,340	\$690,261
Health Professions Council	\$1,599,529	\$1,372,832	\$1,606,222	\$1,660,416
Office of Injured Employee Counsel	\$8,266,377	\$9,136,484	\$9,925,580	\$10,379,182
Texas Department of Insurance	\$121,979,172	\$185,740,060	\$128,151,835	\$132,853,547
Office of Public Insurance Counsel	\$1,000,090	\$1,000,090	\$1,653,805	\$1,688,508
Texas Department of Licensing and Regulation	\$47,379,498	\$44,926,759	\$84,372,856	\$52,905,879
Texas Medical Board	\$17,815,795	\$14,503,319	\$22,975,612	\$21,374,989
Texas Board of Nursing	\$13,722,475	\$13,525,341	\$15,194,334	\$15,645,407
Texas Optometry Board	\$556,723	\$518,007	\$560,072	\$578,491
Texas State Board of Pharmacy	\$10,158,832	\$10,135,114	\$15,427,082	\$14,803,068
Executive Council of Physical Therapy and Occupational Therapy Examiners	\$1,433,576	\$1,393,824	\$1,838,272	\$1,761,311
Texas State Board of Plumbing Examiners	\$3,055,184	\$2,990,284	\$3,901,408	\$3,957,958
Texas Racing Commission	\$6,845,249	\$7,349,664	\$9,029,380	\$9,253,467
Texas State Securities Board	\$7,363,527	\$7,678,542	\$9,428,816	\$9,376,626
Public Utility Commission of Texas	\$21,226,577	\$21,386,051	\$5,033,987,101	\$32,562,988
Office of Public Utility Counsel	\$2,516,964	\$2,516,964	\$3,400,764	\$3,461,837
State Board of Veterinary Medical Examiners	\$1,473,491	\$1,409,791	\$3,692,090	\$2,643,937
Subtotal, Regulatory	\$290,294,573	\$348,910,974	\$5,371,443,174	\$341,623,237
Retirement and Group Insurance	\$81,888,215	\$83,333,401	\$90,059,370	\$93,060,622
Social Security and Benefit Replacement Pay	\$19,085,660	\$19,396,806	\$21,700,051	\$22,653,615
Subtotal, Employee Benefits	\$100,973,875	\$102,730,207	\$111,759,421	\$115,714,237
Lease Payments	\$0	\$0	\$0	\$0
Subtotal, Debt Service	\$0	\$0	\$0	\$0
Article VIII, Special Provisions	\$0	\$0	\$0	\$0
Less Interagency Contracts	\$6,244,207	\$6,060,140	\$6,739,158	\$6,758,804
Total, Article VIII – Regulatory	\$385,024,241	\$445,581,041	\$5,476,463,437	\$450,578,670

NOTES:

- (1) Budgeted 2023 incorporates certain appropriation adjustments relating to Senate Bill 30, Eighty-eighth Legislature, Regular Session, 2023; and technical and/or reconciling adjustments.
- (2) Appropriated 2024 and 2025 amounts incorporate certain appropriation adjustments relating to House Bill 1 (Conference Committee Report), Eighty-eighth Legislature, Regular Session, 2023, Article IX; other legislation passed by the Eighty-eighth Legislature that affects appropriations; and technical and/or reconciling adjustments.
- (3) Appropriated 2024 and 2025 amounts incorporate certain appropriation adjustments relating to Senate Bill 2 and House Joint Resolution 2, Eighty-eighth Legislature, Second Called Session, 2023; Senate Bill 2, Eighty-eighth Legislature, Second Called Session, 2023; Senate Bill 3, Eighty-eighth Legislature, Second Called Session, 2023; other legislation passed by the Eighty-eighth Legislature, Second Called Session, 2023, that affects appropriations; and technical and/or reconciling adjustments.
- (4) Appropriated 2024 and 2025 amounts incorporate certain appropriation adjustments relating to Senate Bill 3, Eighty-eighth Legislature, Fourth Called Session, 2023; other legislation passed by the Eighty-eighth Legislature, Fourth Called Session, 2023, that affects appropriations; and technical and/or reconciling adjustments.
- (5) Article totals exclude Interagency Contracts.

SOURCE: Legislative Budget Board.

**FIGURE B1 (CONTINUED)
ALL FUNDS – LEGISLATURE**

ARTICLE X – LEGISLATURE	EXPENDED 2022	BUDGETED 2023	APPROPRIATED 2024	APPROPRIATED 2025
Senate	\$34,638,945	\$45,689,942	\$46,178,143	\$49,291,842
House of Representatives	\$38,864,307	\$60,034,438	\$54,440,411	\$60,678,336
Legislative Budget Board	\$13,970,940	\$13,615,000	\$15,576,718	\$16,399,811
Texas Legislative Council	\$44,113,626	\$48,610,577	\$46,995,778	\$52,322,235
Commission on Uniform State Laws	\$195,874	\$198,958	\$197,416	\$197,416
Sunset Advisory Commission	\$2,768,237	\$2,625,572	\$2,810,665	\$2,929,310
State Auditor's Office	\$21,421,937	\$22,981,104	\$23,042,458	\$23,954,828
Legislative Reference Library	\$1,740,250	\$2,157,782	\$2,024,673	\$2,107,570
Subtotal, Legislature	\$157,714,116	\$195,913,373	\$191,266,262	\$207,881,348
Retirement and Group Insurance	\$35,152,430	\$35,805,308	\$38,141,650	\$39,763,673
Social Security and Benefit Replacement Pay	\$9,127,420	\$9,325,991	\$10,672,613	\$11,426,474
Subtotal, Employee Benefits	\$44,279,850	\$45,131,299	\$48,814,263	\$51,190,147
Lease Payments	\$0	\$0	\$0	\$0
Subtotal, Debt Service	\$0	\$0	\$0	\$0
Less Interagency Contracts	\$4,643,187	\$4,935,702	\$4,676,000	\$4,676,000
Total, Article X – Legislature	\$197,350,779	\$236,108,970	\$235,404,525	\$254,395,495

NOTES:

- (1) Budgeted 2023 incorporates certain appropriation adjustments relating to Senate Bill 30, Eighty-eighth Legislature, Regular Session, 2023; and technical and/or reconciling adjustments.
- (2) Appropriated 2024 and 2025 amounts incorporate certain appropriation adjustments relating to House Bill 1 (Conference Committee Report), Eighty-eighth Legislature, Regular Session, 2023, Article IX; other legislation passed by the Eighty-eighth Legislature that affects appropriations; and technical and/or reconciling adjustments.
- (3) Appropriated 2024 and 2025 amounts incorporate certain appropriation adjustments relating to Senate Bill 2 and House Joint Resolution 2, Eighty-eighth Legislature, Second Called Session, 2023; Senate Bill 2, Eighty-eighth Legislature, Second Called Session, 2023; Senate Bill 3, Eighty-eighth Legislature, Second Called Session, 2023; other legislation passed by the Eighty-eighth Legislature, Second Called Session, 2023, that affects appropriations; and technical and/or reconciling adjustments.
- (4) Appropriated 2024 and 2025 amounts incorporate certain appropriation adjustments relating to Senate Bill 3, Eighty-eighth Legislature, Fourth Called Session, 2023; other legislation passed by the Eighty-eighth Legislature, Fourth Called Session, 2023, that affects appropriations; and technical and/or reconciling adjustments.
- (5) Article totals exclude Interagency Contracts.

SOURCE: Legislative Budget Board.

APPENDIX B – SUMMARY OF STATE BUDGET BY FISCAL YEAR

GENERAL REVENUE FUNDS

FIGURE B2
GENERAL REVENUE FUNDS – STATEWIDE SUMMARY

FUNCTION	EXPENDED 2022	BUDGETED 2023	APPROPRIATED 2024	APPROPRIATED 2025
Article I – General Government	\$3,895,886,635	\$6,467,807,273	\$8,330,591,972	\$3,026,638,796
Article II – Health and Human Services	\$17,611,258,287	\$22,038,891,262	\$21,510,505,499	\$21,354,097,025
Article III – Agencies of Education	\$29,563,192,225	\$30,389,247,811	\$38,521,517,147	\$31,723,495,719
<i>Public Education</i>	\$21,077,107,020	\$20,577,965,846	\$28,122,865,414	\$21,790,570,058
<i>Higher Education</i>	\$8,486,085,205	\$9,811,281,965	\$10,398,651,733	\$9,932,925,661
Article IV – Judiciary	\$294,714,421	\$303,011,717	\$492,091,601	\$359,330,135
Article V – Public Safety and Criminal Justice	\$6,033,029,144	\$6,547,265,440	\$6,611,031,352	\$6,649,443,736
Article VI – Natural Resources	\$632,892,598	\$909,786,647	\$2,831,972,651	\$654,440,901
Article VII – Business and Economic Development	\$261,461,980	\$247,673,789	\$868,214,605	\$423,759,700
Article VIII – Regulatory	\$157,900,638	\$152,304,571	\$232,601,006	\$199,823,766
Article X – Legislature	\$197,325,839	\$236,082,545	\$235,303,100	\$254,294,070
Total, All Functions	\$58,647,661,767	\$67,292,071,055	\$79,633,828,933	\$64,645,323,848

NOTES:

- (1) Budgeted 2023 incorporates certain appropriation adjustments relating to Senate Bill 30, Eighty-eighth Legislature, Regular Session, 2023; and technical and/or reconciling adjustments.
- (2) Appropriated 2024 and 2025 amounts incorporate certain appropriation adjustments relating to House Bill 1 (Conference Committee Report), Eighty-eighth Legislature, Regular Session, 2023, Article IX; other legislation passed by the Eighty-eighth Legislature that affects appropriations; and technical and/or reconciling adjustments.
- (3) Appropriated 2024 and 2025 amounts incorporate certain appropriation adjustments relating to Senate Bill 2 and House Joint Resolution 2, Eighty-eighth Legislature, Second Called Session, 2023; Senate Bill 2, Eighty-eighth Legislature, Second Called Session, 2023; Senate Bill 3, Eighty-eighth Legislature, Second Called Session, 2023; other legislation passed by the Eighty-eighth Legislature, Second Called Session, 2023, that affects appropriations; and technical and/or reconciling adjustments.
- (4) Included in amounts shown for Article I and Article III – Public Education are a total of \$497.3 million and \$4,048.8 million, respectively, appropriated from General Revenue Funds in the Eighty-eighth Legislature, General Appropriations Act, 2024–25 Biennium, Article IX, Sections 18.78(d), (e), and (f), contingent on the enactment of legislation by the Eighty-eighth Legislature.
- (5) Appropriated 2024 and 2025 amounts incorporate certain appropriation adjustments relating to Senate Bill 3, Eighty-eighth Legislature, Fourth Called Session, 2023; other legislation passed by the Eighty-eighth Legislature, Fourth Called Session, 2023, that affects appropriations; and technical and/or reconciling adjustments.
- (6) Appropriations made in Article I to establish certain funds are not represented in base amounts in Chapter 4, General Government, as they are appropriated to funds rather than agencies.

SOURCE: Legislative Budget Board.

FIGURE B2 (CONTINUED)
GENERAL REVENUE FUNDS – GENERAL GOVERNMENT

ARTICLE I – GENERAL GOVERNMENT	EXPENDED 2022	BUDGETED 2023	APPROPRIATED 2024	APPROPRIATED 2025
Texas Commission on the Arts	\$12,349,417	\$10,164,492	\$14,309,718	\$14,319,358
Office of the Attorney General	\$262,177,070	\$278,581,007	\$350,093,462	\$322,605,136
Bond Review Board	\$898,912	\$898,911	\$1,383,083	\$1,299,239
Cancer Prevention and Research Institute of Texas	\$0	\$0	\$0	\$0
Comptroller of Public Accounts	\$330,175,641	\$330,015,323	\$351,636,742	\$365,926,265
Fiscal Programs – Comptroller of Public Accounts	\$610,653,560	\$846,095,970	\$2,754,159,030	\$931,285,930
Informational Listing of Funds Appropriated to the Comptroller for Social Security and Benefit Replacement Pay	\$0	\$0	\$0	\$0
Commission on State Emergency Communications	\$0	\$0	\$10,626,943	\$10,677,177
Texas Emergency Services Retirement System	\$680,662	\$680,661	\$787,470	\$815,413
Employees Retirement System of Texas	\$468,666,966	\$1,299,670,000	\$471,730,000	\$471,730,000
Texas Ethics Commission	\$3,238,058	\$3,313,058	\$4,211,854	\$3,947,148
Texas Facilities Commission	\$153,174,332	\$351,409,184	\$333,943,142	\$75,612,094
Texas Public Finance Authority	\$1,027,034	\$891,609	\$1,225,966	\$1,290,873
Office of the Governor	\$13,793,735	\$13,773,107	\$14,439,969	\$15,121,312
Trusteed Programs within the Office of the Governor	\$1,435,177,439	\$2,477,337,728	\$3,292,043,735	\$154,105,203
Texas Historical Commission	\$46,798,040	\$247,381,214	\$64,129,445	\$32,264,290
Department of Information Resources	\$0	\$33,182,674	\$44,222,405	\$29,984,157
Texas State Library and Archives Commission	\$17,092,261	\$16,777,204	\$18,314,697	\$18,735,906
Pension Review Board	\$1,228,749	\$1,628,749	\$1,281,259	\$1,281,259
State Preservation Board	\$10,658,256	\$150,020,216	\$27,536,284	\$11,697,648
State Office of Risk Management	\$0	\$0	\$0	\$0
Secretary of State	\$97,686,390	\$19,535,484	\$86,030,605	\$33,562,763
Texas Veterans Commission	\$15,900,220	\$15,771,887	\$20,748,057	\$21,270,396
Subtotal, General Government	\$3,481,376,742	\$6,097,128,478	\$7,862,853,866	\$2,517,531,567
Retirement and Group Insurance	\$125,950,300	\$119,254,878	\$133,361,318	\$139,023,365
Social Security and Benefit Replacement Pay	\$32,156,620	\$30,092,088	\$35,510,911	\$37,719,176
Subtotal, Employee Benefits	\$158,106,920	\$149,346,966	\$168,872,229	\$176,742,541
Bond Debt Service Payments	\$197,580,190	\$196,081,826	\$240,732,123	\$264,053,739
Lease Payments	\$58,822,783	\$25,250,003	\$58,133,754	\$68,310,949
Subtotal, Debt Service	\$256,402,973	\$221,331,829	\$298,865,877	\$332,364,688
Total, Article I – General Government	\$3,895,886,635	\$6,467,807,273	\$8,330,591,972	\$3,026,638,796

NOTES:

- (1) Budgeted 2023 incorporates certain appropriation adjustments relating to Senate Bill 30, Eighty-eighth Legislature, Regular Session, 2023; and technical and/or reconciling adjustments.
- (2) Appropriated 2024 and 2025 amounts incorporate certain appropriation adjustments relating to House Bill 1 (Conference Committee Report), Eighty-eighth Legislature, Regular Session, 2023, Article IX; other legislation passed by the Eighty-eighth Legislature that affects appropriations; and technical and/or reconciling adjustments.
- (3) Appropriated 2024 and 2025 amounts incorporate certain appropriation adjustments relating to Senate Bill 2 and House Joint Resolution 2, Eighty-eighth Legislature, Second Called Session, 2023; Senate Bill 2, Eighty-eighth Legislature, Second Called Session, 2023; Senate Bill 3, Eighty-eighth Legislature, Second Called Session, 2023; other legislation passed by the Eighty-eighth Legislature, Second Called Session, 2023, that affects appropriations; and technical and/or reconciling adjustments.
- (4) Included in amounts shown is a total of \$497.3 million in General Revenue Funds appropriated to the Fiscal Programs within the Comptroller of Public Accounts in the Eighty-eighth Legislature, General Appropriations Act, 2024–25 Biennium, Article IX, Section 18.78(e), contingent on the enactment of legislation by the Eighty-eighth Legislature.
- (5) Appropriated 2024 and 2025 amounts incorporate certain appropriation adjustments relating to Senate Bill 3, Eighty-eighth Legislature, Fourth Called Session, 2023; other legislation passed by the Eighty-eighth Legislature, Fourth Called Session, 2023, that affects appropriations; and technical and/or reconciling adjustments.
- (6) Appropriations made in Article I to establish certain funds are not represented in base amounts in Chapter 4, General Government, as they are appropriated to funds rather than agencies.

SOURCE: Legislative Budget Board.

FIGURE B2 (CONTINUED)
GENERAL REVENUE FUNDS – HEALTH AND HUMAN SERVICES

ARTICLE II – HEALTH AND HUMAN SERVICES	EXPENDED 2022	BUDGETED 2023	APPROPRIATED 2024	APPROPRIATED 2025
Department of Family and Protective Services	\$1,229,162,635	\$1,362,901,908	\$1,590,679,867	\$1,593,015,905
Department of State Health Services	\$333,459,658	\$301,139,338	\$327,996,016	\$347,917,525
Health and Human Services Commission	\$15,377,177,503	\$19,646,821,361	\$18,798,713,180	\$18,582,335,375
Subtotal, Health and Human Services	\$16,939,799,796	\$21,310,862,607	\$20,717,389,063	\$20,523,268,805
Retirement and Group Insurance	\$537,642,455	\$587,939,459	\$621,636,255	\$650,220,425
Social Security and Benefit Replacement Pay	\$96,817,160	\$112,854,372	\$128,620,519	\$138,528,228
Subtotal, Employee Benefits	\$634,459,615	\$700,793,831	\$750,256,774	\$788,748,653
Bond Debt Service Payments	\$18,126,023	\$19,135,059	\$17,002,756	\$12,990,032
Lease Payments	\$18,872,853	\$8,099,765	\$25,856,906	\$29,089,535
Subtotal, Debt Service	\$36,998,876	\$27,234,824	\$42,859,662	\$42,079,567
Article II, Special Provisions	\$0	\$0	\$0	\$0
Total, Article II – Health and Human Services	\$17,611,258,287	\$22,038,891,262	\$21,510,505,499	\$21,354,097,025

NOTES:

- (1) Budgeted 2023 incorporates certain appropriation adjustments relating to Senate Bill 30, Eighty-eighth Legislature, Regular Session, 2023; and technical and/or reconciling adjustments.
- (2) Appropriated 2024 and 2025 amounts incorporate certain appropriation adjustments relating to House Bill 1 (Conference Committee Report), Eighty-eighth Legislature, Regular Session, 2023, Article IX; other legislation passed by the Eighty-eighth Legislature that affects appropriations; and technical and/or reconciling adjustments.
- (3) Appropriated 2024 and 2025 amounts incorporate certain appropriation adjustments relating to Senate Bill 2 and House Joint Resolution 2, Eighty-eighth Legislature, Second Called Session, 2023; Senate Bill 2, Eighty-eighth Legislature, Second Called Session, 2023; Senate Bill 3, Eighty-eighth Legislature, Second Called Session, 2023; other legislation passed by the Eighty-eighth Legislature, Second Called Session, 2023, that affects appropriations; and technical and/or reconciling adjustments.
- (4) Appropriated 2024 and 2025 amounts incorporate certain appropriation adjustments relating to Senate Bill 3, Eighty-eighth Legislature, Fourth Called Session, 2023; other legislation passed by the Eighty-eighth Legislature, Fourth Called Session, 2023, that affects appropriations; and technical and/or reconciling adjustments.

SOURCE: Legislative Budget Board.

FIGURE B2 (CONTINUED)
GENERAL REVENUE FUNDS – AGENCIES OF EDUCATION

ARTICLE III – AGENCIES OF EDUCATION	EXPENDED 2022	BUDGETED 2023	APPROPRIATED 2024	APPROPRIATED 2025
Public Education				
Texas Education Agency	\$17,690,152,481	\$17,649,086,419	\$19,465,999,075	\$18,500,377,880
Texas Permanent School Fund Corporation	\$0	\$0	\$0	\$0
Texas School for the Blind and Visually Impaired	\$18,909,475	\$23,088,452	\$21,500,581	\$22,373,468
Texas School for the Deaf	\$20,279,410	\$77,561,290	\$21,809,813	\$22,853,093
Subtotal, Public Education	\$17,729,341,366	\$17,749,736,161	\$19,509,309,469	\$18,545,604,441
Public Higher Education				
Two-Year Institutions				
Public Community/Junior Colleges	\$942,433,595	\$938,101,548	\$1,157,420,867	\$1,155,420,828
Lamar State Colleges				
Lamar Institute of Technology	\$19,135,768	\$26,443,878	\$26,359,763	\$26,357,884
Lamar State College – Orange	\$13,019,394	\$23,029,778	\$17,851,410	\$17,852,617
Lamar State College – Port Arthur	\$13,842,373	\$22,997,511	\$19,402,388	\$19,403,129
Subtotal, Lamar State Colleges	\$45,997,535	\$72,471,167	\$63,613,561	\$63,613,630
Texas State Technical Colleges				
Texas State Technical College System Administration	\$5,897,179	\$7,873,323	\$5,873,654	\$5,876,551
Texas State Technical College – Harlingen	\$23,016,483	\$26,909,662	\$35,099,701	\$35,091,816
Texas State Technical College – West Texas	\$15,168,438	\$17,563,518	\$19,679,498	\$19,679,419
Texas State Technical College – Marshall	\$5,421,579	\$7,276,512	\$11,513,009	\$11,508,388
Texas State Technical College – Waco	\$35,989,743	\$40,788,837	\$51,691,912	\$51,685,058
Texas State Technical College – Fort Bend	\$8,263,566	\$11,540,893	\$11,552,050	\$11,549,664
Texas State Technical College – North Texas	\$4,616,255	\$5,870,092	\$6,830,208	\$6,828,713
Subtotal, Texas State Technical Colleges	\$98,373,243	\$117,822,837	\$142,240,032	\$142,219,609
Subtotal, Two-year Institutions	\$1,086,804,373	\$1,128,395,552	\$1,363,274,460	\$1,361,254,067
General Academic Institutions				
University of Texas System Administration	\$11,125,889	\$10,144,799	\$30,963,179	\$10,963,179
University of Texas at Arlington	\$134,820,700	\$139,906,468	\$157,360,327	\$156,535,760
University of Texas at Austin	\$325,955,735	\$778,847,533	\$337,934,926	\$332,037,105
University of Texas at Dallas	\$114,554,430	\$119,628,250	\$158,944,483	\$158,635,453
University of Texas at El Paso	\$90,885,920	\$95,974,777	\$112,101,485	\$111,817,359
University of Texas Rio Grande Valley	\$108,225,793	\$112,589,192	\$120,066,137	\$112,911,931
University of Texas Permian Basin	\$33,190,752	\$37,555,542	\$40,784,525	\$40,779,675
University of Texas at San Antonio	\$130,770,549	\$137,859,696	\$151,814,492	\$151,779,996
University of Texas at Tyler	\$37,558,413	\$41,722,046	\$48,814,604	\$46,244,730
Stephen F. Austin State University	\$39,152,020	\$43,514,447	\$65,544,840	\$46,547,409
Texas A&M University System Administrative and General Offices	\$731,526	\$231,350,611	\$5,267,551	\$5,267,551
Texas A&M University	\$352,185,149	\$357,626,207	\$593,849,329	\$393,579,101
Texas A&M University at Galveston	\$25,180,822	\$66,698,834	\$25,569,904	\$25,557,084
Prairie View A&M University	\$46,993,500	\$55,744,886	\$62,244,186	\$62,172,581
Tarleton State University	\$48,055,178	\$56,796,322	\$67,856,376	\$67,842,020
Texas A&M University – Central Texas	\$18,058,726	\$24,226,834	\$22,859,283	\$22,856,756
Texas A&M University – Corpus Christi	\$54,937,746	\$57,000,888	\$60,716,403	\$60,716,867
Texas A&M University – Kingsville	\$38,684,085	\$42,155,001	\$42,343,498	\$42,287,162
Texas A&M University – San Antonio	\$30,589,136	\$34,955,117	\$36,534,298	\$36,528,680
Texas A&M International University	\$37,505,510	\$40,243,397	\$45,342,063	\$45,339,501
West Texas A&M University	\$35,162,490	\$37,814,085	\$42,743,572	\$42,722,053

FIGURE B2 (CONTINUED)
GENERAL REVENUE FUNDS – AGENCIES OF EDUCATION

ARTICLE III – AGENCIES OF EDUCATION	EXPENDED 2022	BUDGETED 2023	APPROPRIATED 2024	APPROPRIATED 2025
General Academic Institutions (continued)				
Texas A&M University – Commerce	\$43,671,154	\$48,028,673	\$53,319,471	\$53,307,323
Texas A&M University – Texarkana	\$24,652,786	\$29,941,335	\$31,862,876	\$31,860,297
University of Houston System Administration	\$58,440,270	\$51,827,295	\$59,847,683	\$59,836,780
University of Houston	\$173,863,856	\$179,696,662	\$183,143,554	\$182,978,372
University of Houston – Clear Lake	\$31,692,404	\$31,696,398	\$32,315,434	\$32,281,813
University of Houston – Downtown	\$26,474,972	\$26,472,458	\$28,558,470	\$28,526,315
University of Houston – Victoria	\$15,481,288	\$15,480,730	\$16,055,697	\$16,578,185
University of North Texas System Administration	\$5,915,495	\$5,921,670	\$5,917,695	\$5,916,158
University of North Texas	\$126,586,530	\$135,837,124	\$144,666,313	\$144,284,513
University of North Texas at Dallas	\$27,930,195	\$37,643,126	\$40,962,985	\$40,722,633
Texas Southern University	\$58,457,873	\$60,089,271	\$57,811,065	\$56,864,972
Texas Tech University System Administration	\$1,299,600	\$1,299,600	\$1,299,600	\$1,299,600
Texas Tech University	\$194,621,230	\$189,173,852	\$220,880,689	\$220,778,646
Angelo State University	\$29,501,018	\$32,040,646	\$34,419,959	\$34,410,847
Midwestern State University	\$19,651,450	\$24,076,654	\$26,614,989	\$26,605,066
Texas Woman's University System	\$0	\$0	\$265,526	\$265,526
Texas Woman's University	\$68,983,974	\$77,300,269	\$85,647,117	\$85,264,904
Texas State University System	\$1,299,600	\$2,390,742	\$2,279,600	\$2,279,600
Lamar University	\$65,317,537	\$78,313,479	\$82,480,531	\$82,457,971
Sam Houston State University	\$60,879,323	\$68,477,471	\$76,523,006	\$76,488,965
Texas State University	\$123,380,455	\$144,369,775	\$138,128,731	\$138,068,767
Sul Ross State University	\$12,073,542	\$13,688,442	\$12,092,056	\$12,089,576
Sul Ross State University Rio Grande College	\$3,608,768	\$6,826,532	\$7,901,349	\$7,901,332
Subtotal, General Academic Institutions	\$2,888,107,389	\$3,782,947,136	\$3,572,649,857	\$3,314,190,114
Health-related Institutions				
University of Texas Southwestern Medical Center	\$178,422,659	\$199,345,909	\$192,825,189	\$185,755,639
University of Texas Medical Branch at Galveston	\$269,940,223	\$284,712,991	\$280,591,014	\$280,592,714
University of Texas Health Science Center at Houston	\$193,987,323	\$216,032,754	\$210,367,444	\$210,112,293
University of Texas Health Science Center at San Antonio	\$146,363,758	\$160,178,060	\$162,168,954	\$161,914,104
University of Texas Rio Grande Valley School of Medicine	\$34,603,790	\$34,603,790	\$41,903,416	\$41,903,415
University of Texas M.D. Anderson Cancer Center	\$205,441,766	\$220,445,642	\$220,380,156	\$220,357,806
University of Texas Health Science Center at Tyler	\$49,975,313	\$64,429,002	\$57,403,998	\$57,353,597
University of Texas at Austin Dell Medical School	\$0	\$0	\$15,116,351	\$15,116,351
Texas A&M University System Health Science Center	\$152,462,565	\$174,862,205	\$208,855,261	\$183,860,371
University of North Texas Health Science Center at Fort Worth	\$96,824,800	\$100,876,453	\$113,757,828	\$113,756,843
Texas Tech University Health Sciences Center	\$138,219,987	\$146,259,773	\$148,518,371	\$148,520,993
Texas Tech University Health Sciences Center at El Paso	\$68,834,516	\$138,175,984	\$77,950,889	\$77,957,532
University of Houston College of Medicine	\$13,234,002	\$13,234,002	\$17,766,491	\$17,766,491
Sam Houston State University College of Osteopathic Medicine	\$0	\$0	\$16,160,792	\$16,160,792
Subtotal, Health-related Institutions	\$1,548,310,702	\$1,753,156,565	\$1,763,766,154	\$1,731,128,941

FIGURE B2 (CONTINUED)
GENERAL REVENUE FUNDS – AGENCIES OF EDUCATION

ARTICLE III – AGENCIES OF EDUCATION	EXPENDED 2022	BUDGETED 2023	APPROPRIATED 2024	APPROPRIATED 2025
Texas A&M University Services				
Texas A&M AgriLife Research	\$63,595,744	\$78,595,742	\$80,698,218	\$85,465,268
Texas A&M AgriLife Extension Service	\$48,778,807	\$72,985,962	\$53,435,966	\$57,991,618
Texas A&M Engineering Experiment Station	\$30,282,562	\$27,786,247	\$65,204,971	\$34,207,235
Texas A&M Transportation Institute	\$7,169,161	\$7,169,160	\$10,200,744	\$12,378,426
Texas A&M Engineering Extension Service	\$8,299,641	\$27,799,641	\$10,425,085	\$12,531,275
Texas A&M Forest Service	\$10,673,179	\$164,548,737	\$11,975,135	\$11,292,506
Texas A&M Veterinary Medical Diagnostic Laboratory	\$9,232,541	\$12,930,040	\$9,798,226	\$10,329,701
Texas Division of Emergency Management	\$102,419,635	\$37,566,082	\$25,934,419	\$21,790,353
Subtotal, Texas A&M University Services	\$280,451,270	\$429,381,611	\$267,672,764	\$245,986,382
Other Higher Education				
Special Provisions for the School for the Blind and Visually Impaired	\$0	\$0	\$0	\$0
Texas Higher Education Coordinating Board	\$918,911,101	\$924,872,092	\$1,280,410,158	\$1,239,465,280
Higher Education Fund	\$393,750,000	\$393,750,000	\$393,750,000	\$393,750,000
Available University Fund	\$0	\$0	\$0	\$0
Available National Research University Fund	\$0	\$0	\$0	\$0
Available Texas University Fund	\$0	\$0	\$136,364,139	\$0
Support for Military and Veterans Exemptions	\$14,250,000	\$14,250,000	\$107,433,233	\$107,433,233
Special Provisions Relating Only to Components of Texas State Technical Colleges	\$0	\$0	\$0	\$0
Article III, Special Provisions	\$0	\$0	\$0	\$0
Subtotal, Other Higher Education	\$1,326,911,101	\$1,332,872,092	\$1,917,957,530	\$1,740,648,513
Subtotal, Public Higher Education	\$7,130,584,835	\$8,426,752,956	\$8,885,320,765	\$8,393,208,017
Employee Benefits				
Teacher Retirement System	\$3,545,416,151	\$3,046,085,105	\$8,846,328,494	\$3,491,509,510
Optional Retirement Program	\$123,140,602	\$122,894,321	\$122,648,532	\$122,403,235
Higher Education Employees Group Insurance Contributions	\$711,562,063	\$711,562,062	\$794,605,370	\$794,605,372
Retirement and Group Insurance	\$39,857,089	\$40,349,365	\$47,419,574	\$50,889,990
Social Security and Benefit Replacement Pay	\$276,674,261	\$285,489,161	\$310,225,961	\$321,548,067
Subtotal, Employee Benefits	\$4,696,650,166	\$4,206,380,014	\$10,121,227,931	\$4,780,956,174
Debt Service				
Bond Debt Service Payments	\$6,615,858	\$6,378,680	\$5,658,982	\$3,727,087
Lease Payments	\$0	\$0	\$0	\$0
Subtotal, Debt Service	\$6,615,858	\$6,378,680	\$5,658,982	\$3,727,087
Total, Article III – Agencies of Education	\$29,563,192,225	\$30,389,247,811	\$38,521,517,147	\$31,723,495,719

NOTES:

- (1) Budgeted 2023 incorporates certain appropriation adjustments relating to Senate Bill 30, Eighty-eighth Legislature, Regular Session, 2023; and technical and/or reconciling adjustments.
- (2) Appropriated 2024 and 2025 amounts incorporate certain appropriation adjustments relating to House Bill 1 (Conference Committee Report), Eighty-eighth Legislature, Regular Session, 2023, Article IX; other legislation passed by the Eighty-eighth Legislature that affects appropriations; and technical and/or reconciling adjustments.
- (3) Appropriated 2024 and 2025 amounts incorporate certain appropriation adjustments relating to Senate Bill 2 and House Joint Resolution 2, Eighty-eighth Legislature, Second Called Session, 2023; Senate Bill 2, Eighty-eighth Legislature, Second Called Session, 2023; Senate Bill 3, Eighty-eighth Legislature, Second Called Session, 2023; other legislation passed by the Eighty-eighth Legislature, Second Called Session, 2023, that affects appropriations; and technical and/or reconciling adjustments.
- (4) Included in amounts shown is a total of \$4,048.8 million appropriated to the Texas Education Agency and Teacher Retirement System of Texas in the Eighty-eighth Legislature, General Appropriations Act, 2024–25 Biennium, Article IX, Sections 18.78(d), (e), and (f), contingent on the enactment of legislation by the Eighty-eighth Legislature.
- (5) Appropriated 2024 and 2025 amounts incorporate certain appropriation adjustments relating to Senate Bill 3, Eighty-eighth Legislature, Fourth Called Session, 2023; other legislation passed by the Eighty-eighth Legislature, Fourth Called Session, 2023, that affects appropriations; and technical and/or reconciling adjustments.

SOURCE: Legislative Budget Board.

FIGURE B2 (CONTINUED)
GENERAL REVENUE FUNDS – JUDICIARY

ARTICLE IV – JUDICIARY	EXPENDED 2022	BUDGETED 2023	APPROPRIATED 2024	APPROPRIATED 2025
Supreme Court of Texas	\$20,998,305	\$21,112,514	\$23,556,810	\$23,932,101
Court of Criminal Appeals	\$6,711,275	\$7,362,748	\$7,996,314	\$8,286,685
First Court of Appeals District, Houston	\$4,450,483	\$4,553,565	\$5,364,000	\$5,534,735
Second Court of Appeals District, Fort Worth	\$3,438,181	\$3,572,943	\$4,272,106	\$4,401,066
Third Court of Appeals District, Austin	\$2,959,878	\$2,942,788	\$3,687,836	\$3,799,851
Fourth Court of Appeals District, San Antonio	\$3,283,053	\$3,780,063	\$4,243,640	\$4,426,718
Fifth Court of Appeals District, Dallas	\$6,187,469	\$6,187,470	\$7,636,221	\$7,863,174
Sixth Court of Appeals District, Texarkana	\$1,585,349	\$1,640,232	\$1,927,810	\$1,985,353
Seventh Court of Appeals District, Amarillo	\$2,048,690	\$2,048,691	\$2,447,011	\$2,510,438
Eighth Court of Appeals District, El Paso	\$1,563,828	\$1,653,827	\$1,902,825	\$1,969,295
Ninth Court of Appeals District, Beaumont	\$1,831,339	\$2,302,635	\$2,433,677	\$2,506,633
Tenth Court of Appeals District, Waco	\$1,551,278	\$1,809,169	\$1,963,811	\$2,016,365
Eleventh Court of Appeals District, Eastland	\$1,557,504	\$1,693,254	\$1,920,902	\$2,008,468
Twelfth Court of Appeals District, Tyler	\$1,658,102	\$1,658,102	\$1,960,480	\$2,019,703
Thirteenth Court of Appeals District, Corpus Christi–Edinburg	\$2,982,164	\$2,982,165	\$3,721,145	\$3,831,326
Fourteenth Court of Appeals District, Houston	\$4,514,754	\$4,626,152	\$5,459,217	\$5,627,049
Fifteenth Court of Appeals District, Austin	\$0	\$0	\$0	\$2,327,569
Office of Court Administration, Texas Judicial Council	\$34,179,594	\$40,583,277	\$98,179,747	\$57,081,308
Office of Capital and Forensic Writs	\$0	\$0	\$131,433	\$0
Office of the State Prosecuting Attorney	\$433,750	\$463,490	\$479,317	\$506,090
State Law Library	\$1,052,374	\$1,119,479	\$1,306,484	\$1,331,555
State Commission on Judicial Conduct	\$1,221,954	\$1,221,954	\$1,506,020	\$1,485,935
Judiciary Section, Comptroller's Department	\$118,197,378	\$116,864,873	\$130,143,700	\$131,066,270
Subtotal, Judiciary	\$222,406,702	\$230,179,391	\$312,240,506	\$276,517,687
Retirement and Group Insurance	\$59,080,676	\$59,478,834	\$165,075,138	\$67,595,844
Social Security and Benefit Replacement Pay	\$13,227,043	\$13,353,492	\$14,775,957	\$15,216,604
Subtotal, Employee Benefits	\$72,307,719	\$72,832,326	\$179,851,095	\$82,812,448
Lease Payments	\$0	\$0	\$0	\$0
Subtotal, Debt Service	\$0	\$0	\$0	\$0
Article IV, Special Provisions	\$0	\$0	\$0	\$0
Total, Article IV – Judiciary	\$294,714,421	\$303,011,717	\$492,091,601	\$359,330,135

NOTES:

- (1) Budgeted 2023 incorporates certain appropriation adjustments relating to Senate Bill 30, Eighty-eighth Legislature, Regular Session, 2023; and technical and/or reconciling adjustments.
- (2) Appropriated 2024 and 2025 amounts incorporate certain appropriation adjustments relating to House Bill 1 (Conference Committee Report), Eighty-eighth Legislature, Regular Session, 2023, Article IX; other legislation passed by the Eighty-eighth Legislature that affects appropriations; and technical and/or reconciling adjustments.
- (3) Appropriated 2024 and 2025 amounts incorporate certain appropriation adjustments relating to Senate Bill 2 and House Joint Resolution 2, Eighty-eighth Legislature, Second Called Session, 2023; Senate Bill 2, Eighty-eighth Legislature, Second Called Session, 2023; Senate Bill 3, Eighty-eighth Legislature, Second Called Session, 2023; other legislation passed by the Eighty-eighth Legislature, Second Called Session, 2023, that affects appropriations; and technical and/or reconciling adjustments.
- (4) Appropriated 2024 and 2025 amounts incorporate certain appropriation adjustments relating to Senate Bill 3, Eighty-eighth Legislature, Fourth Called Session, 2023; other legislation passed by the Eighty-eighth Legislature, Fourth Called Session, 2023, that affects appropriations; and technical and/or reconciling adjustments.

SOURCE: Legislative Budget Board.

FIGURE B2 (CONTINUED)
GENERAL REVENUE FUNDS – PUBLIC SAFETY AND CRIMINAL JUSTICE

ARTICLE V – PUBLIC SAFETY AND CRIMINAL JUSTICE	EXPENDED 2022	BUDGETED 2023	APPROPRIATED 2024	APPROPRIATED 2025
Texas Alcoholic Beverage Commission	\$46,013,376	\$53,943,677	\$61,373,685	\$58,485,649
Texas Department of Criminal Justice	\$2,938,598,598	\$3,660,469,744	\$1,452,024,330	\$2,527,352,315
Texas Commission on Fire Protection	\$1,791,488	\$2,442,852	\$2,702,658	\$2,361,552
Texas Commission on Jail Standards	\$1,653,779	\$1,438,994	\$1,985,763	\$1,977,557
Texas Juvenile Justice Department	\$284,305,017	\$314,584,753	\$585,171,244	\$401,294,572
Texas Commission on Law Enforcement	\$6,510,367	\$4,212,816	\$12,450,958	\$12,008,265
Texas Military Department	\$430,445,519	\$26,362,305	\$1,177,331,513	\$1,202,229,823
Department of Public Safety	\$1,345,208,596	\$1,270,940,462	\$2,006,569,778	\$1,398,763,640
Subtotal, Public Safety/Criminal Justice	\$5,054,526,740	\$5,334,395,603	\$5,299,609,929	\$5,604,473,373
Retirement and Group Insurance	\$786,488,222	\$967,918,687	\$1,201,789,307	\$843,378,924
Social Security and Benefit Replacement Pay	\$128,613,532	\$182,514,176	\$51,131,370	\$157,921,201
Subtotal, Employee Benefits	\$915,101,754	\$1,150,432,863	\$1,252,920,677	\$1,001,300,125
Bond Debt Service Payments	\$63,378,708	\$62,436,974	\$58,500,746	\$43,670,238
Lease Payments	\$21,942	\$0	\$0	\$0
Subtotal, Debt Service	\$63,400,650	\$62,436,974	\$58,500,746	\$43,670,238
Article V, Special Provisions	\$0	\$0	\$0	\$0
Total, Article V – Public Safety and Criminal Justice	\$6,033,029,144	\$6,547,265,440	\$6,611,031,352	\$6,649,443,736

NOTES:

- (1) Budgeted 2023 incorporates certain appropriation adjustments relating to Senate Bill 30, Eighty-eighth Legislature, Regular Session, 2023; and technical and/or reconciling adjustments.
- (2) Appropriated 2024 and 2025 amounts incorporate certain appropriation adjustments relating to House Bill 1 (Conference Committee Report), Eighty-eighth Legislature, Regular Session, 2023, Article IX; other legislation passed by the Eighty-eighth Legislature that affects appropriations; and technical and/or reconciling adjustments.
- (3) Appropriated 2024 and 2025 amounts incorporate certain appropriation adjustments relating to Senate Bill 2 and House Joint Resolution 2, Eighty-eighth Legislature, Second Called Session, 2023; Senate Bill 2, Eighty-eighth Legislature, Second Called Session, 2023; Senate Bill 3, Eighty-eighth Legislature, Second Called Session, 2023; other legislation passed by the Eighty-eighth Legislature, Second Called Session, 2023, that affects appropriations; and technical and/or reconciling adjustments.
- (4) Appropriated 2024 and 2025 amounts incorporate certain appropriation adjustments relating to Senate Bill 3, Eighty-eighth Legislature, Fourth Called Session, 2023; other legislation passed by the Eighty-eighth Legislature, Fourth Called Session, 2023, that affects appropriations; and technical and/or reconciling adjustments.

SOURCE: Legislative Budget Board.

FIGURE B2 (CONTINUED)
GENERAL REVENUE FUNDS – NATURAL RESOURCES

ARTICLE VI – NATURAL RESOURCES	EXPENDED 2022	BUDGETED 2023	APPROPRIATED 2024	APPROPRIATED 2025
Texas Department of Agriculture	\$52,550,954	\$53,494,343	\$80,822,494	\$74,206,472
Texas Animal Health Commission	\$14,895,020	\$15,817,684	\$16,658,158	\$17,022,652
Texas Commission on Environmental Quality	\$23,420,565	\$15,752,636	\$39,309,054	\$20,644,308
General Land Office and Veterans' Land Board	\$40,090,381	\$190,348,542	\$974,104,847	\$15,283,416
Texas Low-level Radioactive Waste Disposal Compact Commission	\$0	\$0	\$0	\$0
Texas Parks and Wildlife Department	\$213,811,956	\$394,197,201	\$1,250,327,346	\$220,566,350
Railroad Commission of Texas	\$81,616,226	\$93,683,928	\$94,743,449	\$93,914,644
Texas State Soil and Water Conservation Board	\$21,749,602	\$21,749,601	\$69,336,504	\$45,266,019
Texas Water Development Board	\$117,925,704	\$58,705,339	\$230,230,129	\$89,248,732
Subtotal, Natural Resources	\$566,060,408	\$843,749,274	\$2,755,531,981	\$576,152,593
Retirement and Group Insurance	\$46,064,468	\$46,392,191	\$53,183,937	\$55,694,684
Social Security and Benefit Replacement Pay	\$9,745,463	\$9,808,469	\$12,334,823	\$13,447,750
Subtotal, Employee Benefits	\$55,809,931	\$56,200,660	\$65,518,760	\$69,142,434
Bond Debt Service Payments	\$10,282,732	\$9,836,713	\$10,921,910	\$9,145,874
Lease Payments	\$739,527	\$0	\$0	\$0
Subtotal, Debt Service	\$11,022,259	\$9,836,713	\$10,921,910	\$9,145,874
Total, Article VI – Natural Resources	\$632,892,598	\$909,786,647	\$2,831,972,651	\$654,440,901

NOTES:

- (1) Budgeted 2023 incorporates certain appropriation adjustments relating to Senate Bill 30, Eighty-eighth Legislature, Regular Session, 2023; and technical and/or reconciling adjustments.
- (2) Appropriated 2024 and 2025 amounts incorporate certain appropriation adjustments relating to House Bill 1 (Conference Committee Report), Eighty-eighth Legislature, Regular Session, 2023, Article IX; other legislation passed by the Eighty-eighth Legislature that affects appropriations; and technical and/or reconciling adjustments.
- (3) Appropriated 2024 and 2025 amounts incorporate certain appropriation adjustments relating to Senate Bill 2 and House Joint Resolution 2, Eighty-eighth Legislature, Second Called Session, 2023; Senate Bill 2, Eighty-eighth Legislature, Second Called Session, 2023; Senate Bill 3, Eighty-eighth Legislature, Second Called Session, 2023; other legislation passed by the Eighty-eighth Legislature, Second Called Session, 2023, that affects appropriations; and technical and/or reconciling adjustments.
- (4) Appropriated 2024 and 2025 amounts incorporate certain appropriation adjustments relating to Senate Bill 3, Eighty-eighth Legislature, Fourth Called Session, 2023; other legislation passed by the Eighty-eighth Legislature, Fourth Called Session, 2023, that affects appropriations; and technical and/or reconciling adjustments.

SOURCE: Legislative Budget Board.

**FIGURE B2 (CONTINUED)
GENERAL REVENUE FUNDS – BUSINESS AND ECONOMIC DEVELOPMENT**

ARTICLE VII – BUSINESS AND ECONOMIC DEVELOPMENT	EXPENDED 2022	BUDGETED 2023	APPROPRIATED 2024	APPROPRIATED 2025
Texas Department of Housing and Community Affairs	\$12,946,517	\$14,020,279	\$13,719,704	\$14,448,802
Texas Lottery Commission	\$2,419,590	\$2,419,591	\$2,507,155	\$2,596,625
Texas Department of Motor Vehicles	\$18,030,072	\$17,408,576	\$48,882,483	\$55,328,324
Texas Department of Transportation	\$14,160,536	\$1,208,059	\$548,945,037	\$49,006,430
Texas Workforce Commission	\$189,416,094	\$189,521,287	\$228,812,671	\$275,750,025
Reimbursements to the Unemployment Compensation Benefit Account	\$0	\$0	\$0	\$0
Subtotal, Business/Economic Development	\$236,972,809	\$224,577,792	\$842,867,050	\$397,130,206
Retirement and Group Insurance	\$11,111,985	\$10,246,513	\$12,497,002	\$14,900,073
Social Security and Benefit Replacement Pay	\$3,156,991	\$2,897,517	\$3,714,157	\$4,626,780
Subtotal, Employee Benefits	\$14,268,976	\$13,144,030	\$16,211,159	\$19,526,853
Bond Debt Service Payments	\$10,220,195	\$9,951,967	\$9,136,396	\$7,102,641
Lease Payments	\$0	\$0	\$0	\$0
Subtotal, Debt Service	\$10,220,195	\$9,951,967	\$9,136,396	\$7,102,641
Total, Article VII – Business and Economic Development	\$261,461,980	\$247,673,789	\$868,214,605	\$423,759,700

NOTES:

- (1) Budgeted 2023 incorporates certain appropriation adjustments relating to Senate Bill 30, Eighty-eighth Legislature, Regular Session, 2023; and technical and/or reconciling adjustments.
- (2) Appropriated 2024 and 2025 amounts incorporate certain appropriation adjustments relating to House Bill 1 (Conference Committee Report), Eighty-eighth Legislature, Regular Session, 2023, Article IX; other legislation passed by the Eighty-eighth Legislature that affects appropriations; and technical and/or reconciling adjustments.
- (3) Appropriated 2024 and 2025 amounts incorporate certain appropriation adjustments relating to Senate Bill 2 and House Joint Resolution 2, Eighty-eighth Legislature, Second Called Session, 2023; Senate Bill 2, Eighty-eighth Legislature, Second Called Session, 2023; Senate Bill 3, Eighty-eighth Legislature, Second Called Session, 2023; other legislation passed by the Eighty-eighth Legislature, Second Called Session, 2023, that affects appropriations; and technical and/or reconciling adjustments.
- (4) Appropriated 2024 and 2025 amounts incorporate certain appropriation adjustments relating to Senate Bill 3, Eighty-eighth Legislature, Fourth Called Session, 2023; other legislation passed by the Eighty-eighth Legislature, Fourth Called Session, 2023, that affects appropriations; and technical and/or reconciling adjustments.

SOURCE: Legislative Budget Board.

FIGURE B2 (CONTINUED)
GENERAL REVENUE FUNDS – REGULATORY

ARTICLE VIII – REGULATORY	EXPENDED 2022	BUDGETED 2023	APPROPRIATED 2024	APPROPRIATED 2025
State Office of Administrative Hearings	\$6,901,412	\$6,901,411	\$7,522,044	\$8,033,647
Texas Behavioral Health Executive Council	\$4,041,405	\$3,891,174	\$4,163,286	\$4,361,190
Texas Board of Chiropractic Examiners	\$906,278	\$866,278	\$1,051,370	\$1,087,998
Texas State Board of Dental Examiners	\$4,403,690	\$4,289,574	\$4,523,979	\$4,706,588
Texas Funeral Service Commission	\$827,151	\$788,056	\$1,301,296	\$1,320,176
Texas Board of Professional Geoscientists	\$650,749	\$598,655	\$671,340	\$690,261
Health Professions Council	\$42,630	\$0	\$36,056	\$70,604
Office of Injured Employee Counsel	\$0	\$0	\$0	\$0
Texas Department of Insurance	\$324,906	\$227,406	\$280,529	\$284,993
Office of Public Insurance Counsel	\$808,420	\$808,420	\$1,462,135	\$1,496,838
Texas Department of Licensing and Regulation	\$39,429,112	\$37,048,025	\$76,143,678	\$44,676,701
Texas Medical Board	\$14,475,960	\$11,163,484	\$17,952,053	\$16,397,130
Texas Board of Nursing	\$9,723,074	\$9,525,940	\$11,194,933	\$11,646,006
Texas Optometry Board	\$511,402	\$472,686	\$514,751	\$533,170
Texas State Board of Pharmacy	\$9,144,817	\$9,121,099	\$15,213,067	\$14,589,053
Executive Council of Physical Therapy and Occupational Therapy Examiners	\$1,342,918	\$1,303,164	\$1,718,305	\$1,641,344
Texas State Board of Plumbing Examiners	\$3,007,084	\$2,964,684	\$3,875,808	\$3,932,358
Texas Racing Commission	\$0	\$0	\$1,313,350	\$1,444,685
Texas State Securities Board	\$7,363,473	\$7,678,542	\$9,428,816	\$9,376,626
Public Utility Commission of Texas	\$17,636,179	\$17,795,653	\$28,465,387	\$27,227,012
Office of Public Utility Counsel	\$2,021,909	\$2,021,908	\$2,602,683	\$2,650,188
State Board of Veterinary Medical Examiners	\$1,467,964	\$1,404,264	\$3,686,563	\$2,638,410
Subtotal, Regulatory	\$125,030,533	\$118,870,423	\$193,121,429	\$158,804,978
Retirement and Group Insurance	\$25,411,613	\$25,822,097	\$30,178,371	\$31,241,934
Social Security and Benefit Replacement Pay	\$7,458,492	\$7,612,051	\$9,301,206	\$9,776,854
Subtotal, Employee Benefits	\$32,870,105	\$33,434,148	\$39,479,577	\$41,018,788
Lease Payments	\$0	\$0	\$0	\$0
Subtotal, Debt Service	\$0	\$0	\$0	\$0
Article VIII, Special Provisions	\$0	\$0	\$0	\$0
Total, Article VIII – Regulatory	\$157,900,638	\$152,304,571	\$232,601,006	\$199,823,766

NOTES:

- (1) Budgeted 2023 incorporates certain appropriation adjustments relating to Senate Bill 30, Eighty-eighth Legislature, Regular Session, 2023; and technical and/or reconciling adjustments.
- (2) Appropriated 2024 and 2025 amounts incorporate certain appropriation adjustments relating to House Bill 1 (Conference Committee Report), Eighty-eighth Legislature, Regular Session, 2023, Article IX; other legislation passed by the Eighty-eighth Legislature that affects appropriations; and technical and/or reconciling adjustments.
- (3) Appropriated 2024 and 2025 amounts incorporate certain appropriation adjustments relating to Senate Bill 2 and House Joint Resolution 2, Eighty-eighth Legislature, Second Called Session, 2023; Senate Bill 2, Eighty-eighth Legislature, Second Called Session, 2023; Senate Bill 3, Eighty-eighth Legislature, Second Called Session, 2023; other legislation passed by the Eighty-eighth Legislature, Second Called Session, 2023, that affects appropriations; and technical and/or reconciling adjustments.
- (4) Appropriated 2024 and 2025 amounts incorporate certain appropriation adjustments relating to Senate Bill 3, Eighty-eighth Legislature, Fourth Called Session, 2023; other legislation passed by the Eighty-eighth Legislature, Fourth Called Session, 2023, that affects appropriations; and technical and/or reconciling adjustments.

SOURCE: Legislative Budget Board.

**FIGURE B2 (CONTINUED)
GENERAL REVENUE FUNDS – LEGISLATURE**

ARTICLE X – LEGISLATURE	EXPENDED 2022	BUDGETED 2023	APPROPRIATED 2024	APPROPRIATED 2025
Senate	\$34,638,945	\$45,689,942	\$46,178,143	\$49,291,842
House of Representatives	\$38,864,307	\$60,034,438	\$54,440,411	\$60,678,336
Legislative Budget Board	\$13,970,940	\$13,615,000	\$15,576,718	\$16,399,811
Texas Legislative Council	\$44,113,626	\$48,610,577	\$46,995,778	\$52,322,235
Commission on Uniform State Laws	\$195,874	\$198,958	\$197,416	\$197,416
Sunset Advisory Commission	\$2,768,237	\$2,625,572	\$2,810,665	\$2,929,310
State Auditor's Office	\$16,760,735	\$18,027,402	\$18,267,458	\$19,179,828
Legislative Reference Library	\$1,733,325	\$2,149,357	\$2,022,248	\$2,105,145
Subtotal, Legislature	\$153,045,989	\$190,951,246	\$186,488,837	\$203,103,923
Retirement and Group Insurance	\$35,152,430	\$35,805,308	\$38,141,650	\$39,763,673
Social Security and Benefit Replacement Pay	\$9,127,420	\$9,325,991	\$10,672,613	\$11,426,474
Subtotal, Employee Benefits	\$44,279,850	\$45,131,299	\$48,814,263	\$51,190,147
Lease Payments	\$0	\$0	\$0	\$0
Subtotal, Debt Service	\$0	\$0	\$0	\$0
Total, Article X – Legislature	\$197,325,839	\$236,082,545	\$235,303,100	\$254,294,070

NOTES:

- (1) Budgeted 2023 incorporates certain appropriation adjustments relating to Senate Bill 30, Eighty-eighth Legislature, Regular Session, 2023; and technical and/or reconciling adjustments.
- (2) Appropriated 2024 and 2025 amounts incorporate certain appropriation adjustments relating to House Bill 1 (Conference Committee Report), Eighty-eighth Legislature, Regular Session, 2023, Article IX; other legislation passed by the Eighty-eighth Legislature that affects appropriations; and technical and/or reconciling adjustments.
- (3) Appropriated 2024 and 2025 amounts incorporate certain appropriation adjustments relating to Senate Bill 2 and House Joint Resolution 2, Eighty-eighth Legislature, Second Called Session, 2023; Senate Bill 2, Eighty-eighth Legislature, Second Called Session, 2023; Senate Bill 3, Eighty-eighth Legislature, Second Called Session, 2023; other legislation passed by the Eighty-eighth Legislature, Second Called Session, 2023, that affects appropriations; and technical and/or reconciling adjustments.
- (4) Appropriated 2024 and 2025 amounts incorporate certain appropriation adjustments relating to Senate Bill 3, Eighty-eighth Legislature, Fourth Called Session, 2023; other legislation passed by the Eighty-eighth Legislature, Fourth Called Session, 2023, that affects appropriations; and technical and/or reconciling adjustments.

SOURCE: Legislative Budget Board.

APPENDIX B – SUMMARY OF STATE BUDGET BY FISCAL YEAR

GENERAL REVENUE–DEDICATED FUNDS

FIGURE B3
GENERAL REVENUE–DEDICATED FUNDS – STATEWIDE SUMMARY

FUNCTION	EXPENDED 2022	BUDGETED 2023	APPROPRIATED 2024	APPROPRIATED 2025
Article I – General Government	\$461,056,312	\$1,253,311,446	\$426,327,917	\$228,707,947
Article II – Health and Human Services	\$246,038,881	\$274,647,504	\$269,868,908	\$269,730,683
Article III – Agencies of Education	\$1,421,139,318	\$1,467,095,280	\$1,560,238,858	\$1,414,714,095
<i>Public Education</i>	\$0	\$0	\$2,611,722	\$0
<i>Higher Education</i>	\$1,421,139,318	\$1,467,095,280	\$1,557,627,136	\$1,414,714,095
Article IV – Judiciary	\$92,961,011	\$104,929,743	\$93,730,394	\$83,246,395
Article V – Public Safety and Criminal Justice	\$26,027,445	\$28,038,773	\$65,007,042	\$52,445,176
Article VI – Natural Resources	\$658,725,061	\$623,046,459	\$751,189,895	\$674,053,018
Article VII – Business and Economic Development	\$334,185,173	\$543,252,201	\$345,877,564	\$359,046,970
Article VIII – Regulatory	\$169,464,332	\$187,513,155	\$186,140,981	\$192,914,212
Article X – Legislature	\$0	\$0	\$0	\$0
Total, All Functions	\$3,409,597,533	\$4,481,834,561	\$3,698,381,559	\$3,274,858,496

NOTES:

- (1) Budgeted 2023 incorporates certain appropriation adjustments relating to Senate Bill 30, Eighty-eighth Legislature, Regular Session, 2023; and technical and/or reconciling adjustments.
- (2) Appropriated 2024 and 2025 amounts incorporate certain appropriation adjustments relating to House Bill 1 (Conference Committee Report), Eighty-eighth Legislature, Regular Session, 2023, Article IX; other legislation passed by the Eighty-eighth Legislature that affects appropriations; and technical and/or reconciling adjustments.
- (3) Appropriated 2024 and 2025 amounts incorporate certain appropriation adjustments relating to Senate Bill 2 and House Joint Resolution 2, Eighty-eighth Legislature, Second Called Session, 2023; Senate Bill 2, Eighty-eighth Legislature, Second Called Session, 2023; Senate Bill 3, Eighty-eighth Legislature, Second Called Session, 2023; other legislation passed by the Eighty-eighth Legislature, Second Called Session, 2023, that affects appropriations; and technical and/or reconciling adjustments.
- (4) Appropriated 2024 and 2025 amounts incorporate certain appropriation adjustments relating to Senate Bill 3, Eighty-eighth Legislature, Fourth Called Session, 2023; other legislation passed by the Eighty-eighth Legislature, Fourth Called Session, 2023, that affects appropriations; and technical and/or reconciling adjustments.

SOURCE: Legislative Budget Board.

FIGURE B3 (CONTINUED)
GENERAL REVENUE–DEDICATED FUNDS – GENERAL GOVERNMENT

ARTICLE I – GENERAL GOVERNMENT	EXPENDED 2022	BUDGETED 2023	APPROPRIATED 2024	APPROPRIATED 2025
Texas Commission on the Arts	\$45	\$46	\$0	\$0
Office of the Attorney General	\$96,281,711	\$95,753,227	\$80,329,425	\$78,150,160
Bond Review Board	\$0	\$0	\$0	\$0
Cancer Prevention and Research Institute of Texas	\$0	\$0	\$0	\$0
Comptroller of Public Accounts	\$0	\$0	\$0	\$0
Fiscal Programs – Comptroller of Public Accounts	\$21,435,673	\$21,127,183	\$64,018,440	\$21,605,559
Informational Listing of Funds Appropriated to the Comptroller for Social Security and Benefit Replacement Pay	\$0	\$0	\$0	\$0
Commission on State Emergency Communications	\$60,542,383	\$76,134,855	\$53,666,282	\$53,798,203
Texas Emergency Services Retirement System	\$1,262,763	\$1,262,763	\$1,292,763	\$1,292,763
Employees Retirement System of Texas	\$0	\$28,589,091	\$0	\$0
Texas Ethics Commission	\$0	\$0	\$0	\$0
Texas Facilities Commission	\$21,472,066	\$4,956,960	\$114,856,214	\$3,505,890
Texas Public Finance Authority	\$0	\$0	\$0	\$0
Office of the Governor	\$0	\$0	\$0	\$0
Trusted Programs within the Office of the Governor	\$244,120,505	\$1,009,386,923	\$100,114,951	\$58,283,835
Texas Historical Commission	\$815,291	\$2,479,841	\$896,666	\$896,667
Department of Information Resources	\$0	\$0	\$0	\$0
Texas State Library and Archives Commission	\$0	\$0	\$0	\$0
Pension Review Board	\$0	\$0	\$0	\$0
State Preservation Board	\$0	\$0	\$0	\$0
State Office of Risk Management	\$0	\$0	\$0	\$0
Secretary of State	\$45,000	\$15,000	\$90,000	\$45,000
Texas Veterans Commission	\$0	\$0	\$0	\$0
Subtotal, General Government	\$445,975,437	\$1,239,705,889	\$415,264,741	\$217,578,077
Retirement and Group Insurance	\$3,153,635	\$3,210,521	\$3,348,980	\$3,485,299
Social Security and Benefit Replacement Pay	\$917,853	\$936,563	\$1,003,964	\$1,068,735
Subtotal, Employee Benefits	\$4,071,488	\$4,147,084	\$4,352,944	\$4,554,034
Bond Debt Service Payments	\$11,009,387	\$9,458,473	\$6,710,232	\$6,575,836
Lease Payments	\$0	\$0	\$0	\$0
Subtotal, Debt Service	\$11,009,387	\$9,458,473	\$6,710,232	\$6,575,836
Total, Article I – General Government	\$461,056,312	\$1,253,311,446	\$426,327,917	\$228,707,947

NOTES:

- (1) Budgeted 2023 incorporates certain appropriation adjustments relating to Senate Bill 30, Eighty-eighth Legislature, Regular Session, 2023; and technical and/or reconciling adjustments.
- (2) Appropriated 2024 and 2025 amounts incorporate certain appropriation adjustments relating to House Bill 1 (Conference Committee Report), Eighty-eighth Legislature, Regular Session, 2023, Article IX; other legislation passed by the Eighty-eighth Legislature that affects appropriations; and technical and/or reconciling adjustments.
- (3) Appropriated 2024 and 2025 amounts incorporate certain appropriation adjustments relating to Senate Bill 2 and House Joint Resolution 2, Eighty-eighth Legislature, Second Called Session, 2023; Senate Bill 2, Eighty-eighth Legislature, Second Called Session, 2023; Senate Bill 3, Eighty-eighth Legislature, Second Called Session, 2023; other legislation passed by the Eighty-eighth Legislature, Second Called Session, 2023, that affects appropriations; and technical and/or reconciling adjustments.
- (4) Appropriated 2024 and 2025 amounts incorporate certain appropriation adjustments relating to Senate Bill 3, Eighty-eighth Legislature, Fourth Called Session, 2023; other legislation passed by the Eighty-eighth Legislature, Fourth Called Session, 2023, that affects appropriations; and technical and/or reconciling adjustments.

SOURCE: Legislative Budget Board.

FIGURE B3 (CONTINUED)
GENERAL REVENUE–DEDICATED FUNDS – HEALTH AND HUMAN SERVICES

ARTICLE II – HEALTH AND HUMAN SERVICES	EXPENDED 2022	BUDGETED 2023	APPROPRIATED 2024	APPROPRIATED 2025
Department of Family and Protective Services	\$4,285,000	\$4,285,000	\$4,285,000	\$0
Department of State Health Services	\$138,825,689	\$157,950,931	\$162,320,745	\$161,158,095
Health and Human Services Commission	\$86,140,802	\$95,272,702	\$85,477,585	\$90,039,980
Subtotal, Health and Human Services	\$229,251,491	\$257,508,633	\$252,083,330	\$251,198,075
Retirement and Group Insurance	\$14,308,239	\$14,609,508	\$15,127,876	\$15,704,915
Social Security and Benefit Replacement Pay	\$2,479,151	\$2,529,363	\$2,657,702	\$2,827,693
Subtotal, Employee Benefits	\$16,787,390	\$17,138,871	\$17,785,578	\$18,532,608
Bond Debt Service Payments	\$0	\$0	\$0	\$0
Lease Payments	\$0	\$0	\$0	\$0
Subtotal, Debt Service	\$0	\$0	\$0	\$0
Article II, Special Provisions	\$0	\$0	\$0	\$0
Total, Article II – Health and Human Services	\$246,038,881	\$274,647,504	\$269,868,908	\$269,730,683

NOTES:

- (1) Budgeted 2023 incorporates certain appropriation adjustments relating to Senate Bill 30, Eighty-eighth Legislature, Regular Session, 2023; and technical and/or reconciling adjustments.
- (2) Appropriated 2024 and 2025 amounts incorporate certain appropriation adjustments relating to House Bill 1 (Conference Committee Report), Eighty-eighth Legislature, Regular Session, 2023, Article IX; other legislation passed by the Eighty-eighth Legislature that affects appropriations; and technical and/or reconciling adjustments.
- (3) Appropriated 2024 and 2025 amounts incorporate certain appropriation adjustments relating to Senate Bill 2 and House Joint Resolution 2, Eighty-eighth Legislature, Second Called Session, 2023; Senate Bill 2, Eighty-eighth Legislature, Second Called Session, 2023; Senate Bill 3, Eighty-eighth Legislature, Second Called Session, 2023; other legislation passed by the Eighty-eighth Legislature, Second Called Session, 2023, that affects appropriations; and technical and/or reconciling adjustments.
- (4) Appropriated 2024 and 2025 amounts incorporate certain appropriation adjustments relating to Senate Bill 3, Eighty-eighth Legislature, Fourth Called Session, 2023; other legislation passed by the Eighty-eighth Legislature, Fourth Called Session, 2023, that affects appropriations; and technical and/or reconciling adjustments.

SOURCE: Legislative Budget Board.

FIGURE B3 (CONTINUED)
GENERAL REVENUE–DEDICATED FUNDS – AGENCIES OF EDUCATION

ARTICLE III – AGENCIES OF EDUCATION	EXPENDED 2022	BUDGETED 2023	APPROPRIATED 2024	APPROPRIATED 2025
Public Education				
Texas Education Agency	\$0	\$0	\$2,611,722	\$0
Texas Permanent School Fund Corporation	\$0	\$0	\$0	\$0
Texas School for the Blind and Visually Impaired	\$0	\$0	\$0	\$0
Texas School for the Deaf	\$0	\$0	\$0	\$0
Subtotal, Public Education	\$0	\$0	\$2,611,722	\$0
Public Higher Education				
Two-Year Institutions				
Public Community/Junior Colleges	\$0	\$0	\$0	\$0
Lamar State Colleges				
Lamar Institute of Technology	\$4,205,027	\$4,191,970	\$4,377,438	\$4,384,673
Lamar State College – Orange	\$1,258,659	\$2,095,235	\$2,301,355	\$2,304,050
Lamar State College – Port Arthur	\$1,451,060	\$2,123,332	\$2,193,883	\$2,191,512
Subtotal, Lamar State Colleges	\$6,914,746	\$8,410,537	\$8,872,676	\$8,880,235
Texas State Technical Colleges				
Texas State Technical College System Administration	\$62,763	\$129,618	\$14,536	\$14,536
Texas State Technical College – Harlingen	\$2,074,250	\$2,284,809	\$2,344,890	\$2,415,236
Texas State Technical College – West Texas	\$808,311	\$828,076	\$852,917	\$878,505
Texas State Technical College – Marshall	\$323,405	\$373,434	\$384,639	\$396,177
Texas State Technical College – Waco	\$2,018,331	\$2,891,294	\$2,978,034	\$3,067,374
Texas State Technical College – Fort Bend	(\$243,147)	\$344,297	\$354,616	\$365,264
Texas State Technical College – North Texas	\$225,888	\$176,535	\$181,830	\$187,285
Subtotal, Texas State Technical Colleges	\$5,269,801	\$7,028,063	\$7,111,462	\$7,324,377
Subtotal, Two-year Institutions	\$12,184,547	\$15,438,600	\$15,984,138	\$16,204,612
General Academic Institutions				
University of Texas System Administration	\$0	\$0	\$0	\$0
University of Texas at Arlington	\$71,776,610	\$67,240,266	\$70,865,169	\$71,053,789
University of Texas at Austin	\$115,472,366	\$116,444,153	\$116,208,984	\$116,703,541
University of Texas at Dallas	\$70,733,458	\$77,839,271	\$72,987,182	\$73,331,385
University of Texas at El Paso	\$28,853,678	\$28,716,838	\$28,991,299	\$29,044,574
University of Texas Rio Grande Valley	\$42,208,811	\$37,346,128	\$38,135,899	\$38,160,829
University of Texas Permian Basin	\$6,340,131	\$6,533,000	\$6,721,285	\$6,729,546
University of Texas at San Antonio	\$47,611,083	\$47,612,139	\$40,875,895	\$40,924,199
University of Texas at Tyler	\$10,603,087	\$11,784,908	\$10,163,367	\$10,181,915
Stephen F. Austin State University	\$14,170,884	\$12,955,222	\$11,618,902	\$11,626,831
Texas A&M University System Administrative and General Offices	\$0	\$0	\$0	\$0
Texas A&M University	\$136,709,294	\$142,756,485	\$131,227,469	\$131,571,728
Texas A&M University at Galveston	\$3,030,957	\$4,196,138	\$4,383,394	\$4,399,269
Prairie View A&M University	\$14,248,151	\$17,609,111	\$21,161,062	\$19,343,164
Tarleton State University	\$17,647,019	\$17,772,121	\$16,456,441	\$16,477,763
Texas A&M University – Central Texas	\$2,147,833	\$2,209,132	\$1,947,642	\$1,950,911
Texas A&M University – Corpus Christi	\$16,939,744	\$15,248,255	\$15,456,198	\$15,462,061
Texas A&M University – Kingsville	\$12,689,996	\$11,873,987	\$11,663,553	\$11,719,742
Texas A&M University – San Antonio	\$8,490,808	\$6,867,605	\$7,079,508	\$7,083,542
Texas A&M International University	\$10,443,154	\$10,474,644	\$10,511,327	\$10,517,868
West Texas A&M University	\$10,880,873	\$9,674,503	\$11,932,269	\$11,959,874

FIGURE B3 (CONTINUED)
GENERAL REVENUE–DEDICATED FUNDS – AGENCIES OF EDUCATION

ARTICLE III – AGENCIES OF EDUCATION	EXPENDED 2022	BUDGETED 2023	APPROPRIATED 2024	APPROPRIATED 2025
General Academic Institutions (continued)				
Texas A&M University – Commerce	\$12,972,418	\$13,202,764	\$10,641,051	\$10,652,027
Texas A&M University – Texarkana	\$1,956,388	\$2,392,940	\$2,407,081	\$2,415,378
University of Houston System Administration	\$0	\$0	\$0	\$0
University of Houston	\$79,871,227	\$79,824,717	\$76,396,661	\$76,593,375
University of Houston – Clear Lake	\$15,302,949	\$14,925,812	\$12,520,032	\$12,558,303
University of Houston – Downtown	\$20,527,019	\$18,862,624	\$18,039,093	\$18,075,999
University of Houston – Victoria	\$5,732,871	\$6,312,774	\$5,729,187	\$5,737,980
University of North Texas System Administration	\$0	\$0	\$0	\$0
University of North Texas	\$87,519,410	\$99,170,562	\$89,209,378	\$89,636,855
University of North Texas at Dallas	\$7,120,219	\$7,182,701	\$6,246,050	\$6,247,665
Texas Southern University	\$24,702,301	\$26,690,435	\$23,485,456	\$23,567,126
Texas Tech University System Administration	\$0	\$0	\$0	\$0
Texas Tech University	\$62,757,451	\$63,116,935	\$61,131,679	\$61,293,352
Angelo State University	\$11,731,029	\$11,441,860	\$10,921,765	\$10,929,229
Midwestern State University	\$4,564,012	\$6,350,462	\$5,642,328	\$5,650,244
Texas Woman's University System	\$0	\$0	\$0	\$0
Texas Woman's University	\$22,308,124	\$21,388,870	\$20,401,846	\$20,428,831
Texas State University System	\$0	\$0	\$0	\$0
Lamar University	\$17,862,050	\$18,282,779	\$21,669,033	\$21,702,681
Sam Houston State University	\$35,194,609	\$31,379,180	\$35,345,228	\$31,147,382
Texas State University	\$53,803,223	\$48,903,087	\$47,813,288	\$47,887,450
Sul Ross State University	\$1,771,669	\$1,698,963	\$1,721,708	\$1,724,329
Sul Ross State University Rio Grande College	\$677,242	\$652,668	\$576,246	\$576,308
Subtotal, General Academic Institutions	\$1,107,372,148	\$1,116,934,039	\$1,078,283,955	\$1,075,067,045
Health-related Institutions				
University of Texas Southwestern Medical Center	\$8,191,960	\$8,048,200	\$8,191,960	\$8,191,960
University of Texas Medical Branch at Galveston	\$13,883,503	\$13,908,925	\$13,883,503	\$13,883,503
University of Texas Health Science Center at Houston	\$26,519,765	\$27,117,930	\$26,519,765	\$26,519,765
University of Texas Health Science Center at San Antonio	\$12,715,069	\$12,637,144	\$22,283,051	\$21,883,051
University of Texas Rio Grande Valley School of Medicine	\$1,309,048	\$1,456,381	\$1,309,048	\$1,309,048
University of Texas M.D. Anderson Cancer Center	\$743,610	\$763,473	\$743,610	\$743,610
University of Texas Health Science Center at Tyler	\$347,150	\$371,212	\$347,150	\$347,150
University of Texas at Austin Dell Medical School	\$0	\$0	\$1,300,175	\$1,300,175
Texas A&M University System Health Science Center	\$21,542,170	\$22,861,513	\$18,781,090	\$18,781,090
University of North Texas Health Science Center at Fort Worth	\$11,584,637	\$11,966,731	\$11,567,311	\$11,567,311
Texas Tech University Health Sciences Center	\$16,893,008	\$16,984,193	\$16,863,358	\$16,863,358
Texas Tech University Health Sciences Center at El Paso	\$3,585,100	\$4,417,027	\$3,585,100	\$3,585,100
University of Houston College of Medicine	\$306,438	\$263,670	\$1,364,025	\$1,364,025
Sam Houston State University College of Osteopathic Medicine	\$0	\$0	\$1,074,228	\$1,074,228
Subtotal, Health-related Institutions	\$117,621,458	\$120,796,399	\$127,813,374	\$127,413,374

FIGURE B3 (CONTINUED)
GENERAL REVENUE–DEDICATED FUNDS – AGENCIES OF EDUCATION

ARTICLE III – AGENCIES OF EDUCATION	EXPENDED 2022	BUDGETED 2023	APPROPRIATED 2024	APPROPRIATED 2025
Texas A&M University Services				
Texas A&M AgriLife Research	\$455,712	\$455,712	\$455,712	\$455,712
Texas A&M AgriLife Extension Service	\$0	\$0	\$0	\$0
Texas A&M Engineering Experiment Station	\$421,384	\$421,383	\$421,384	\$421,383
Texas A&M Transportation Institute	\$0	\$0	\$0	\$0
Texas A&M Engineering Extension Service	\$0	\$0	\$0	\$0
Texas A&M Forest Service	\$48,435,759	\$75,048,476	\$48,312,883	\$49,197,380
Texas A&M Veterinary Medical Diagnostic Laboratory	\$0	\$0	\$0	\$0
Texas Division of Emergency Management	\$0	\$0	\$0	\$0
Subtotal, Texas A&M University Services	\$49,312,855	\$75,925,571	\$49,189,979	\$50,074,475
Other Higher Education				
Special Provisions for the School for the Blind and Visually Impaired	\$0	\$0	\$0	\$0
Texas Higher Education Coordinating Board	\$17,362,296	\$17,381,519	\$161,832,099	\$17,767,492
Higher Education Fund	\$0	\$0	\$0	\$0
Available University Fund	\$0	\$0	\$0	\$0
Available National Research University Fund	\$0	\$0	\$0	\$0
Available Texas University Fund	\$0	\$0	\$0	\$0
Support for Military and Veterans Exemptions	\$0	\$0	\$0	\$0
Special Provisions Relating Only to Components of Texas State Technical Colleges	\$0	\$0	\$0	\$0
Article III, Special Provisions	\$0	\$0	\$0	\$0
Subtotal, Other Higher Education	\$17,362,296	\$17,381,519	\$161,832,099	\$17,767,492
Subtotal, Public Higher Education	\$1,303,853,304	\$1,346,476,128	\$1,433,103,545	\$1,286,526,998
Employee Benefits				
Teacher Retirement System	\$33,659,170	\$34,904,559	\$36,196,028	\$37,535,281
Optional Retirement Program	\$24,341,453	\$24,584,868	\$24,830,717	\$25,079,024
Higher Education Employees Group Insurance Contributions	\$2,753,863	\$2,753,863	\$3,082,160	\$3,082,160
Retirement and Group Insurance	\$8,092	\$27,924	\$87,265	\$170,267
Social Security and Benefit Replacement Pay	\$56,523,436	\$58,347,938	\$60,327,421	\$62,320,365
Subtotal, Employee Benefits	\$117,286,014	\$120,619,152	\$124,523,591	\$128,187,097
Debt Service				
Bond Debt Service Payments	\$0	\$0	\$0	\$0
Lease Payments	\$0	\$0	\$0	\$0
Subtotal, Debt Service	\$0	\$0	\$0	\$0
Total, Article III – Agencies of Education	\$1,421,139,318	\$1,467,095,280	\$1,560,238,858	\$1,414,714,095

NOTES:

- (1) Budgeted 2023 incorporates certain appropriation adjustments relating to Senate Bill 30, Eighty-eighth Legislature, Regular Session, 2023; and technical and/or reconciling adjustments.
- (2) Appropriated 2024 and 2025 amounts incorporate certain appropriation adjustments relating to House Bill 1 (Conference Committee Report), Eighty-eighth Legislature, Regular Session, 2023, Article IX; other legislation passed by the Eighty-eighth Legislature that affects appropriations; and technical and/or reconciling adjustments.
- (3) Appropriated 2024 and 2025 amounts incorporate certain appropriation adjustments relating to Senate Bill 2 and House Joint Resolution 2, Eighty-eighth Legislature, Second Called Session, 2023; Senate Bill 2, Eighty-eighth Legislature, Second Called Session, 2023; Senate Bill 3, Eighty-eighth Legislature, Second Called Session, 2023; other legislation passed by the Eighty-eighth Legislature, Second Called Session, 2023, that affects appropriations; and technical and/or reconciling adjustments.
- (4) Appropriated 2024 and 2025 amounts incorporate certain appropriation adjustments relating to Senate Bill 3, Eighty-eighth Legislature, Fourth Called Session, 2023; other legislation passed by the Eighty-eighth Legislature, Fourth Called Session, 2023, that affects appropriations; and technical and/or reconciling adjustments.

SOURCE: Legislative Budget Board.

FIGURE B3 (CONTINUED)
GENERAL REVENUE—DEDICATED FUNDS – JUDICIARY

ARTICLE IV – JUDICIARY	EXPENDED 2022	BUDGETED 2023	APPROPRIATED 2024	APPROPRIATED 2025
Supreme Court of Texas	\$5,000,000	\$5,000,000	\$10,000,000	\$0
Court of Criminal Appeals	\$11,300,002	\$13,768,656	\$15,169,680	\$15,186,320
First Court of Appeals District, Houston	\$0	\$0	\$0	\$0
Second Court of Appeals District, Fort Worth	\$0	\$0	\$0	\$0
Third Court of Appeals District, Austin	\$0	\$0	\$0	\$0
Fourth Court of Appeals District, San Antonio	\$0	\$0	\$0	\$0
Fifth Court of Appeals District, Dallas	\$0	\$0	\$0	\$0
Sixth Court of Appeals District, Texarkana	\$0	\$0	\$0	\$0
Seventh Court of Appeals District, Amarillo	\$0	\$0	\$0	\$0
Eighth Court of Appeals District, El Paso	\$0	\$0	\$0	\$0
Ninth Court of Appeals District, Beaumont	\$0	\$0	\$0	\$0
Tenth Court of Appeals District, Waco	\$0	\$0	\$0	\$0
Eleventh Court of Appeals District, Eastland	\$0	\$0	\$0	\$0
Twelfth Court of Appeals District, Tyler	\$0	\$0	\$0	\$0
Thirteenth Court of Appeals District, Corpus Christi–Edinburg	\$0	\$0	\$0	\$0
Fourteenth Court of Appeals District, Houston	\$0	\$0	\$0	\$0
Fifteenth Court of Appeals District, Austin	\$0	\$0	\$0	\$0
Office of Court Administration, Texas Judicial Council	\$73,704,374	\$83,191,433	\$64,373,524	\$63,876,260
Office of Capital and Forensic Writs	\$2,150,710	\$2,150,710	\$3,187,815	\$3,163,719
Office of the State Prosecuting Attorney	\$0	\$0	\$0	\$0
State Law Library	\$0	\$0	\$0	\$0
State Commission on Judicial Conduct	\$0	\$0	\$0	\$0
Judiciary Section, Comptroller's Department	\$0	\$0	\$0	\$0
Subtotal, Judiciary	\$92,155,086	\$104,110,799	\$92,731,019	\$82,226,299
Retirement and Group Insurance	\$530,971	\$539,427	\$657,319	\$670,957
Social Security and Benefit Replacement Pay	\$274,954	\$279,517	\$342,056	\$349,139
Subtotal, Employee Benefits	\$805,925	\$818,944	\$999,375	\$1,020,096
Lease Payments	\$0	\$0	\$0	\$0
Subtotal, Debt Service	\$0	\$0	\$0	\$0
Article IV, Special Provisions	\$0	\$0	\$0	\$0
Total, Article IV – Judiciary	\$92,961,011	\$104,929,743	\$93,730,394	\$83,246,395

NOTES:

- (1) Budgeted 2023 incorporates certain appropriation adjustments relating to Senate Bill 30, Eighty-eighth Legislature, Regular Session, 2023; and technical and/or reconciling adjustments.
- (2) Appropriated 2024 and 2025 amounts incorporate certain appropriation adjustments relating to House Bill 1 (Conference Committee Report), Eighty-eighth Legislature, Regular Session, 2023, Article IX; other legislation passed by the Eighty-eighth Legislature that affects appropriations; and technical and/or reconciling adjustments.
- (3) Appropriated 2024 and 2025 amounts incorporate certain appropriation adjustments relating to Senate Bill 2 and House Joint Resolution 2, Eighty-eighth Legislature, Second Called Session, 2023; Senate Bill 2, Eighty-eighth Legislature, Second Called Session, 2023; Senate Bill 3, Eighty-eighth Legislature, Second Called Session, 2023; other legislation passed by the Eighty-eighth Legislature, Second Called Session, 2023, that affects appropriations; and technical and/or reconciling adjustments.
- (4) Appropriated 2024 and 2025 amounts incorporate certain appropriation adjustments relating to Senate Bill 3, Eighty-eighth Legislature, Fourth Called Session, 2023; other legislation passed by the Eighty-eighth Legislature, Fourth Called Session, 2023, that affects appropriations; and technical and/or reconciling adjustments.

SOURCE: Legislative Budget Board.

FIGURE B3 (CONTINUED)
GENERAL REVENUE–DEDICATED FUNDS – PUBLIC SAFETY AND CRIMINAL JUSTICE

ARTICLE V – PUBLIC SAFETY AND CRIMINAL JUSTICE	EXPENDED 2022	BUDGETED 2023	APPROPRIATED 2024	APPROPRIATED 2025
Texas Alcoholic Beverage Commission	\$0	\$0	\$0	\$0
Texas Department of Criminal Justice	\$73,575	\$73,574	\$49,224,633	\$36,199,016
Texas Commission on Fire Protection	\$0	\$0	\$0	\$0
Texas Commission on Jail Standards	\$0	\$0	\$0	\$0
Texas Juvenile Justice Department	\$0	\$0	\$0	\$0
Texas Commission on Law Enforcement	\$115,920	\$28,929	\$2,500	\$3,000
Texas Military Department	\$0	\$0	\$0	\$0
Department of Public Safety	\$11,201,972	\$11,459,310	\$12,168,585	\$12,486,178
Subtotal, Public Safety/Criminal Justice	\$11,391,467	\$11,561,813	\$61,395,718	\$48,688,194
Retirement and Group Insurance	\$13,995,299	\$15,827,007	\$3,078,420	\$3,195,767
Social Security and Benefit Replacement Pay	\$640,679	\$649,953	\$532,904	\$561,215
Subtotal, Employee Benefits	\$14,635,978	\$16,476,960	\$3,611,324	\$3,756,982
Bond Debt Service Payments	\$0	\$0	\$0	\$0
Lease Payments	\$0	\$0	\$0	\$0
Subtotal, Debt Service	\$0	\$0	\$0	\$0
Article V, Special Provisions	\$0	\$0	\$0	\$0
Total, Article V – Public Safety and Criminal Justice	\$26,027,445	\$28,038,773	\$65,007,042	\$52,445,176

NOTES:

- (1) Budgeted 2023 incorporates certain appropriation adjustments relating to Senate Bill 30, Eighty-eighth Legislature, Regular Session, 2023; and technical and/or reconciling adjustments.
- (2) Appropriated 2024 and 2025 amounts incorporate certain appropriation adjustments relating to House Bill 1 (Conference Committee Report), Eighty-eighth Legislature, Regular Session, 2023, Article IX; other legislation passed by the Eighty-eighth Legislature that affects appropriations; and technical and/or reconciling adjustments.
- (3) Appropriated 2024 and 2025 amounts incorporate certain appropriation adjustments relating to Senate Bill 2 and House Joint Resolution 2, Eighty-eighth Legislature, Second Called Session, 2023; Senate Bill 2, Eighty-eighth Legislature, Second Called Session, 2023; Senate Bill 3, Eighty-eighth Legislature, Second Called Session, 2023; other legislation passed by the Eighty-eighth Legislature, Second Called Session, 2023, that affects appropriations; and technical and/or reconciling adjustments.
- (4) Appropriated 2024 and 2025 amounts incorporate certain appropriation adjustments relating to Senate Bill 3, Eighty-eighth Legislature, Fourth Called Session, 2023; other legislation passed by the Eighty-eighth Legislature, Fourth Called Session, 2023, that affects appropriations; and technical and/or reconciling adjustments.

SOURCE: Legislative Budget Board.

FIGURE B3 (CONTINUED)
GENERAL REVENUE—DEDICATED FUNDS – NATURAL RESOURCES

ARTICLE VI – NATURAL RESOURCES	EXPENDED 2022	BUDGETED 2023	APPROPRIATED 2024	APPROPRIATED 2025
Texas Department of Agriculture	\$2,311,433	\$2,311,433	\$6,899,436	\$2,460,621
Texas Animal Health Commission	\$0	\$0	\$0	\$0
Texas Commission on Environmental Quality	\$261,821,436	\$261,028,626	\$299,012,858	\$290,859,844
General Land Office and Veterans' Land Board	\$15,826,095	\$16,945,515	\$68,716,919	\$31,987,658
Texas Low-level Radioactive Waste Disposal Compact Commission	\$443,227	\$443,227	\$498,227	\$498,227
Texas Parks and Wildlife Department	\$186,886,595	\$161,861,897	\$183,935,681	\$157,344,373
Railroad Commission of Texas	\$82,458,685	\$69,405,426	\$77,728,084	\$71,170,183
Texas State Soil and Water Conservation Board	\$0	\$0	\$0	\$0
Texas Water Development Board	\$0	\$0	\$0	\$0
Subtotal, Natural Resources	\$549,747,471	\$511,996,124	\$636,791,205	\$554,320,906
Retirement and Group Insurance	\$86,836,184	\$88,442,491	\$90,351,335	\$94,076,526
Social Security and Benefit Replacement Pay	\$22,141,406	\$22,607,844	\$24,047,355	\$25,655,586
Subtotal, Employee Benefits	\$108,977,590	\$111,050,335	\$114,398,690	\$119,732,112
Bond Debt Service Payments	\$0	\$0	\$0	\$0
Lease Payments	\$0	\$0	\$0	\$0
Subtotal, Debt Service	\$0	\$0	\$0	\$0
Total, Article VI – Natural Resources	\$658,725,061	\$623,046,459	\$751,189,895	\$674,053,018

NOTES:

- (1) Budgeted 2023 incorporates certain appropriation adjustments relating to Senate Bill 30, Eighty-eighth Legislature, Regular Session, 2023; and technical and/or reconciling adjustments.
- (2) Appropriated 2024 and 2025 amounts incorporate certain appropriation adjustments relating to House Bill 1 (Conference Committee Report), Eighty-eighth Legislature, Regular Session, 2023, Article IX; other legislation passed by the Eighty-eighth Legislature that affects appropriations; and technical and/or reconciling adjustments.
- (3) Appropriated 2024 and 2025 amounts incorporate certain appropriation adjustments relating to Senate Bill 2 and House Joint Resolution 2, Eighty-eighth Legislature, Second Called Session, 2023; Senate Bill 2, Eighty-eighth Legislature, Second Called Session, 2023; Senate Bill 3, Eighty-eighth Legislature, Second Called Session, 2023; other legislation passed by the Eighty-eighth Legislature, Second Called Session, 2023, that affects appropriations; and technical and/or reconciling adjustments.
- (4) Appropriated 2024 and 2025 amounts incorporate certain appropriation adjustments relating to Senate Bill 3, Eighty-eighth Legislature, Fourth Called Session, 2023; other legislation passed by the Eighty-eighth Legislature, Fourth Called Session, 2023, that affects appropriations; and technical and/or reconciling adjustments.

SOURCE: Legislative Budget Board.

FIGURE B3 (CONTINUED)
GENERAL REVENUE–DEDICATED FUNDS – BUSINESS AND ECONOMIC DEVELOPMENT

ARTICLE VII – BUSINESS AND ECONOMIC DEVELOPMENT	EXPENDED 2022	BUDGETED 2023	APPROPRIATED 2024	APPROPRIATED 2025
Texas Department of Housing and Community Affairs	\$0	\$0	\$0	\$0
Texas Lottery Commission	\$306,199,982	\$323,519,221	\$320,886,632	\$335,501,609
Texas Department of Motor Vehicles	\$0	\$0	\$0	\$0
Texas Department of Transportation	\$730,218	\$200,730,218	\$730,218	\$730,218
Texas Workforce Commission	\$5,977,369	\$5,765,700	\$10,685,770	\$8,475,778
Reimbursements to the Unemployment Compensation Benefit Account	\$13,692,069	\$5,513,355	\$5,566,797	\$5,985,698
Subtotal, Business/Economic Development	\$326,599,638	\$535,528,494	\$337,869,417	\$350,693,303
Retirement and Group Insurance	\$5,897,170	\$6,004,369	\$6,212,433	\$6,455,850
Social Security and Benefit Replacement Pay	\$1,688,365	\$1,719,338	\$1,795,714	\$1,897,817
Subtotal, Employee Benefits	\$7,585,535	\$7,723,707	\$8,008,147	\$8,353,667
Bond Debt Service Payments	\$0	\$0	\$0	\$0
Lease Payments	\$0	\$0	\$0	\$0
Subtotal, Debt Service	\$0	\$0	\$0	\$0
Total, Article VII – Business and Economic Development	\$334,185,173	\$543,252,201	\$345,877,564	\$359,046,970

NOTES:

- (1) Budgeted 2023 incorporates certain appropriation adjustments relating to Senate Bill 30, Eighty-eighth Legislature, Regular Session, 2023; and technical and/or reconciling adjustments.
- (2) Appropriated 2024 and 2025 amounts incorporate certain appropriation adjustments relating to House Bill 1 (Conference Committee Report), Eighty-eighth Legislature, Regular Session, 2023, Article IX; other legislation passed by the Eighty-eighth Legislature that affects appropriations; and technical and/or reconciling adjustments.
- (3) Appropriated 2024 and 2025 amounts incorporate certain appropriation adjustments relating to Senate Bill 2 and House Joint Resolution 2, Eighty-eighth Legislature, Second Called Session, 2023; Senate Bill 2, Eighty-eighth Legislature, Second Called Session, 2023; Senate Bill 3, Eighty-eighth Legislature, Second Called Session, 2023; other legislation passed by the Eighty-eighth Legislature, Second Called Session, 2023, that affects appropriations; and technical and/or reconciling adjustments.
- (4) Appropriated 2024 and 2025 amounts incorporate certain appropriation adjustments relating to Senate Bill 3, Eighty-eighth Legislature, Fourth Called Session, 2023; other legislation passed by the Eighty-eighth Legislature, Fourth Called Session, 2023, that affects appropriations; and technical and/or reconciling adjustments.

SOURCE: Legislative Budget Board.

FIGURE B3 (CONTINUED)
GENERAL REVENUE–DEDICATED FUNDS – REGULATORY

ARTICLE VIII – REGULATORY	EXPENDED 2022	BUDGETED 2023	APPROPRIATED 2024	APPROPRIATED 2025
State Office of Administrative Hearings	\$0	\$0	\$0	\$0
Texas Behavioral Health Executive Council	\$0	\$0	\$0	\$0
Texas Board of Chiropractic Examiners	\$0	\$0	\$0	\$0
Texas State Board of Dental Examiners	\$0	\$0	\$0	\$0
Texas Funeral Service Commission	\$0	\$0	\$0	\$0
Texas Board of Professional Geoscientists	\$0	\$0	\$0	\$0
Health Professions Council	\$0	\$0	\$0	\$0
Office of Injured Employee Counsel	\$8,266,342	\$9,136,484	\$9,925,580	\$10,379,182
Texas Department of Insurance	\$113,875,742	\$129,878,863	\$120,258,784	\$124,956,032
Office of Public Insurance Counsel	\$0	\$0	\$0	\$0
Texas Department of Licensing and Regulation	\$725,241	\$653,589	\$1,014,915	\$1,014,915
Texas Medical Board	\$2,945,000	\$2,945,000	\$4,628,724	\$4,583,024
Texas Board of Nursing	\$0	\$0	\$0	\$0
Texas Optometry Board	\$0	\$0	\$0	\$0
Texas State Board of Pharmacy	\$0	\$0	\$0	\$0
Executive Council of Physical Therapy and Occupational Therapy Examiners	\$0	\$0	\$0	\$0
Texas State Board of Plumbing Examiners	\$0	\$0	\$0	\$0
Texas Racing Commission	\$3,715,249	\$4,219,664	\$5,186,030	\$5,308,782
Texas State Securities Board	\$0	\$0	\$0	\$0
Public Utility Commission of Texas	\$3,115,398	\$3,115,398	\$5,046,714	\$4,860,976
Office of Public Utility Counsel	\$495,055	\$495,056	\$798,081	\$811,649
State Board of Veterinary Medical Examiners	\$0	\$0	\$0	\$0
Subtotal, Regulatory	\$133,138,027	\$150,444,054	\$146,858,828	\$151,914,560
Retirement and Group Insurance	\$30,099,625	\$30,711,392	\$32,368,587	\$33,640,594
Social Security and Benefit Replacement Pay	\$6,226,680	\$6,357,709	\$6,913,566	\$7,359,058
Subtotal, Employee Benefits	\$36,326,305	\$37,069,101	\$39,282,153	\$40,999,652
Lease Payments	\$0	\$0	\$0	\$0
Subtotal, Debt Service	\$0	\$0	\$0	\$0
Article VIII, Special Provisions	\$0	\$0	\$0	\$0
Total, Article VIII – Regulatory	\$169,464,332	\$187,513,155	\$186,140,981	\$192,914,212

NOTES:

- (1) Budgeted 2023 incorporates certain appropriation adjustments relating to Senate Bill 30, Eighty-eighth Legislature, Regular Session, 2023; and technical and/or reconciling adjustments.
- (2) Appropriated 2024 and 2025 amounts incorporate certain appropriation adjustments relating to House Bill 1 (Conference Committee Report), Eighty-eighth Legislature, Regular Session, 2023, Article IX; other legislation passed by the Eighty-eighth Legislature that affects appropriations; and technical and/or reconciling adjustments.
- (3) Appropriated 2024 and 2025 amounts incorporate certain appropriation adjustments relating to Senate Bill 2 and House Joint Resolution 2, Eighty-eighth Legislature, Second Called Session, 2023; Senate Bill 2, Eighty-eighth Legislature, Second Called Session, 2023; Senate Bill 3, Eighty-eighth Legislature, Second Called Session, 2023; other legislation passed by the Eighty-eighth Legislature, Second Called Session, 2023, that affects appropriations; and technical and/or reconciling adjustments.
- (4) Appropriated 2024 and 2025 amounts incorporate certain appropriation adjustments relating to Senate Bill 3, Eighty-eighth Legislature, Fourth Called Session, 2023; other legislation passed by the Eighty-eighth Legislature, Fourth Called Session, 2023, that affects appropriations; and technical and/or reconciling adjustments.

SOURCE: Legislative Budget Board.

**FIGURE B3 (CONTINUED)
GENERAL REVENUE–DEDICATED FUNDS – LEGISLATURE**

ARTICLE X – LEGISLATURE	EXPENDED 2022	BUDGETED 2023	APPROPRIATED 2024	APPROPRIATED 2025
Senate	\$0	\$0	\$0	\$0
House of Representatives	\$0	\$0	\$0	\$0
Legislative Budget Board	\$0	\$0	\$0	\$0
Texas Legislative Council	\$0	\$0	\$0	\$0
Commission on Uniform State Laws	\$0	\$0	\$0	\$0
Sunset Advisory Commission	\$0	\$0	\$0	\$0
State Auditor's Office	\$0	\$0	\$0	\$0
Legislative Reference Library	\$0	\$0	\$0	\$0
Subtotal, Legislature	\$0	\$0	\$0	\$0
Retirement and Group Insurance	\$0	\$0	\$0	\$0
Social Security and Benefit Replacement Pay	\$0	\$0	\$0	\$0
Subtotal, Employee Benefits	\$0	\$0	\$0	\$0
Total, Article X – Legislature	\$0	\$0	\$0	\$0

NOTES:

- (1) Budgeted 2023 incorporates certain appropriation adjustments relating to Senate Bill 30, Eighty-eighth Legislature, Regular Session, 2023; and technical and/or reconciling adjustments.
- (2) Appropriated 2024 and 2025 amounts incorporate certain appropriation adjustments relating to House Bill 1 (Conference Committee Report), Eighty-eighth Legislature, Regular Session, 2023, Article IX; other legislation passed by the Eighty-eighth Legislature that affects appropriations; and technical and/or reconciling adjustments.
- (3) Appropriated 2024 and 2025 amounts incorporate certain appropriation adjustments relating to Senate Bill 2 and House Joint Resolution 2, Eighty-eighth Legislature, Second Called Session, 2023; Senate Bill 2, Eighty-eighth Legislature, Second Called Session, 2023; Senate Bill 3, Eighty-eighth Legislature, Second Called Session, 2023; other legislation passed by the Eighty-eighth Legislature, Second Called Session, 2023, that affects appropriations; and technical and/or reconciling adjustments.
- (4) Appropriated 2024 and 2025 amounts incorporate certain appropriation adjustments relating to Senate Bill 3, Eighty-eighth Legislature, Fourth Called Session, 2023; other legislation passed by the Eighty-eighth Legislature, Fourth Called Session, 2023, that affects appropriations; and technical and/or reconciling adjustments.

SOURCE: Legislative Budget Board.

APPENDIX B – SUMMARY OF STATE BUDGET BY FISCAL YEAR

FEDERAL FUNDS

FIGURE B4

FEDERAL FUNDS – STATEWIDE SUMMARY

FUNCTION	EXPENDED 2022	BUDGETED 2023	APPROPRIATED 2024	APPROPRIATED 2025
Article I – General Government	\$1,192,478,937	\$1,334,808,200	\$669,326,951	\$634,661,042
Article II – Health and Human Services	\$37,749,680,294	\$33,306,571,014	\$29,200,021,727	\$28,464,370,989
Article III – Agencies of Education	\$11,945,039,719	\$8,863,731,556	\$8,467,208,676	\$6,818,010,429
<i>Public Education</i>	\$7,566,403,786	\$5,894,718,979	\$6,267,790,302	\$6,249,600,232
<i>Higher Education</i>	\$4,378,635,933	\$2,969,012,577	\$2,199,418,374	\$568,410,197
Article IV – Judiciary	\$11,119,386	\$3,734,786	\$2,108,858	\$2,108,858
Article V – Public Safety and Criminal Justice	\$1,254,309,673	\$230,564,722	\$3,710,872,987	\$2,148,395,145
Article VI – Natural Resources	\$4,119,014,885	\$3,669,098,682	\$1,842,249,318	\$1,410,446,041
Article VII – Business and Economic Development	\$14,173,401,964	\$8,187,397,548	\$9,275,223,336	\$9,572,384,833
Article VIII – Regulatory	\$34,033,258	\$34,538,149	\$35,210,024	\$35,908,130
Article X – Legislature	\$0	\$0	\$0	\$0
Total, All Functions	\$70,479,078,116	\$55,630,444,657	\$53,202,221,877	\$49,086,285,467

NOTES:

- (1) Budgeted 2023 incorporates certain appropriation adjustments relating to Senate Bill 30, Eighty-eighth Legislature, Regular Session, 2023; and technical and/or reconciling adjustments.
- (2) Appropriated 2024 and 2025 amounts incorporate certain appropriation adjustments relating to House Bill 1 (Conference Committee Report), Eighty-eighth Legislature, Regular Session, 2023, Article IX; other legislation passed by the Eighty-eighth Legislature that affects appropriations; and technical and/or reconciling adjustments.
- (3) Appropriated 2024 and 2025 amounts incorporate certain appropriation adjustments relating to Senate Bill 2 and House Joint Resolution 2, Eighty-eighth Legislature, Second Called Session, 2023; Senate Bill 2, Eighty-eighth Legislature, Second Called Session, 2023; Senate Bill 3, Eighty-eighth Legislature, Second Called Session, 2023; other legislation passed by the Eighty-eighth Legislature, Second Called Session, 2023, that affects appropriations; and technical and/or reconciling adjustments.
- (4) Appropriated 2024 and 2025 amounts incorporate certain appropriation adjustments relating to Senate Bill 3, Eighty-eighth Legislature, Fourth Called Session, 2023; other legislation passed by the Eighty-eighth Legislature, Fourth Called Session, 2023, that affects appropriations; and technical and/or reconciling adjustments.

SOURCE: Legislative Budget Board.

FIGURE B4 (CONTINUED)
FEDERAL FUNDS – GENERAL GOVERNMENT

ARTICLE I – GENERAL GOVERNMENT	EXPENDED 2022	BUDGETED 2023	APPROPRIATED 2024	APPROPRIATED 2025
Texas Commission on the Arts	\$1,127,600	\$1,213,800	\$1,213,800	\$1,213,800
Office of the Attorney General	\$218,510,807	\$222,477,220	\$261,115,930	\$254,150,893
Bond Review Board	\$0	\$0	\$0	\$0
Cancer Prevention and Research Institute of Texas	\$0	\$0	\$0	\$0
Comptroller of Public Accounts	\$0	\$0	\$0	\$0
Fiscal Programs – Comptroller of Public Accounts	\$114,220,517	\$413,944,757	\$13,830,830	\$14,001,287
Informational Listing of Funds Appropriated to the Comptroller for Social Security and Benefit Replacement Pay	\$0	\$0	\$0	\$0
Commission on State Emergency Communications	\$153,965,478	\$0	\$0	\$0
Texas Emergency Services Retirement System	\$0	\$0	\$0	\$0
Employees Retirement System of Texas	\$6,866,616	\$6,866,616	\$0	\$0
Texas Ethics Commission	\$0	\$0	\$0	\$0
Texas Facilities Commission	\$0	\$40,000,000	\$0	\$0
Texas Public Finance Authority	\$0	\$0	\$0	\$0
Office of the Governor	\$0	\$0	\$0	\$0
Trusted Programs within the Office of the Governor	\$583,210,058	\$543,460,215	\$324,699,993	\$295,527,584
Texas Historical Commission	\$23,011,898	\$1,424,145	\$1,575,532	\$1,328,118
Department of Information Resources	\$735,939	\$319,715	\$319,715	\$319,715
Texas State Library and Archives Commission	\$18,737,662	\$12,001,693	\$11,294,175	\$11,394,849
Pension Review Board	\$0	\$0	\$0	\$0
State Preservation Board	\$1,500,000	\$23,500,000	\$0	\$0
State Office of Risk Management	\$0	\$0	\$0	\$0
Secretary of State	\$11,300,000	\$6,421,272	\$0	\$0
Texas Veterans Commission	\$14,767,433	\$14,767,433	\$12,520,138	\$12,697,350
Subtotal, General Government	\$1,147,954,008	\$1,286,396,866	\$626,570,113	\$590,633,596
Retirement and Group Insurance	\$33,867,109	\$36,814,813	\$32,283,233	\$33,036,136
Social Security and Benefit Replacement Pay	\$10,657,820	\$11,596,521	\$10,473,605	\$10,991,310
Subtotal, Employee Benefits	\$44,524,929	\$48,411,334	\$42,756,838	\$44,027,446
Bond Debt Service Payments	\$0	\$0	\$0	\$0
Lease Payments	\$0	\$0	\$0	\$0
Subtotal, Debt Service	\$0	\$0	\$0	\$0
Total, Article I – General Government	\$1,192,478,937	\$1,334,808,200	\$669,326,951	\$634,661,042

NOTES:

- (1) Budgeted 2023 incorporates certain appropriation adjustments relating to Senate Bill 30, Eighty-eighth Legislature, Regular Session, 2023; and technical and/or reconciling adjustments.
- (2) Appropriated 2024 and 2025 amounts incorporate certain appropriation adjustments relating to House Bill 1 (Conference Committee Report), Eighty-eighth Legislature, Regular Session, 2023, Article IX; other legislation passed by the Eighty-eighth Legislature that affects appropriations; and technical and/or reconciling adjustments.
- (3) Appropriated 2024 and 2025 amounts incorporate certain appropriation adjustments relating to Senate Bill 2 and House Joint Resolution 2, Eighty-eighth Legislature, Second Called Session, 2023; Senate Bill 2, Eighty-eighth Legislature, Second Called Session, 2023; Senate Bill 3, Eighty-eighth Legislature, Second Called Session, 2023; other legislation passed by the Eighty-eighth Legislature, Second Called Session, 2023, that affects appropriations; and technical and/or reconciling adjustments.
- (4) Appropriated 2024 and 2025 amounts incorporate certain appropriation adjustments relating to Senate Bill 3, Eighty-eighth Legislature, Fourth Called Session, 2023; other legislation passed by the Eighty-eighth Legislature, Fourth Called Session, 2023, that affects appropriations; and technical and/or reconciling adjustments.

SOURCE: Legislative Budget Board.

FIGURE B4 (CONTINUED)
FEDERAL FUNDS – HEALTH AND HUMAN SERVICES

ARTICLE II – HEALTH AND HUMAN SERVICES	EXPENDED 2022	BUDGETED 2023	APPROPRIATED 2024	APPROPRIATED 2025
Department of Family and Protective Services	\$1,033,792,281	\$875,552,455	\$891,786,003	\$882,987,256
Department of State Health Services	\$5,300,373,628	\$1,153,641,234	\$603,082,929	\$385,377,914
Health and Human Services Commission	\$31,044,656,180	\$30,920,779,584	\$27,313,180,141	\$26,797,890,680
Subtotal, Health and Human Services	\$37,378,822,089	\$32,949,973,273	\$28,808,049,073	\$28,066,255,850
Retirement and Group Insurance	\$270,526,884	\$259,399,024	\$284,768,656	\$287,457,052
Social Security and Benefit Replacement Pay	\$97,970,167	\$94,837,563	\$104,842,844	\$108,296,933
Subtotal, Employee Benefits	\$368,497,051	\$354,236,587	\$389,611,500	\$395,753,985
Bond Debt Service Payments	\$2,361,154	\$2,361,154	\$2,361,154	\$2,361,154
Lease Payments	\$0	\$0	\$0	\$0
Subtotal, Debt Service	\$2,361,154	\$2,361,154	\$2,361,154	\$2,361,154
Article II, Special Provisions	\$0	\$0	\$0	\$0
Total, Article II – Health and Human Services	\$37,749,680,294	\$33,306,571,014	\$29,200,021,727	\$28,464,370,989

NOTES:

- (1) Budgeted 2023 incorporates certain appropriation adjustments relating to Senate Bill 30, Eighty-eighth Legislature, Regular Session, 2023; and technical and/or reconciling adjustments.
- (2) Appropriated 2024 and 2025 amounts incorporate certain appropriation adjustments relating to House Bill 1 (Conference Committee Report), Eighty-eighth Legislature, Regular Session, 2023, Article IX; other legislation passed by the Eighty-eighth Legislature that affects appropriations; and technical and/or reconciling adjustments.
- (3) Appropriated 2024 and 2025 amounts incorporate certain appropriation adjustments relating to Senate Bill 2 and House Joint Resolution 2, Eighty-eighth Legislature, Second Called Session, 2023; Senate Bill 2, Eighty-eighth Legislature, Second Called Session, 2023; Senate Bill 3, Eighty-eighth Legislature, Second Called Session, 2023; other legislation passed by the Eighty-eighth Legislature, Second Called Session, 2023, that affects appropriations; and technical and/or reconciling adjustments.
- (4) Appropriated 2024 and 2025 amounts incorporate certain appropriation adjustments relating to Senate Bill 3, Eighty-eighth Legislature, Fourth Called Session, 2023; other legislation passed by the Eighty-eighth Legislature, Fourth Called Session, 2023, that affects appropriations; and technical and/or reconciling adjustments.

SOURCE: Legislative Budget Board.

FIGURE B4 (CONTINUED)
FEDERAL FUNDS – AGENCIES OF EDUCATION

ARTICLE III – AGENCIES OF EDUCATION	EXPENDED 2022	BUDGETED 2023	APPROPRIATED 2024	APPROPRIATED 2025
Public Education				
Texas Education Agency	\$6,825,871,624	\$5,880,147,490	\$6,253,507,590	\$6,234,852,485
Texas Permanent School Fund Corporation	\$0	\$0	\$0	\$0
Texas School for the Blind and Visually Impaired	\$5,729,919	\$2,186,500	\$2,150,000	\$2,150,000
Texas School for the Deaf	\$2,201,376	\$1,639,609	\$1,008,850	\$1,008,850
Subtotal, Public Education	\$6,833,802,919	\$5,883,973,599	\$6,256,666,440	\$6,238,011,335
Public Higher Education				
Two-Year Institutions				
Public Community/Junior Colleges	\$0	\$0	\$0	\$0
Lamar State Colleges				
Lamar Institute of Technology	\$0	\$0	\$0	\$0
Lamar State College – Orange	\$0	\$0	\$0	\$0
Lamar State College – Port Arthur	\$0	\$0	\$0	\$0
Subtotal, Lamar State Colleges	\$0	\$0	\$0	\$0
Texas State Technical Colleges				
Texas State Technical College System Administration	\$0	\$0	\$0	\$0
Texas State Technical College – Harlingen	\$0	\$0	\$0	\$0
Texas State Technical College – West Texas	\$0	\$0	\$0	\$0
Texas State Technical College – Marshall	\$0	\$0	\$0	\$0
Texas State Technical College – Waco	\$0	\$0	\$0	\$0
Texas State Technical College – Fort Bend	\$0	\$0	\$0	\$0
Texas State Technical College – North Texas	\$0	\$0	\$0	\$0
Subtotal, Texas State Technical Colleges	\$0	\$0	\$0	\$0
Subtotal, Two-year Institutions	\$0	\$0	\$0	\$0
General Academic Institutions				
University of Texas System Administration	\$0	\$0	\$0	\$0
University of Texas at Arlington	\$0	\$0	\$0	\$0
University of Texas at Austin	\$3,117,500	\$117,500	\$0	\$0
University of Texas at Dallas	\$0	\$0	\$0	\$0
University of Texas at El Paso	\$0	\$0	\$0	\$0
University of Texas Rio Grande Valley	\$0	\$0	\$0	\$0
University of Texas Permian Basin	\$0	\$0	\$0	\$0
University of Texas at San Antonio	\$0	\$0	\$0	\$0
University of Texas at Tyler	\$0	\$0	\$0	\$0
Stephen F. Austin State University	\$0	\$0	\$0	\$0
Texas A&M University System Administrative and General Offices	\$0	\$0	\$0	\$0
Texas A&M University	\$0	\$0	\$0	\$0
Texas A&M University at Galveston	\$0	\$1,150,000	\$0	\$0
Prairie View A&M University	\$0	\$0	\$0	\$0
Tarleton State University	\$0	\$0	\$0	\$0
Texas A&M University – Central Texas	\$0	\$0	\$0	\$0
Texas A&M University – Corpus Christi	\$0	\$0	\$0	\$0
Texas A&M University – Kingsville	\$0	\$0	\$0	\$0
Texas A&M University – San Antonio	\$0	\$0	\$0	\$0
Texas A&M International University	\$0	\$0	\$0	\$0
West Texas A&M University	\$0	\$0	\$0	\$0

FIGURE B4 (CONTINUED)
FEDERAL FUNDS – AGENCIES OF EDUCATION

ARTICLE III – AGENCIES OF EDUCATION	EXPENDED 2022	BUDGETED 2023	APPROPRIATED 2024	APPROPRIATED 2025
General Academic Institutions (continued)				
Texas A&M University – Commerce	\$0	\$0	\$0	\$0
Texas A&M University – Texarkana	\$0	\$0	\$0	\$0
University of Houston System Administration	\$0	\$0	\$0	\$0
University of Houston	\$0	\$50,000,000	\$0	\$0
University of Houston – Clear Lake	\$0	\$0	\$0	\$0
University of Houston – Downtown	\$0	\$0	\$0	\$0
University of Houston – Victoria	\$0	\$0	\$0	\$0
University of North Texas System Administration	\$0	\$0	\$0	\$0
University of North Texas	\$0	\$0	\$0	\$0
University of North Texas at Dallas	\$0	\$0	\$0	\$0
Texas Southern University	\$0	\$0	\$0	\$0
Texas Tech University System Administration	\$0	\$0	\$0	\$0
Texas Tech University	\$25,000,000	\$25,000,000	\$0	\$0
Angelo State University	\$0	\$0	\$0	\$0
Midwestern State University	\$0	\$0	\$0	\$0
Texas Woman's University System	\$0	\$0	\$0	\$0
Texas Woman's University	\$0	\$0	\$0	\$0
Texas State University System	\$0	\$0	\$0	\$0
Lamar University	\$0	\$0	\$0	\$0
Sam Houston State University	\$0	\$0	\$0	\$0
Texas State University	\$0	\$0	\$0	\$0
Sul Ross State University	\$0	\$0	\$0	\$0
Sul Ross State University Rio Grande College	\$0	\$0	\$0	\$0
Subtotal, General Academic Institutions	\$28,117,500	\$76,267,500	\$0	\$0
Health-related Institutions				
University of Texas Southwestern Medical Center	\$0	\$0	\$0	\$0
University of Texas Medical Branch at Galveston	\$0	\$0	\$0	\$0
University of Texas Health Science Center at Houston	\$938,923	\$22,693,242	\$4,091,959	\$0
University of Texas Health Science Center at San Antonio	\$0	\$0	\$0	\$0
University of Texas Rio Grande Valley School of Medicine	\$0	\$0	\$0	\$0
University of Texas M.D. Anderson Cancer Center	\$0	\$0	\$0	\$0
University of Texas Health Science Center at Tyler	\$0	\$0	\$0	\$0
University of Texas at Austin Dell Medical School	\$0	\$0	\$0	\$0
Texas A&M University System Health Science Center	\$0	\$0	\$0	\$0
University of North Texas Health Science Center at Fort Worth	\$0	\$0	\$0	\$0
Texas Tech University Health Sciences Center	\$0	\$0	\$0	\$0
Texas Tech University Health Sciences Center at El Paso	\$0	\$0	\$0	\$0
University of Houston College of Medicine	\$0	\$0	\$0	\$0
Sam Houston State University College of Osteopathic Medicine	\$0	\$0	\$0	\$0
Subtotal, Health-related Institutions	\$938,923	\$22,693,242	\$4,091,959	\$0

FIGURE B4 (CONTINUED)
FEDERAL FUNDS – AGENCIES OF EDUCATION

ARTICLE III – AGENCIES OF EDUCATION	EXPENDED 2022	BUDGETED 2023	APPROPRIATED 2024	APPROPRIATED 2025
Texas A&M University Services				
Texas A&M AgriLife Research	\$9,692,061	\$9,692,061	\$9,730,805	\$9,730,805
Texas A&M AgriLife Extension Service	\$14,002,423	\$14,002,423	\$14,002,423	\$14,002,423
Texas A&M Engineering Experiment Station	\$110,402,451	\$111,332,469	\$111,332,469	\$111,332,469
Texas A&M Transportation Institute	\$14,048,252	\$14,399,458	\$14,543,452	\$14,834,321
Texas A&M Engineering Extension Service	\$20,855,846	\$25,067,842	\$24,604,239	\$24,604,239
Texas A&M Forest Service	\$4,141,080	\$4,153,939	\$4,153,939	\$4,153,939
Texas A&M Veterinary Medical Diagnostic Laboratory	\$227,273	\$227,273	\$227,273	\$227,273
Texas Division of Emergency Management	\$3,760,581,415	\$2,652,706,826	\$1,978,077,061	\$350,640,627
Subtotal, Texas A&M University Services	\$3,933,950,801	\$2,831,582,291	\$2,156,671,661	\$529,526,096
Other Higher Education				
Special Provisions for the School for the Blind and Visually Impaired	\$0	\$0	\$0	\$0
Texas Higher Education Coordinating Board	\$413,164,364	\$35,891,730	\$35,891,730	\$35,891,730
Higher Education Fund	\$0	\$0	\$0	\$0
Available University Fund	\$0	\$0	\$0	\$0
Available National Research University Fund	\$0	\$0	\$0	\$0
Available Texas University Fund	\$0	\$0	\$0	\$0
Support for Military and Veterans Exemptions	\$0	\$0	\$0	\$0
Special Provisions Relating Only to Components of Texas State Technical Colleges	\$0	\$0	\$0	\$0
Article III, Special Provisions	\$0	\$0	\$0	\$0
Subtotal, Other Higher Education	\$413,164,364	\$35,891,730	\$35,891,730	\$35,891,730
Subtotal, Public Higher Education	\$4,376,171,588	\$2,966,434,763	\$2,196,655,350	\$565,417,826
Employee Benefits				
Teacher Retirement System	\$721,337,761	\$0	\$0	\$0
Optional Retirement Program	\$0	\$0	\$0	\$0
Higher Education Employees Group Insurance Contributions	\$0	\$0	\$0	\$0
Retirement and Group Insurance	\$8,241,705	\$7,929,790	\$8,254,243	\$8,651,748
Social Security and Benefit Replacement Pay	\$5,485,746	\$5,393,404	\$5,632,643	\$5,929,520
Subtotal, Employee Benefits	\$735,065,212	\$13,323,194	\$13,886,886	\$14,581,268
Debt Service				
Bond Debt Service Payments	\$0	\$0	\$0	\$0
Lease Payments	\$0	\$0	\$0	\$0
Subtotal, Debt Service	\$0	\$0	\$0	\$0
Total, Article III – Agencies of Education	\$11,945,039,719	\$8,863,731,556	\$8,467,208,676	\$6,818,010,429

NOTES:

- (1) Budgeted 2023 incorporates certain appropriation adjustments relating to Senate Bill 30, Eighty-eighth Legislature, Regular Session, 2023; and technical and/or reconciling adjustments.
- (2) Appropriated 2024 and 2025 amounts incorporate certain appropriation adjustments relating to House Bill 1 (Conference Committee Report), Eighty-eighth Legislature, Regular Session, 2023, Article IX; other legislation passed by the Eighty-eighth Legislature that affects appropriations; and technical and/or reconciling adjustments.
- (3) Appropriated 2024 and 2025 amounts incorporate certain appropriation adjustments relating to Senate Bill 2 and House Joint Resolution 2, Eighty-eighth Legislature, Second Called Session, 2023; Senate Bill 2, Eighty-eighth Legislature, Second Called Session, 2023; Senate Bill 3, Eighty-eighth Legislature, Second Called Session, 2023; other legislation passed by the Eighty-eighth Legislature, Second Called Session, 2023, that affects appropriations; and technical and/or reconciling adjustments.
- (4) Appropriated 2024 and 2025 amounts incorporate certain appropriation adjustments relating to Senate Bill 3, Eighty-eighth Legislature, Fourth Called Session, 2023; other legislation passed by the Eighty-eighth Legislature, Fourth Called Session, 2023, that affects appropriations; and technical and/or reconciling adjustments.

SOURCE: Legislative Budget Board.

FIGURE B4 (CONTINUED)
FEDERAL FUNDS – JUDICIARY

ARTICLE IV – JUDICIARY	EXPENDED 2022	BUDGETED 2023	APPROPRIATED 2024	APPROPRIATED 2025
Supreme Court of Texas	\$2,261,508	\$2,392,664	\$2,108,858	\$2,108,858
Court of Criminal Appeals	\$0	\$0	\$0	\$0
First Court of Appeals District, Houston	\$0	\$0	\$0	\$0
Second Court of Appeals District, Fort Worth	\$0	\$0	\$0	\$0
Third Court of Appeals District, Austin	\$0	\$0	\$0	\$0
Fourth Court of Appeals District, San Antonio	\$0	\$0	\$0	\$0
Fifth Court of Appeals District, Dallas	\$0	\$0	\$0	\$0
Sixth Court of Appeals District, Texarkana	\$0	\$0	\$0	\$0
Seventh Court of Appeals District, Amarillo	\$0	\$0	\$0	\$0
Eighth Court of Appeals District, El Paso	\$0	\$0	\$0	\$0
Ninth Court of Appeals District, Beaumont	\$0	\$0	\$0	\$0
Tenth Court of Appeals District, Waco	\$0	\$0	\$0	\$0
Eleventh Court of Appeals District, Eastland	\$0	\$0	\$0	\$0
Twelfth Court of Appeals District, Tyler	\$0	\$0	\$0	\$0
Thirteenth Court of Appeals District, Corpus Christi–Edinburg	\$0	\$0	\$0	\$0
Fourteenth Court of Appeals District, Houston	\$0	\$0	\$0	\$0
Fifteenth Court of Appeals District, Austin	\$0	\$0	\$0	\$0
Office of Court Administration, Texas Judicial Council	\$1,779,411	\$1,220,589	\$0	\$0
Office of Capital and Forensic Writs	\$78,467	\$121,533	\$0	\$0
Office of the State Prosecuting Attorney	\$0	\$0	\$0	\$0
State Law Library	\$0	\$0	\$0	\$0
State Commission on Judicial Conduct	\$0	\$0	\$0	\$0
Judiciary Section, Comptroller's Department	\$7,000,000	\$0	\$0	\$0
Subtotal, Judiciary	\$11,119,386	\$3,734,786	\$2,108,858	\$2,108,858
Retirement and Group Insurance	\$0	\$0	\$0	\$0
Social Security and Benefit Replacement Pay	\$0	\$0	\$0	\$0
Subtotal, Employee Benefits	\$0	\$0	\$0	\$0
Lease Payments	\$0	\$0	\$0	\$0
Subtotal, Debt Service	\$0	\$0	\$0	\$0
Article IV, Special Provisions	\$0	\$0	\$0	\$0
Total, Article IV – Judiciary	\$11,119,386	\$3,734,786	\$2,108,858	\$2,108,858

NOTES:

- (1) Budgeted 2023 incorporates certain appropriation adjustments relating to Senate Bill 30, Eighty-eighth Legislature, Regular Session, 2023; and technical and/or reconciling adjustments.
- (2) Appropriated 2024 and 2025 amounts incorporate certain appropriation adjustments relating to House Bill 1 (Conference Committee Report), Eighty-eighth Legislature, Regular Session, 2023, Article IX; other legislation passed by the Eighty-eighth Legislature that affects appropriations; and technical and/or reconciling adjustments.
- (3) Appropriated 2024 and 2025 amounts incorporate certain appropriation adjustments relating to Senate Bill 2 and House Joint Resolution 2, Eighty-eighth Legislature, Second Called Session, 2023; Senate Bill 2, Eighty-eighth Legislature, Second Called Session, 2023; Senate Bill 3, Eighty-eighth Legislature, Second Called Session, 2023; other legislation passed by the Eighty-eighth Legislature, Second Called Session, 2023, that affects appropriations; and technical and/or reconciling adjustments.
- (4) Appropriated 2024 and 2025 amounts incorporate certain appropriation adjustments relating to Senate Bill 3, Eighty-eighth Legislature, Fourth Called Session, 2023; other legislation passed by the Eighty-eighth Legislature, Fourth Called Session, 2023, that affects appropriations; and technical and/or reconciling adjustments.

SOURCE: Legislative Budget Board.

FIGURE B4 (CONTINUED)
FEDERAL FUNDS – PUBLIC SAFETY AND CRIMINAL JUSTICE

ARTICLE V – PUBLIC SAFETY AND CRIMINAL JUSTICE	EXPENDED 2022	BUDGETED 2023	APPROPRIATED 2024	APPROPRIATED 2025
Texas Alcoholic Beverage Commission	\$7,276,915	\$300,000	\$400,000	\$400,000
Texas Department of Criminal Justice	\$774,144,035	\$34,974,336	\$2,700,304,345	\$1,621,460,396
Texas Commission on Fire Protection	\$0	\$0	\$0	\$0
Texas Commission on Jail Standards	\$0	\$0	\$0	\$0
Texas Juvenile Justice Department	\$26,366,836	\$7,452,723	\$7,838,159	\$7,838,159
Texas Commission on Law Enforcement	\$2,895,853	\$2,904,147	\$0	\$0
Texas Military Department	\$56,180,931	\$70,454,575	\$70,927,943	\$71,156,121
Department of Public Safety	\$176,162,865	\$45,352,190	\$46,019,538	\$34,125,899
Subtotal, Public Safety/Criminal Justice	\$1,043,027,435	\$161,437,971	\$2,825,489,985	\$1,734,980,575
Retirement and Group Insurance	\$115,018,732	\$6,380,368	\$661,077,763	\$281,145,627
Social Security and Benefit Replacement Pay	\$96,263,506	\$62,746,383	\$224,305,239	\$132,268,943
Subtotal, Employee Benefits	\$211,282,238	\$69,126,751	\$885,383,002	\$413,414,570
Bond Debt Service Payments	\$0	\$0	\$0	\$0
Lease Payments	\$0	\$0	\$0	\$0
Subtotal, Debt Service	\$0	\$0	\$0	\$0
Article V, Special Provisions	\$0	\$0	\$0	\$0
Total, Article V – Public Safety and Criminal Justice	\$1,254,309,673	\$230,564,722	\$3,710,872,987	\$2,148,395,145

NOTES:

- (1) Budgeted 2023 incorporates certain appropriation adjustments relating to Senate Bill 30, Eighty-eighth Legislature, Regular Session, 2023; and technical and/or reconciling adjustments.
- (2) Appropriated 2024 and 2025 amounts incorporate certain appropriation adjustments relating to House Bill 1 (Conference Committee Report), Eighty-eighth Legislature, Regular Session, 2023, Article IX; other legislation passed by the Eighty-eighth Legislature that affects appropriations; and technical and/or reconciling adjustments.
- (3) Appropriated 2024 and 2025 amounts incorporate certain appropriation adjustments relating to Senate Bill 2 and House Joint Resolution 2, Eighty-eighth Legislature, Second Called Session, 2023; Senate Bill 2, Eighty-eighth Legislature, Second Called Session, 2023; Senate Bill 3, Eighty-eighth Legislature, Second Called Session, 2023; other legislation passed by the Eighty-eighth Legislature, Second Called Session, 2023, that affects appropriations; and technical and/or reconciling adjustments.
- (4) Appropriated 2024 and 2025 amounts incorporate certain appropriation adjustments relating to Senate Bill 3, Eighty-eighth Legislature, Fourth Called Session, 2023; other legislation passed by the Eighty-eighth Legislature, Fourth Called Session, 2023, that affects appropriations; and technical and/or reconciling adjustments.

SOURCE: Legislative Budget Board.

FIGURE B4 (CONTINUED)
FEDERAL FUNDS – NATURAL RESOURCES

ARTICLE VI – NATURAL RESOURCES	EXPENDED 2022	BUDGETED 2023	APPROPRIATED 2024	APPROPRIATED 2025
Texas Department of Agriculture	\$891,734,506	\$663,074,754	\$704,085,742	\$737,828,752
Texas Animal Health Commission	\$1,786,401	\$1,764,552	\$1,766,722	\$1,766,722
Texas Commission on Environmental Quality	\$41,438,687	\$41,326,087	\$40,345,464	\$38,540,793
General Land Office and Veterans' Land Board	\$2,774,042,100	\$2,764,013,031	\$835,726,687	\$375,153,935
Texas Low-level Radioactive Waste Disposal Compact Commission	\$0	\$0	\$0	\$0
Texas Parks and Wildlife Department	\$305,028,739	\$64,488,438	\$69,817,516	\$64,488,438
Railroad Commission of Texas	\$6,905,301	\$32,948,700	\$68,754,080	\$69,928,280
Texas State Soil and Water Conservation Board	\$14,686,868	\$15,557,406	\$25,300,804	\$25,329,227
Texas Water Development Board	\$47,652,930	\$47,652,930	\$48,397,216	\$48,564,308
Subtotal, Natural Resources	\$4,083,275,532	\$3,630,825,898	\$1,794,194,231	\$1,361,600,455
Retirement and Group Insurance	\$28,161,088	\$30,107,134	\$37,460,047	\$38,084,808
Social Security and Benefit Replacement Pay	\$7,578,265	\$8,165,650	\$10,595,040	\$10,760,778
Subtotal, Employee Benefits	\$35,739,353	\$38,272,784	\$48,055,087	\$48,845,586
Bond Debt Service Payments	\$0	\$0	\$0	\$0
Lease Payments	\$0	\$0	\$0	\$0
Subtotal, Debt Service	\$0	\$0	\$0	\$0
Total, Article VI – Natural Resources	\$4,119,014,885	\$3,669,098,682	\$1,842,249,318	\$1,410,446,041

NOTES:

- (1) Budgeted 2023 incorporates certain appropriation adjustments relating to Senate Bill 30, Eighty-eighth Legislature, Regular Session, 2023; and technical and/or reconciling adjustments.
- (2) Appropriated 2024 and 2025 amounts incorporate certain appropriation adjustments relating to House Bill 1 (Conference Committee Report), Eighty-eighth Legislature, Regular Session, 2023, Article IX; other legislation passed by the Eighty-eighth Legislature that affects appropriations; and technical and/or reconciling adjustments.
- (3) Appropriated 2024 and 2025 amounts incorporate certain appropriation adjustments relating to Senate Bill 2 and House Joint Resolution 2, Eighty-eighth Legislature, Second Called Session, 2023; Senate Bill 2, Eighty-eighth Legislature, Second Called Session, 2023; Senate Bill 3, Eighty-eighth Legislature, Second Called Session, 2023; other legislation passed by the Eighty-eighth Legislature, Second Called Session, 2023, that affects appropriations; and technical and/or reconciling adjustments.
- (4) Appropriated 2024 and 2025 amounts incorporate certain appropriation adjustments relating to Senate Bill 3, Eighty-eighth Legislature, Fourth Called Session, 2023; other legislation passed by the Eighty-eighth Legislature, Fourth Called Session, 2023, that affects appropriations; and technical and/or reconciling adjustments.

SOURCE: Legislative Budget Board.

FIGURE B4 (CONTINUED)
FEDERAL FUNDS – BUSINESS AND ECONOMIC DEVELOPMENT

ARTICLE VII – BUSINESS AND ECONOMIC DEVELOPMENT	EXPENDED 2022	BUDGETED 2023	APPROPRIATED 2024	APPROPRIATED 2025
Texas Department of Housing and Community Affairs	\$2,154,819,147	\$857,875,096	\$701,160,684	\$567,650,416
Texas Lottery Commission	\$0	\$0	\$0	\$0
Texas Department of Motor Vehicles	\$0	\$1,840,250	\$430,950	\$743,750
Texas Department of Transportation	\$5,294,353,961	\$5,119,214,351	\$6,220,145,684	\$6,619,030,475
Texas Workforce Commission	\$6,618,405,438	\$2,099,367,309	\$2,243,332,950	\$2,273,057,004
Reimbursements to the Unemployment Compensation Benefit Account	\$0	\$0	\$0	\$0
Subtotal, Business/Economic Development	\$14,067,578,546	\$8,078,297,006	\$9,165,070,268	\$9,460,481,645
Retirement and Group Insurance	\$86,599,336	\$89,203,985	\$90,091,750	\$91,411,304
Social Security and Benefit Replacement Pay	\$19,224,082	\$19,896,557	\$20,061,318	\$20,491,884
Subtotal, Employee Benefits	\$105,823,418	\$109,100,542	\$110,153,068	\$111,903,188
Bond Debt Service Payments	\$0	\$0	\$0	\$0
Lease Payments	\$0	\$0	\$0	\$0
Subtotal, Debt Service	\$0	\$0	\$0	\$0
Total, Article VII – Business and Economic Development	\$14,173,401,964	\$8,187,397,548	\$9,275,223,336	\$9,572,384,833

NOTES:

- (1) Budgeted 2023 incorporates certain appropriation adjustments relating to Senate Bill 30, Eighty-eighth Legislature, Regular Session, 2023; and technical and/or reconciling adjustments.
- (2) Appropriated 2024 and 2025 amounts incorporate certain appropriation adjustments relating to House Bill 1 (Conference Committee Report), Eighty-eighth Legislature, Regular Session, 2023, Article IX; other legislation passed by the Eighty-eighth Legislature that affects appropriations; and technical and/or reconciling adjustments.
- (3) Appropriated 2024 and 2025 amounts incorporate certain appropriation adjustments relating to Senate Bill 2 and House Joint Resolution 2, Eighty-eighth Legislature, Second Called Session, 2023; Senate Bill 2, Eighty-eighth Legislature, Second Called Session, 2023; Senate Bill 3, Eighty-eighth Legislature, Second Called Session, 2023; other legislation passed by the Eighty-eighth Legislature, Second Called Session, 2023, that affects appropriations; and technical and/or reconciling adjustments.
- (4) Appropriated 2024 and 2025 amounts incorporate certain appropriation adjustments relating to Senate Bill 3, Eighty-eighth Legislature, Fourth Called Session, 2023; other legislation passed by the Eighty-eighth Legislature, Fourth Called Session, 2023, that affects appropriations; and technical and/or reconciling adjustments.

SOURCE: Legislative Budget Board.

**FIGURE B4 (CONTINUED)
FEDERAL FUNDS – REGULATORY**

ARTICLE VIII – REGULATORY	EXPENDED 2022	BUDGETED 2023	APPROPRIATED 2024	APPROPRIATED 2025
State Office of Administrative Hearings	\$0	\$0	\$0	\$0
Texas Behavioral Health Executive Council	\$0	\$0	\$0	\$0
Texas Board of Chiropractic Examiners	\$0	\$0	\$0	\$0
Texas State Board of Dental Examiners	\$0	\$0	\$0	\$0
Texas Funeral Service Commission	\$0	\$0	\$0	\$0
Texas Board of Professional Geoscientists	\$0	\$0	\$0	\$0
Health Professions Council	\$0	\$0	\$0	\$0
Office of Injured Employee Counsel	\$0	\$0	\$0	\$0
Texas Department of Insurance	\$2,255,793	\$2,311,191	\$2,311,430	\$2,311,430
Office of Public Insurance Counsel	\$0	\$0	\$0	\$0
Texas Department of Licensing and Regulation	\$0	\$0	\$0	\$0
Texas Medical Board	\$0	\$0	\$0	\$0
Texas Board of Nursing	\$0	\$0	\$0	\$0
Texas Optometry Board	\$0	\$0	\$0	\$0
Texas State Board of Pharmacy	\$0	\$0	\$0	\$0
Executive Council of Physical Therapy and Occupational Therapy Examiners	\$0	\$0	\$0	\$0
Texas State Board of Plumbing Examiners	\$0	\$0	\$0	\$0
Texas Racing Commission	\$0	\$0	\$0	\$0
Texas State Securities Board	\$0	\$0	\$0	\$0
Public Utility Commission of Texas	\$0	\$0	\$0	\$0
Office of Public Utility Counsel	\$0	\$0	\$0	\$0
State Board of Veterinary Medical Examiners	\$0	\$0	\$0	\$0
Subtotal, Regulatory	\$2,255,793	\$2,311,191	\$2,311,430	\$2,311,430
Retirement and Group Insurance	\$26,376,977	\$26,799,912	\$27,441,765	\$28,107,447
Social Security and Benefit Replacement Pay	\$5,400,488	\$5,427,046	\$5,456,829	\$5,489,253
Subtotal, Employee Benefits	\$31,777,465	\$32,226,958	\$32,898,594	\$33,596,700
Lease Payments	\$0	\$0	\$0	\$0
Subtotal, Debt Service	\$0	\$0	\$0	\$0
Article VIII, Special Provisions	\$0	\$0	\$0	\$0
Total, Article VIII – Regulatory	\$34,033,258	\$34,538,149	\$35,210,024	\$35,908,130

NOTES:

- (1) Budgeted 2023 incorporates certain appropriation adjustments relating to Senate Bill 30, Eighty-eighth Legislature, Regular Session, 2023; and technical and/or reconciling adjustments.
- (2) Appropriated 2024 and 2025 amounts incorporate certain appropriation adjustments relating to House Bill 1 (Conference Committee Report), Eighty-eighth Legislature, Regular Session, 2023, Article IX; other legislation passed by the Eighty-eighth Legislature that affects appropriations; and technical and/or reconciling adjustments.
- (3) Appropriated 2024 and 2025 amounts incorporate certain appropriation adjustments relating to Senate Bill 2 and House Joint Resolution 2, Eighty-eighth Legislature, Second Called Session, 2023; Senate Bill 2, Eighty-eighth Legislature, Second Called Session, 2023; Senate Bill 3, Eighty-eighth Legislature, Second Called Session, 2023; other legislation passed by the Eighty-eighth Legislature, Second Called Session, 2023, that affects appropriations; and technical and/or reconciling adjustments.
- (4) Appropriated 2024 and 2025 amounts incorporate certain appropriation adjustments relating to Senate Bill 3, Eighty-eighth Legislature, Fourth Called Session, 2023; other legislation passed by the Eighty-eighth Legislature, Fourth Called Session, 2023, that affects appropriations; and technical and/or reconciling adjustments.
- (5) Article totals exclude Interagency Contracts.

SOURCE: Legislative Budget Board.

**FIGURE B4 (CONTINUED)
FEDERAL FUNDS – LEGISLATURE**

ARTICLE X – LEGISLATURE	EXPENDED 2022	BUDGETED 2023	APPROPRIATED 2024	APPROPRIATED 2025
Senate	\$0	\$0	\$0	\$0
House of Representatives	\$0	\$0	\$0	\$0
Legislative Budget Board	\$0	\$0	\$0	\$0
Texas Legislative Council	\$0	\$0	\$0	\$0
Commission on Uniform State Laws	\$0	\$0	\$0	\$0
Sunset Advisory Commission	\$0	\$0	\$0	\$0
State Auditor's Office	\$0	\$0	\$0	\$0
Legislative Reference Library	\$0	\$0	\$0	\$0
Subtotal, Legislature	\$0	\$0	\$0	\$0
Retirement and Group Insurance	\$0	\$0	\$0	\$0
Social Security and Benefit Replacement Pay	\$0	\$0	\$0	\$0
Subtotal, Employee Benefits	\$0	\$0	\$0	\$0
Lease Payments	\$0	\$0	\$0	\$0
Subtotal, Debt Service	\$0	\$0	\$0	\$0
Total, Article X – Legislature	\$0	\$0	\$0	\$0

NOTES:

- (1) Budgeted 2023 incorporates certain appropriation adjustments relating to Senate Bill 30, Eighty-eighth Legislature, Regular Session, 2023; and technical and/or reconciling adjustments.
- (2) Appropriated 2024 and 2025 amounts incorporate certain appropriation adjustments relating to House Bill 1 (Conference Committee Report), Eighty-eighth Legislature, Regular Session, 2023, Article IX; other legislation passed by the Eighty-eighth Legislature that affects appropriations; and technical and/or reconciling adjustments.
- (3) Appropriated 2024 and 2025 amounts incorporate certain appropriation adjustments relating to Senate Bill 2 and House Joint Resolution 2, Eighty-eighth Legislature, Second Called Session, 2023; Senate Bill 2, Eighty-eighth Legislature, Second Called Session, 2023; Senate Bill 3, Eighty-eighth Legislature, Second Called Session, 2023; other legislation passed by the Eighty-eighth Legislature, Second Called Session, 2023, that affects appropriations; and technical and/or reconciling adjustments.
- (4) Appropriated 2024 and 2025 amounts incorporate certain appropriation adjustments relating to Senate Bill 3, Eighty-eighth Legislature, Fourth Called Session, 2023; other legislation passed by the Eighty-eighth Legislature, Fourth Called Session, 2023, that affects appropriations; and technical and/or reconciling adjustments.

SOURCE: Legislative Budget Board.

APPENDIX B – SUMMARY OF STATE BUDGET BY FISCAL YEAR

OTHER FUNDS

FIGURE B5
OTHER FUNDS – STATEWIDE SUMMARY

FUNCTION	EXPENDED 2022	BUDGETED 2023	APPROPRIATED 2024	APPROPRIATED 2025
Article I – General Government	\$1,196,452,568	\$889,123,252	\$617,554,545	\$573,105,268
Article II – Health and Human Services	\$817,615,472	\$754,473,488	\$709,146,978	\$626,972,641
Article III – Agencies of Education	\$9,852,653,159	\$10,379,057,981	\$16,854,553,599	\$17,586,506,177
<i>Public Education</i>	\$8,262,798,243	\$8,648,682,517	\$15,108,621,011	\$15,598,489,881
<i>Higher Education</i>	\$1,589,854,916	\$1,730,375,464	\$1,745,932,588	\$1,988,016,296
Article IV – Judiciary	\$93,048,775	\$88,970,588	\$94,942,282	\$94,942,284
Article V – Public Safety and Criminal Justice	\$133,687,850	\$86,483,802	\$74,254,451	\$72,588,383
Article VI – Natural Resources	\$407,433,429	\$1,053,903,556	\$362,089,784	\$257,684,033
Article VII – Business and Economic Development	\$11,497,545,717	\$10,813,598,738	\$12,616,098,537	\$12,582,787,359
Article VIII – Regulatory	\$23,626,013	\$71,225,166	\$5,022,511,426	\$21,932,562
Article X – Legislature	\$24,940	\$26,425	\$101,425	\$101,425
Total, All Functions	\$24,022,087,923	\$24,136,862,996	\$36,351,253,027	\$31,816,620,132

NOTES:

- (1) Budgeted 2023 incorporates certain appropriation adjustments relating to Senate Bill 30, Eighty-eighth Legislature, Regular Session, 2023; and technical and/or reconciling adjustments.
- (2) Appropriated 2024 and 2025 amounts incorporate certain appropriation adjustments relating to House Bill 1 (Conference Committee Report), Eighty-eighth Legislature, Regular Session, 2023, Article IX; other legislation passed by the Eighty-eighth Legislature that affects appropriations; and technical and/or reconciling adjustments.
- (3) Appropriated 2024 and 2025 amounts incorporate certain appropriation adjustments relating to Senate Bill 2 and House Joint Resolution 2, Eighty-eighth Legislature, Second Called Session, 2023; Senate Bill 2, Eighty-eighth Legislature, Second Called Session, 2023; Senate Bill 3, Eighty-eighth Legislature, Second Called Session, 2023; other legislation passed by the Eighty-eighth Legislature, Second Called Session, 2023, that affects appropriations; and technical and/or reconciling adjustments.
- (4) Appropriated 2024 and 2025 amounts incorporate certain appropriation adjustments relating to Senate Bill 3, Eighty-eighth Legislature, Fourth Called Session, 2023; other legislation passed by the Eighty-eighth Legislature, Fourth Called Session, 2023, that affects appropriations; and technical and/or reconciling adjustments.
- (5) Article totals exclude Interagency Contracts.

SOURCE: Legislative Budget Board.

**FIGURE B5 (CONTINUED)
OTHER FUNDS – GENERAL GOVERNMENT**

ARTICLE I – GENERAL GOVERNMENT	EXPENDED 2022	BUDGETED 2023	APPROPRIATED 2024	APPROPRIATED 2025
Texas Commission on the Arts	\$546,250	\$252,000	\$252,000	\$252,000
Office of the Attorney General	\$81,711,980	\$94,194,174	\$93,458,457	\$84,060,295
Bond Review Board	\$0	\$0	\$0	\$0
Cancer Prevention and Research Institute of Texas	\$297,472,926	\$296,932,968	\$300,051,000	\$300,051,000
Comptroller of Public Accounts	\$2,742,466	\$1,957,890	\$1,922,910	\$1,922,910
Fiscal Programs – Comptroller of Public Accounts	\$25,959,447	\$24,300,000	\$7,300,000	\$7,300,000
Informational Listing of Funds Appropriated to the Comptroller for Social Security and Benefit Replacement Pay	\$0	\$0	\$0	\$0
Commission on State Emergency Communications	\$0	\$0	\$0	\$0
Texas Emergency Services Retirement System	\$0	\$0	\$0	\$0
Employees Retirement System of Texas	\$52,020,000	\$64,002,538	\$52,020,000	\$52,020,000
Texas Ethics Commission	\$0	\$0	\$0	\$0
Texas Facilities Commission	\$816,253,106	\$136,227,873	\$26,786,876	\$26,813,792
Texas Public Finance Authority	\$713,966	\$957,971	\$967,152	\$947,220
Office of the Governor	\$10,000	\$10,000	\$8,000	\$8,000
Trusteed Programs within the Office of the Governor	\$84,667,148	\$133,206,873	\$42,360,055	\$5,044,000
Texas Historical Commission	\$30,364,896	\$1,204,105	\$904,142	\$904,142
Department of Information Resources	\$593,133,569	\$571,087,095	\$652,165,159	\$633,040,964
Texas State Library and Archives Commission	\$4,949,185	\$11,667,736	\$6,164,186	\$6,254,876
Pension Review Board	\$0	\$0	\$0	\$0
State Preservation Board	\$19,000	\$36,156,227	\$19,000	\$19,000
State Office of Risk Management	\$50,060,089	\$51,249,167	\$51,384,084	\$51,774,472
Secretary of State	\$8,340,223	\$6,857,067	\$7,912,525	\$6,456,431
Texas Veterans Commission	\$38,802,408	\$34,333,966	\$31,009,394	\$31,071,427
Subtotal, General Government	\$2,087,766,659	\$1,464,597,650	\$1,274,684,940	\$1,207,940,529
Retirement and Group Insurance	\$1,325,168	\$7,591,758	\$8,379,297	\$8,628,993
Social Security and Benefit Replacement Pay	\$559,511	\$2,415,540	\$2,756,661	\$2,910,634
Subtotal, Employee Benefits	\$1,884,679	\$10,007,298	\$11,135,958	\$11,539,627
Bond Debt Service Payments	\$17,222	\$0	\$0	\$0
Lease Payments	\$0	\$0	\$0	\$0
Subtotal, Debt Service	\$17,222	\$0	\$0	\$0
Less Interagency Contracts	\$893,215,992	\$585,481,696	\$668,266,353	\$646,374,888
Total, Article I – General Government	\$1,196,452,568	\$889,123,252	\$617,554,545	\$573,105,268

NOTES:

- (1) Budgeted 2023 incorporates certain appropriation adjustments relating to Senate Bill 30, Eighty-eighth Legislature, Regular Session, 2023; and technical and/or reconciling adjustments.
- (2) Appropriated 2024 and 2025 amounts incorporate certain appropriation adjustments relating to House Bill 1 (Conference Committee Report), Eighty-eighth Legislature, Regular Session, 2023, Article IX; other legislation passed by the Eighty-eighth Legislature that affects appropriations; and technical and/or reconciling adjustments.
- (3) Appropriated 2024 and 2025 amounts incorporate certain appropriation adjustments relating to Senate Bill 2 and House Joint Resolution 2, Eighty-eighth Legislature, Second Called Session, 2023; Senate Bill 2, Eighty-eighth Legislature, Second Called Session, 2023; Senate Bill 3, Eighty-eighth Legislature, Second Called Session, 2023; other legislation passed by the Eighty-eighth Legislature, Second Called Session, 2023, that affects appropriations; and technical and/or reconciling adjustments.
- (4) Appropriated 2024 and 2025 amounts incorporate certain appropriation adjustments relating to Senate Bill 3, Eighty-eighth Legislature, Fourth Called Session, 2023; other legislation passed by the Eighty-eighth Legislature, Fourth Called Session, 2023, that affects appropriations; and technical and/or reconciling adjustments.
- (5) Article totals exclude Interagency Contracts.

SOURCE: Legislative Budget Board.

FIGURE B5 (CONTINUED)
OTHER FUNDS – HEALTH AND HUMAN SERVICES

ARTICLE II – HEALTH AND HUMAN SERVICES	EXPENDED 2022	BUDGETED 2023	APPROPRIATED 2024	APPROPRIATED 2025
Department of Family and Protective Services	\$11,499,246	\$9,587,627	\$12,149,824	\$12,393,844
Department of State Health Services	\$128,380,781	\$122,398,726	\$133,069,177	\$125,081,274
Health and Human Services Commission	\$994,378,466	\$940,256,750	\$911,530,216	\$833,759,980
Subtotal, Health and Human Services	\$1,134,258,493	\$1,072,243,103	\$1,056,749,217	\$971,235,098
Retirement and Group Insurance	\$619,463	\$631,155	\$649,324	\$668,469
Social Security and Benefit Replacement Pay	\$160,023	\$161,468	\$163,829	\$166,668
Subtotal, Employee Benefits	\$779,486	\$792,623	\$813,153	\$835,137
Bond Debt Service Payments	\$628,981	\$623,803	\$623,803	\$623,803
Lease Payments	\$0	\$0	\$0	\$0
Subtotal, Debt Service	\$628,981	\$623,803	\$623,803	\$623,803
Article II, Special Provisions	\$0	\$0	\$0	\$0
Less Interagency Contracts	\$318,051,488	\$319,186,041	\$349,039,195	\$345,721,397
Total, Article II – Health and Human Services	\$817,615,472	\$754,473,488	\$709,146,978	\$626,972,641

NOTES:

- (1) Budgeted 2023 incorporates certain appropriation adjustments relating to Senate Bill 30, Eighty-eighth Legislature, Regular Session, 2023; and technical and/or reconciling adjustments.
- (2) Appropriated 2024 and 2025 amounts incorporate certain appropriation adjustments relating to House Bill 1 (Conference Committee Report), Eighty-eighth Legislature, Regular Session, 2023, Article IX; other legislation passed by the Eighty-eighth Legislature that affects appropriations; and technical and/or reconciling adjustments.
- (3) Appropriated 2024 and 2025 amounts incorporate certain appropriation adjustments relating to Senate Bill 2 and House Joint Resolution 2, Eighty-eighth Legislature, Second Called Session, 2023; Senate Bill 2, Eighty-eighth Legislature, Second Called Session, 2023; Senate Bill 3, Eighty-eighth Legislature, Second Called Session, 2023; other legislation passed by the Eighty-eighth Legislature, Second Called Session, 2023, that affects appropriations; and technical and/or reconciling adjustments.
- (4) Appropriated 2024 and 2025 amounts incorporate certain appropriation adjustments relating to Senate Bill 3, Eighty-eighth Legislature, Fourth Called Session, 2023; other legislation passed by the Eighty-eighth Legislature, Fourth Called Session, 2023, that affects appropriations; and technical and/or reconciling adjustments.
- (5) Article totals exclude Interagency Contracts.

SOURCE: Legislative Budget Board.

FIGURE B5 (CONTINUED)
OTHER FUNDS – AGENCIES OF EDUCATION

ARTICLE III – AGENCIES OF EDUCATION	EXPENDED 2022	BUDGETED 2023	APPROPRIATED 2024	APPROPRIATED 2025
Public Education				
Texas Education Agency	\$8,370,070,097	\$8,396,210,913	\$14,833,779,419	\$15,320,978,898
Texas Permanent School Fund Corporation	\$0	\$45,477,575	\$46,590,852	\$51,882,342
Texas School for the Blind and Visually Impaired	\$6,774,442	\$5,830,245	\$5,659,000	\$5,659,000
Texas School for the Deaf	\$12,000,678	\$13,749,810	\$14,367,319	\$13,757,319
Subtotal, Public Education	\$8,388,845,217	\$8,461,268,543	\$14,900,396,590	\$15,392,277,559
Public Higher Education				
Two-Year Institutions				
Public Community/Junior Colleges	\$0	\$0	\$0	\$0
Lamar State Colleges				
Lamar Institute of Technology	\$0	\$0	\$0	\$0
Lamar State College – Orange	\$1,129,000	\$343,000	\$0	\$0
Lamar State College – Port Arthur	\$0	\$0	\$0	\$0
Subtotal, Lamar State Colleges	\$1,129,000	\$343,000	\$0	\$0
Texas State Technical Colleges				
Texas State Technical College System Administration	\$0	\$0	\$0	\$0
Texas State Technical College – Harlingen	\$0	\$0	\$0	\$0
Texas State Technical College – West Texas	\$0	\$0	\$0	\$0
Texas State Technical College – Marshall	\$0	\$0	\$0	\$0
Texas State Technical College – Waco	\$0	\$0	\$0	\$0
Texas State Technical College – Fort Bend	\$0	\$0	\$0	\$0
Texas State Technical College – North Texas	\$0	\$0	\$0	\$0
Subtotal, Texas State Technical Colleges	\$0	\$0	\$0	\$0
Subtotal, Two-year Institutions	\$1,129,000	\$343,000	\$0	\$0
General Academic Institutions				
University of Texas System Administration	\$1,338,137	\$1,378,000	\$1,378,000	\$1,378,000
University of Texas at Arlington	\$4,136	\$4,073	\$4,073	\$4,073
University of Texas at Austin	\$1,285,638	\$1,323,096	\$150,000	\$150,000
University of Texas at Dallas	\$0	\$0	\$0	\$0
University of Texas at El Paso	\$1,819,773	\$1,761,400	\$1,722,632	\$1,722,632
University of Texas Rio Grande Valley	\$144,635	\$144,635	\$0	\$0
University of Texas Permian Basin	\$0	\$0	\$0	\$0
University of Texas at San Antonio	\$44	\$44	\$44	\$44
University of Texas at Tyler	\$0	\$0	\$0	\$0
Stephen F. Austin State University	\$8,700	\$9,000	\$7,946	\$7,946
Texas A&M University System Administrative and General Offices	\$0	\$0	\$0	\$0
Texas A&M University	\$262,000	\$216,278	\$165,000	\$165,000
Texas A&M University at Galveston	\$21,978	\$33,706	\$20,000	\$20,000
Prairie View A&M University	\$0	\$0	\$0	\$0
Tarleton State University	\$0	\$0	\$0	\$0
Texas A&M University – Central Texas	\$0	\$0	\$0	\$0
Texas A&M University – Corpus Christi	\$0	\$0	\$0	\$0
Texas A&M University – Kingsville	\$186,000	\$0	\$0	\$0
Texas A&M University – San Antonio	\$0	\$0	\$0	\$0
Texas A&M International University	\$87,198	\$87,198	\$0	\$0
West Texas A&M University	\$0	\$0	\$0	\$0

FIGURE B5 (CONTINUED)
OTHER FUNDS – AGENCIES OF EDUCATION

ARTICLE III – AGENCIES OF EDUCATION	EXPENDED 2022	BUDGETED 2023	APPROPRIATED 2024	APPROPRIATED 2025
General Academic Institutions (continued)				
Texas A&M University – Commerce	\$0	\$0	\$0	\$0
Texas A&M University – Texarkana	\$0	\$0	\$0	\$0
University of Houston System Administration	\$0	\$13,366	\$11,238	\$11,238
University of Houston	\$12,433	\$4,171	\$3,349	\$3,349
University of Houston – Clear Lake	\$945	\$2,683	\$2,517	\$2,517
University of Houston – Downtown	\$8,186	\$8,186	\$8,186	\$8,186
University of Houston – Victoria	\$536	\$899	\$899	\$899
University of North Texas System Administration	\$0	\$0	\$0	\$0
University of North Texas	\$9,440	\$10,500	\$10,500	\$10,500
University of North Texas at Dallas	\$0	\$0	\$0	\$0
Texas Southern University	\$0	\$0	\$0	\$0
Texas Tech University System Administration	\$0	\$0	\$0	\$0
Texas Tech University	\$40,044	\$43,956	\$40,000	\$40,000
Angelo State University	\$1,833	\$1,833	\$1,833	\$1,833
Midwestern State University	\$0	\$0	\$0	\$0
Texas Woman's University System	\$0	\$0	\$0	\$0
Texas Woman's University	\$0	\$0	\$0	\$0
Texas State University System	\$0	\$0	\$0	\$0
Lamar University	\$2,700,000	\$3,000,000	\$0	\$0
Sam Houston State University	\$1,096,905	\$1,132,986	\$3,000	\$3,000
Texas State University	\$15,198	\$7,946	\$7,946	\$7,946
Sul Ross State University	\$7,946	\$7,946	\$7,946	\$7,946
Sul Ross State University Rio Grande College	\$0	\$0	\$0	\$0
Subtotal, General Academic Institutions	\$9,051,705	\$9,191,902	\$3,545,109	\$3,545,109
Health-related Institutions				
University of Texas Southwestern Medical Center	\$7,344,382	\$7,309,998	\$6,535,681	\$6,535,681
University of Texas Medical Branch at Galveston	\$6,179,718	\$4,122,591	\$4,058,753	\$4,058,753
University of Texas Health Science Center at Houston	\$5,383,933	\$3,641,338	\$3,632,964	\$3,632,964
University of Texas Health Science Center at San Antonio	\$9,848,421	\$49,627,473	\$15,353,657	\$15,353,657
University of Texas Rio Grande Valley School of Medicine	\$1,306,925	\$1,190,557	\$1,189,157	\$1,189,157
University of Texas M.D. Anderson Cancer Center	\$11,565,881	\$11,967,055	\$9,454,055	\$9,454,055
University of Texas Health Science Center at Tyler	\$2,953,262	\$3,050,714	\$3,050,714	\$3,050,714
University of Texas at Austin Dell Medical School	\$0	\$0	\$1,166,582	\$1,166,582
Texas A&M University System Health Science Center	\$2,771,647	\$2,783,758	\$2,783,758	\$2,783,758
University of North Texas Health Science Center at Fort Worth	\$2,878,679	\$7,734,860	\$2,994,613	\$2,994,613
Texas Tech University Health Sciences Center	\$4,220,826	\$12,935,961	\$2,882,573	\$2,882,573
Texas Tech University Health Sciences Center at El Paso	\$5,879,716	\$7,067,884	\$2,638,841	\$2,638,841
University of Houston College of Medicine	\$478,499	\$2,678,703	\$1,100,000	\$1,100,000
Sam Houston State University College of Osteopathic Medicine	\$0	\$0	\$1,129,986	\$1,129,986
Subtotal, Health-related Institutions	\$60,811,889	\$114,110,892	\$57,971,334	\$57,971,334

FIGURE B5 (CONTINUED)
OTHER FUNDS – AGENCIES OF EDUCATION

ARTICLE III – AGENCIES OF EDUCATION	EXPENDED 2022	BUDGETED 2023	APPROPRIATED 2024	APPROPRIATED 2025
Texas A&M University Services				
Texas A&M AgriLife Research	\$7,193,581	\$7,193,581	\$7,193,581	\$7,193,581
Texas A&M AgriLife Extension Service	\$12,507,667	\$12,487,866	\$12,487,866	\$12,487,866
Texas A&M Engineering Experiment Station	\$44,899,623	\$45,087,414	\$46,102,479	\$46,102,480
Texas A&M Transportation Institute	\$49,811,532	\$50,843,470	\$51,399,120	\$52,458,296
Texas A&M Engineering Extension Service	\$57,712,948	\$63,467,237	\$61,800,186	\$61,800,186
Texas A&M Forest Service	\$2,700,045	\$482,475	\$482,475	\$482,475
Texas A&M Veterinary Medical Diagnostic Laboratory	\$14,044,738	\$15,071,333	\$15,106,817	\$15,106,817
Texas Division of Emergency Management	\$104,745,241	\$14,180,510	\$13,779,432	\$13,779,432
Subtotal, Texas A&M University Services	\$293,615,375	\$208,813,886	\$208,351,956	\$209,411,133
Other Higher Education				
Special Provisions for the School for the Blind and Visually Impaired	\$0	\$0	\$0	\$0
Texas Higher Education Coordinating Board	\$43,236,099	\$31,767,444	\$32,557,461	\$32,538,313
Higher Education Fund	\$0	\$0	\$0	\$0
Available University Fund	\$1,261,319,189	\$1,344,242,993	\$1,446,506,273	\$1,552,781,099
Available National Research University Fund	\$28,622,809	\$28,868,632	\$0	\$0
Available Texas University Fund	\$0	\$0	\$0	\$137,000,000
Support for Military and Veterans Exemptions	\$9,279,778	\$9,896,384	\$9,896,384	\$9,896,384
Special Provisions Relating Only to Components of Texas State Technical Colleges	\$0	\$0	\$0	\$0
Article III, Special Provisions	\$0	\$0	\$0	\$0
Subtotal, Other Higher Education	\$1,342,457,875	\$1,414,775,453	\$1,488,960,118	\$1,732,215,796
Subtotal, Public Higher Education	\$1,707,065,844	\$1,747,235,133	\$1,758,828,517	\$2,003,143,372
Employee Benefits				
Teacher Retirement System	\$160,560,726	\$214,533,103	\$242,834,404	\$237,257,639
Optional Retirement Program	\$0	\$0	\$0	\$0
Higher Education Employees Group Insurance Contributions	\$0	\$0	\$0	\$0
Retirement and Group Insurance	\$11,914,020	\$13,636,282	\$12,720,692	\$13,402,525
Social Security and Benefit Replacement Pay	\$6,976,970	\$9,790,425	\$9,606,633	\$10,208,448
Subtotal, Employee Benefits	\$179,451,716	\$237,959,810	\$265,161,729	\$260,868,612
Debt Service				
Bond Debt Service Payments	\$169	\$0	\$0	\$0
Lease Payments	\$0	\$0	\$0	\$0
Subtotal, Debt Service	\$169	\$0	\$0	\$0
Less Interagency Contracts	\$422,709,78	\$67,405,505	\$69,833,237	\$69,783,366
Total, Article III – Agencies of Education	\$9,852,653,159	\$10,379,057,981	\$16,854,553,599	\$17,586,506,177

NOTES:

- (1) Budgeted 2023 incorporates certain appropriation adjustments relating to Senate Bill 30, Eighty-eighth Legislature, Regular Session, 2023; and technical and/or reconciling adjustments.
- (2) Appropriated 2024 and 2025 amounts incorporate certain appropriation adjustments relating to House Bill 1 (Conference Committee Report), Eighty-eighth Legislature, Regular Session, 2023, Article IX; other legislation passed by the Eighty-eighth Legislature that affects appropriations; and technical and/or reconciling adjustments.
- (3) Appropriated 2024 and 2025 amounts incorporate certain appropriation adjustments relating to Senate Bill 2 and House Joint Resolution 2, Eighty-eighth Legislature, Second Called Session, 2023; Senate Bill 2, Eighty-eighth Legislature, Second Called Session, 2023; Senate Bill 3, Eighty-eighth Legislature, Second Called Session, 2023; other legislation passed by the Eighty-eighth Legislature, Second Called Session, 2023, that affects appropriations; and technical and/or reconciling adjustments.
- (4) Appropriated 2024 and 2025 amounts incorporate certain appropriation adjustments relating to Senate Bill 3, Eighty-eighth Legislature, Fourth Called Session, 2023; other legislation passed by the Eighty-eighth Legislature, Fourth Called Session, 2023, that affects appropriations; and technical and/or reconciling adjustments.
- (5) Article totals exclude Interagency Contracts.

SOURCE: Legislative Budget Board.

FIGURE B5 (CONTINUED)
OTHER FUNDS – JUDICIARY

ARTICLE IV – JUDICIARY	EXPENDED 2022	BUDGETED 2023	APPROPRIATED 2024	APPROPRIATED 2025
Supreme Court of Texas	\$26,112,377	\$20,818,615	\$20,519,137	\$20,519,139
Court of Criminal Appeals	\$367,751	\$367,751	\$367,751	\$367,751
First Court of Appeals District, Houston	\$340,587	\$328,050	\$328,050	\$328,050
Second Court of Appeals District, Fort Worth	\$280,050	\$275,050	\$275,050	\$275,050
Third Court of Appeals District, Austin	\$229,900	\$229,900	\$229,900	\$229,900
Fourth Court of Appeals District, San Antonio	\$266,050	\$266,050	\$266,050	\$266,050
Fifth Court of Appeals District, Dallas	\$490,950	\$490,950	\$490,950	\$490,950
Sixth Court of Appeals District, Texarkana	\$89,912	\$96,450	\$96,450	\$96,450
Seventh Court of Appeals District, Amarillo	\$128,600	\$128,600	\$128,600	\$128,600
Eighth Court of Appeals District, El Paso	\$100,673	\$98,450	\$98,450	\$98,450
Ninth Court of Appeals District, Beaumont	\$130,600	\$130,600	\$130,600	\$130,600
Tenth Court of Appeals District, Waco	\$97,450	\$97,450	\$97,450	\$97,450
Eleventh Court of Appeals District, Eastland	\$100,450	\$100,450	\$100,450	\$100,450
Twelfth Court of Appeals District, Tyler	\$96,450	\$96,450	\$96,450	\$96,450
Thirteenth Court of Appeals District, Corpus Christi–Edinburg	\$230,088	\$228,900	\$229,494	\$229,494
Fourteenth Court of Appeals District, Houston	\$511,501	\$468,483	\$451,893	\$451,893
Fifteenth Court of Appeals District, Austin	\$0	\$0	\$0	\$0
Office of Court Administration, Texas Judicial Council	\$8,958,559	\$7,672,925	\$6,710,367	\$6,706,801
Office of Capital and Forensic Writs	\$0	\$0	\$0	\$0
Office of the State Prosecuting Attorney	\$22,500	\$22,500	\$22,500	\$22,500
State Law Library	\$18,919	\$7,500	\$7,500	\$7,500
State Commission on Judicial Conduct	\$0	\$0	\$0	\$0
Judiciary Section, Comptroller's Department	\$63,707,876	\$65,137,355	\$70,241,946	\$70,241,946
Subtotal, Judiciary	\$102,281,243	\$97,062,479	\$100,889,038	\$100,885,474
Retirement and Group Insurance	\$4,206,280	\$4,181,582	\$5,139,210	\$5,139,210
Social Security and Benefit Replacement Pay	\$0	\$0	\$0	\$0
Subtotal, Employee Benefits	\$4,206,280	\$4,181,582	\$5,139,210	\$5,139,210
Lease Payments	\$0	\$0	\$0	\$0
Subtotal, Debt Service	\$0	\$0	\$0	\$0
Article IV, Special Provisions	\$0	\$0	\$0	\$0
Less Interagency Contracts	\$13,438,748	\$12,273,473	\$11,085,966	\$11,082,400
Total, Article IV – Judiciary	\$93,048,775	\$88,970,588	\$94,942,282	\$94,942,284

NOTES:

- (1) Budgeted 2023 incorporates certain appropriation adjustments relating to Senate Bill 30, Eighty-eighth Legislature, Regular Session, 2023; and technical and/or reconciling adjustments.
- (2) Appropriated 2024 and 2025 amounts incorporate certain appropriation adjustments relating to House Bill 1 (Conference Committee Report), Eighty-eighth Legislature, Regular Session, 2023, Article IX; other legislation passed by the Eighty-eighth Legislature that affects appropriations; and technical and/or reconciling adjustments.
- (3) Appropriated 2024 and 2025 amounts incorporate certain appropriation adjustments relating to Senate Bill 2 and House Joint Resolution 2, Eighty-eighth Legislature, Second Called Session, 2023; Senate Bill 2, Eighty-eighth Legislature, Second Called Session, 2023; Senate Bill 3, Eighty-eighth Legislature, Second Called Session, 2023; other legislation passed by the Eighty-eighth Legislature, Second Called Session, 2023, that affects appropriations; and technical and/or reconciling adjustments.
- (4) Appropriated 2024 and 2025 amounts incorporate certain appropriation adjustments relating to Senate Bill 3, Eighty-eighth Legislature, Fourth Called Session, 2023; other legislation passed by the Eighty-eighth Legislature, Fourth Called Session, 2023, that affects appropriations; and technical and/or reconciling adjustments.
- (5) Article totals exclude Interagency Contracts.

SOURCE: Legislative Budget Board.

FIGURE B5 (CONTINUED)
OTHER FUNDS – PUBLIC SAFETY AND CRIMINAL JUSTICE

ARTICLE V – PUBLIC SAFETY AND CRIMINAL JUSTICE	EXPENDED 2022	BUDGETED 2023	APPROPRIATED 2024	APPROPRIATED 2025
Texas Alcoholic Beverage Commission	\$100,000	\$100,000	\$100,000	\$100,000
Texas Department of Criminal Justice	\$95,960,516	\$81,387,239	\$68,015,328	\$68,015,328
Texas Commission on Fire Protection	\$138,000	\$90,000	\$120,000	\$120,000
Texas Commission on Jail Standards	\$1,425	\$1,425	\$1,425	\$1,425
Texas Juvenile Justice Department	\$15,212,977	\$12,326,148	\$11,946,555	\$11,946,555
Texas Commission on Law Enforcement	\$777,491	\$637,200	\$658,300	\$707,200
Texas Military Department	\$915,302,596	\$352,541,651	\$10,537,500	\$9,537,500
Department of Public Safety	\$95,772,812	\$59,465,898	\$100,841,556	\$59,084,247
Subtotal, Public Safety/Criminal Justice	\$1,123,265,817	\$506,549,561	\$192,220,664	\$149,512,255
Retirement and Group Insurance	\$0	\$0	\$0	\$0
Social Security and Benefit Replacement Pay	\$0	\$0	\$0	\$0
Subtotal, Employee Benefits	\$0	\$0	\$0	\$0
Bond Debt Service Payments	\$10,690	\$0	\$0	\$0
Lease Payments	\$0	\$0	\$0	\$0
Subtotal, Debt Service	\$10,690	\$0	\$0	\$0
Article V, Special Provisions	\$0	\$0	\$0	\$0
Less Interagency Contracts	\$989,588,657	\$420,065,759	\$117,966,213	\$76,923,872
Total, Article V – Public Safety and Criminal Justice	\$133,687,850	\$86,483,802	\$74,254,451	\$72,588,383

NOTES:

- (1) Budgeted 2023 incorporates certain appropriation adjustments relating to Senate Bill 30, Eighty-eighth Legislature, Regular Session, 2023; and technical and/or reconciling adjustments.
- (2) Appropriated 2024 and 2025 amounts incorporate certain appropriation adjustments relating to House Bill 1 (Conference Committee Report), Eighty-eighth Legislature, Regular Session, 2023, Article IX; other legislation passed by the Eighty-eighth Legislature that affects appropriations; and technical and/or reconciling adjustments.
- (3) Appropriated 2024 and 2025 amounts incorporate certain appropriation adjustments relating to Senate Bill 2 and House Joint Resolution 2, Eighty-eighth Legislature, Second Called Session, 2023; Senate Bill 2, Eighty-eighth Legislature, Second Called Session, 2023; Senate Bill 3, Eighty-eighth Legislature, Second Called Session, 2023; other legislation passed by the Eighty-eighth Legislature, Second Called Session, 2023, that affects appropriations; and technical and/or reconciling adjustments.
- (4) Appropriated 2024 and 2025 amounts incorporate certain appropriation adjustments relating to Senate Bill 3, Eighty-eighth Legislature, Fourth Called Session, 2023; other legislation passed by the Eighty-eighth Legislature, Fourth Called Session, 2023, that affects appropriations; and technical and/or reconciling adjustments.
- (5) Article totals exclude Interagency Contracts.

SOURCE: Legislative Budget Board.

FIGURE B5 (CONTINUED)
OTHER FUNDS – NATURAL RESOURCES

ARTICLE VI – NATURAL RESOURCES	EXPENDED 2022	BUDGETED 2023	APPROPRIATED 2024	APPROPRIATED 2025
Texas Department of Agriculture	\$13,245,465	\$12,622,675	\$33,427,347	\$11,383,941
Texas Animal Health Commission	\$0	\$0	\$0	\$0
Texas Commission on Environmental Quality	\$13,549,609	\$16,929,896	\$10,993,325	\$11,201,481
General Land Office and Veterans' Land Board	\$189,604,095	\$268,941,838	\$229,679,465	\$143,993,034
Texas Low-level Radioactive Waste Disposal Compact Commission	\$0	\$0	\$0	\$0
Texas Parks and Wildlife Department	\$42,109,313	\$7,179,589	\$5,864,987	\$5,142,900
Railroad Commission of Texas	\$1,350,000	\$1,739,694	\$2,140,000	\$2,139,000
Texas State Soil and Water Conservation Board	\$1,933,000	\$724,266	\$0	\$0
Texas Water Development Board	\$150,509,509	\$750,164,323	\$71,419,429	\$71,735,198
Subtotal, Natural Resources	\$412,300,991	\$1,058,302,281	\$353,524,553	\$245,595,554
Retirement and Group Insurance	\$10,107,674	\$8,732,289	\$9,055,890	\$9,440,207
Social Security and Benefit Replacement Pay	\$2,687,035	\$2,708,485	\$2,836,240	\$3,008,806
Subtotal, Employee Benefits	\$12,794,709	\$11,440,774	\$11,892,130	\$12,449,013
Bond Debt Service Payments	\$6,927	\$0	\$7,139,227	\$10,107,753
Lease Payments	\$0	\$0	\$0	\$0
Subtotal, Debt Service	\$6,927	\$0	\$7,139,227	\$10,107,753
Less Interagency Contracts	\$17,669,198	\$15,839,499	\$10,466,126	\$10,468,287
Total, Article VI – Natural Resources	\$407,433,429	\$1,053,903,556	\$362,089,784	\$257,684,033

NOTES:

- (1) Budgeted 2023 incorporates certain appropriation adjustments relating to Senate Bill 30, Eighty-eighth Legislature, Regular Session, 2023; and technical and/or reconciling adjustments.
- (2) Appropriated 2024 and 2025 amounts incorporate certain appropriation adjustments relating to House Bill 1 (Conference Committee Report), Eighty-eighth Legislature, Regular Session, 2023, Article IX; other legislation passed by the Eighty-eighth Legislature that affects appropriations; and technical and/or reconciling adjustments.
- (3) Appropriated 2024 and 2025 amounts incorporate certain appropriation adjustments relating to Senate Bill 2 and House Joint Resolution 2, Eighty-eighth Legislature, Second Called Session, 2023; Senate Bill 2, Eighty-eighth Legislature, Second Called Session, 2023; Senate Bill 3, Eighty-eighth Legislature, Second Called Session, 2023; other legislation passed by the Eighty-eighth Legislature, Second Called Session, 2023, that affects appropriations; and technical and/or reconciling adjustments.
- (4) Appropriated 2024 and 2025 amounts incorporate certain appropriation adjustments relating to Senate Bill 3, Eighty-eighth Legislature, Fourth Called Session, 2023; other legislation passed by the Eighty-eighth Legislature, Fourth Called Session, 2023, that affects appropriations; and technical and/or reconciling adjustments.
- (5) Article totals exclude Interagency Contracts.

SOURCE: Legislative Budget Board.

**FIGURE B5 (CONTINUED)
OTHER FUNDS – BUSINESS AND ECONOMIC DEVELOPMENT**

ARTICLE VII – BUSINESS AND ECONOMIC DEVELOPMENT	EXPENDED 2022	BUDGETED 2023	APPROPRIATED 2024	APPROPRIATED 2025
Texas Department of Housing and Community Affairs	\$21,394,673	\$21,502,945	\$27,126,711	\$24,640,429
Texas Lottery Commission	\$0	\$0	\$0	\$0
Texas Department of Motor Vehicles	\$166,550,988	\$142,969,373	\$373,086,284	\$175,018,144
Texas Department of Transportation	\$10,973,528,158	\$10,309,767,503	\$11,862,533,612	\$12,014,742,324
Texas Workforce Commission	\$93,012,716	\$81,806,650	\$58,820,546	\$60,820,849
Reimbursements to the Unemployment Compensation Benefit Account	\$15,846,027	\$12,295,417	\$14,547,409	\$15,778,687
Subtotal, Business/Economic Development	\$11,270,332,562	\$10,568,341,888	\$12,336,114,562	\$12,291,000,433
Retirement and Group Insurance	\$276,361,951	\$281,797,122	\$292,496,001	\$303,920,192
Social Security and Benefit Replacement Pay	\$58,636,368	\$59,882,746	\$63,230,422	\$67,340,571
Subtotal, Employee Benefits	\$334,998,319	\$341,679,868	\$355,726,423	\$371,260,763
Bond Debt Service Payments	\$202	\$0	\$0	\$0
Lease Payments	\$0	\$0	\$0	\$0
Subtotal, Debt Service	\$202	\$0	\$0	\$0
Less Interagency Contracts	\$107,785,366	\$96,423,018	\$75,742,448	\$79,473,837
Total, Article VII – Business and Economic Development	\$11,497,545,717	\$10,813,598,738	\$12,616,098,537	\$12,582,787,359

NOTES:

- (1) Budgeted 2023 incorporates certain appropriation adjustments relating to Senate Bill 30, Eighty-eighth Legislature, Regular Session, 2023; and technical and/or reconciling adjustments.
- (2) Appropriated 2024 and 2025 amounts incorporate certain appropriation adjustments relating to House Bill 1 (Conference Committee Report), Eighty-eighth Legislature, Regular Session, 2023, Article IX; other legislation passed by the Eighty-eighth Legislature that affects appropriations; and technical and/or reconciling adjustments.
- (3) Appropriated 2024 and 2025 amounts incorporate certain appropriation adjustments relating to Senate Bill 2 and House Joint Resolution 2, Eighty-eighth Legislature, Second Called Session, 2023; Senate Bill 2, Eighty-eighth Legislature, Second Called Session, 2023; Senate Bill 3, Eighty-eighth Legislature, Second Called Session, 2023; other legislation passed by the Eighty-eighth Legislature, Second Called Session, 2023, that affects appropriations; and technical and/or reconciling adjustments.
- (4) Appropriated 2024 and 2025 amounts incorporate certain appropriation adjustments relating to Senate Bill 3, Eighty-eighth Legislature, Fourth Called Session, 2023; other legislation passed by the Eighty-eighth Legislature, Fourth Called Session, 2023, that affects appropriations; and technical and/or reconciling adjustments.
- (5) Article totals exclude Interagency Contracts.

SOURCE: Legislative Budget Board.

FIGURE B5 (CONTINUED)
OTHER FUNDS – REGULATORY

ARTICLE VIII – REGULATORY	EXPENDED 2022	BUDGETED 2023	APPROPRIATED 2024	APPROPRIATED 2025
State Office of Administrative Hearings	\$4,449,600	\$4,449,600	\$4,922,166	\$4,922,166
Texas Behavioral Health Executive Council	\$1,133,000	\$1,133,000	\$1,148,500	\$1,148,500
Texas Board of Chiropractic Examiners	\$87,500	\$64,500	\$99,500	\$99,500
Texas State Board of Dental Examiners	\$440,000	\$258,500	\$258,500	\$258,500
Texas Funeral Service Commission	\$60,729	\$87,100	\$635,964	\$87,100
Texas Board of Professional Geoscientists	\$0	\$0	\$0	\$0
Health Professions Council	\$1,556,899	\$1,372,832	\$1,570,166	\$1,589,812
Office of Injured Employee Counsel	\$35	\$0	\$0	\$0
Texas Department of Insurance	\$5,522,731	\$53,322,600	\$5,301,092	\$5,301,092
Office of Public Insurance Counsel	\$191,670	\$191,670	\$191,670	\$191,670
Texas Department of Licensing and Regulation	\$7,225,145	\$7,225,145	\$7,214,263	\$7,214,263
Texas Medical Board	\$394,835	\$394,835	\$394,835	\$394,835
Texas Board of Nursing	\$3,999,401	\$3,999,401	\$3,999,401	\$3,999,401
Texas Optometry Board	\$45,321	\$45,321	\$45,321	\$45,321
Texas State Board of Pharmacy	\$1,014,015	\$1,014,015	\$214,015	\$214,015
Executive Council of Physical Therapy and Occupational Therapy Examiners	\$90,658	\$90,660	\$119,967	\$119,967
Texas State Board of Plumbing Examiners	\$48,100	\$25,600	\$25,600	\$25,600
Texas Racing Commission	\$3,130,000	\$3,130,000	\$2,530,000	\$2,500,000
Texas State Securities Board	\$54	\$0	\$0	\$0
Public Utility Commission of Texas	\$475,000	\$475,000	\$5,000,475,000	\$475,000
Office of Public Utility Counsel	\$0	\$0	\$0	\$0
State Board of Veterinary Medical Examiners	\$5,527	\$5,527	\$5,527	\$5,527
Subtotal, Regulatory	\$29,870,220	\$77,285,306	\$5,029,151,487	\$28,592,269
Retirement and Group Insurance	\$0	\$0	\$70,647	\$70,647
Social Security and Benefit Replacement Pay	\$0	\$0	\$28,450	\$28,450
Subtotal, Employee Benefits	\$0	\$0	\$99,097	\$99,097
Lease Payments	\$0	\$0	\$0	\$0
Subtotal, Debt Service	\$0	\$0	\$0	\$0
Article VIII, Special Provisions	\$0	\$0	\$0	\$0
Less Interagency Contracts	\$6,244,207	\$6,060,140	\$6,739,158	\$6,758,804
Total, Article VIII – Regulatory	\$23,626,013	\$71,225,166	\$5,022,511,426	\$21,932,562

NOTES:

- (1) Budgeted 2023 incorporates certain appropriation adjustments relating to Senate Bill 30, Eighty-eighth Legislature, Regular Session, 2023; and technical and/or reconciling adjustments.
- (2) Appropriated 2024 and 2025 amounts incorporate certain appropriation adjustments relating to House Bill 1 (Conference Committee Report), Eighty-eighth Legislature, Regular Session, 2023, Article IX; other legislation passed by the Eighty-eighth Legislature that affects appropriations; and technical and/or reconciling adjustments.
- (3) Appropriated 2024 and 2025 amounts incorporate certain appropriation adjustments relating to Senate Bill 2 and House Joint Resolution 2, Eighty-eighth Legislature, Second Called Session, 2023; Senate Bill 2, Eighty-eighth Legislature, Second Called Session, 2023; Senate Bill 3, Eighty-eighth Legislature, Second Called Session, 2023; other legislation passed by the Eighty-eighth Legislature, Second Called Session, 2023, that affects appropriations; and technical and/or reconciling adjustments.
- (4) Appropriated 2024 and 2025 amounts incorporate certain appropriation adjustments relating to Senate Bill 3, Eighty-eighth Legislature, Fourth Called Session, 2023; other legislation passed by the Eighty-eighth Legislature, Fourth Called Session, 2023, that affects appropriations; and technical and/or reconciling adjustments.
- (5) Article totals exclude Interagency Contracts.

SOURCE: Legislative Budget Board.

**FIGURE B5 (CONTINUED)
OTHER FUNDS – LEGISLATURE**

ARTICLE X – LEGISLATURE	EXPENDED 2022	BUDGETED 2023	APPROPRIATED 2024	APPROPRIATED 2025
Senate	\$0	\$0	\$0	\$0
House of Representatives	\$0	\$0	\$0	\$0
Legislative Budget Board	\$0	\$0	\$0	\$0
Texas Legislative Council	\$0	\$0	\$0	\$0
Commission on Uniform State Laws	\$0	\$0	\$0	\$0
Sunset Advisory Commission	\$0	\$0	\$0	\$0
State Auditor's Office	\$4,661,202	\$4,953,702	\$4,775,000	\$4,775,000
Legislative Reference Library	\$6,925	\$8,425	\$2,425	\$2,425
Subtotal, Legislature	\$4,668,127	\$4,962,127	\$4,777,425	\$4,777,425
Retirement and Group Insurance	\$0	\$0	\$0	\$0
Social Security and Benefit Replacement Pay	\$0	\$0	\$0	\$0
Subtotal, Employee Benefits	\$0	\$0	\$0	\$0
Lease Payments	\$0	\$0	\$0	\$0
Subtotal, Debt Service	\$0	\$0	\$0	\$0
Less Interagency Contracts	\$4,643,187	\$4,935,702	\$4,676,000	\$4,676,000
Total, Article X – Legislature	\$24,940	\$26,425	\$101,425	\$101,425

NOTES:

- (1) Budgeted 2023 incorporates certain appropriation adjustments relating to Senate Bill 30, Eighty-eighth Legislature, Regular Session, 2023; and technical and/or reconciling adjustments.
- (2) Appropriated 2024 and 2025 amounts incorporate certain appropriation adjustments relating to House Bill 1 (Conference Committee Report), Eighty-eighth Legislature, Regular Session, 2023, Article IX; other legislation passed by the Eighty-eighth Legislature that affects appropriations; and technical and/or reconciling adjustments.
- (3) Appropriated 2024 and 2025 amounts incorporate certain appropriation adjustments relating to Senate Bill 2 and House Joint Resolution 2, Eighty-eighth Legislature, Second Called Session, 2023; Senate Bill 2, Eighty-eighth Legislature, Second Called Session, 2023; Senate Bill 3, Eighty-eighth Legislature, Second Called Session, 2023; other legislation passed by the Eighty-eighth Legislature, Second Called Session, 2023, that affects appropriations; and technical and/or reconciling adjustments.
- (4) Appropriated 2024 and 2025 amounts incorporate certain appropriation adjustments relating to Senate Bill 3, Eighty-eighth Legislature, Fourth Called Session, 2023; other legislation passed by the Eighty-eighth Legislature, Fourth Called Session, 2023, that affects appropriations; and technical and/or reconciling adjustments.
- (5) Article totals exclude Interagency Contracts.

SOURCE: Legislative Budget Board.

APPENDIX C – HOUSE COMMITTEE ON APPROPRIATIONS

EIGHTY-EIGHTH LEGISLATURE, 2024–25 BIENNIUM

GREG BONNEN, CHAIR, Representative District 24, Friendswood

MARY E. GONZÁLEZ, VICE CHAIR, Representative District 75, Clint

Steve Allison, Representative District 121, San Antonio

Cecil Bell, Representative District 3, Magnolia

John Bryant, Representative District 114, Dallas

Mano DeAyala, Representative District 133, Houston

Gary Gates, Representative District 28, Rosenberg

Barbara Gervin-Hawkins, Representative District 120, San Antonio

Donna Howard, Representative District 48, Austin

Carrie Isaac, Representative District 73, Wimberley

Jacey Jetton, Representative District 26, Richmond

Jarvis D. Johnson, Representative District 139, Houston

Armando Martinez, Representative District 39, Weslaco

Trey Martinez Fischer, Representative District 116, San Antonio

Geanie W. Morrison, Representative District 30, Victoria

Angelia Orr, Representative District 13, Itasca

Evelina “Lina” Ortega, Representative District 77, El Paso

Toni Rose, Representative District 110, Dallas

David Spiller, Representative District 68, Jacksboro

Lynn Stucky, Representative District 64, Sanger

Carl Tepper, Representative District 84, Lubbock

Kronda Thimesch, Representative District 65, Lewisville

Ed Thompson, Representative District 29, Pearland

Steve Toth, Representative District 15, Conroe

Gary VanDeaver, Representative District 1, New Boston

Armando Walle, Representative District 140, Houston

Gene Wu, Representative District 137, Houston

APPENDIX D – SENATE COMMITTEE ON FINANCE

EIGHTY-EIGHTH LEGISLATURE 2024–25 BIENNIUM

JOAN HUFFMAN, CHAIR, Senatorial District 17, Houston

JUAN “CHUY” HINOJOSA, VICE CHAIR, Senatorial District 20, McAllen

Paul Bettencourt, Senatorial District 7, Houston

Donna Campbell, Senatorial District 25, New Braunfels

Brandon Creighton, Senatorial District 4, Conroe

Pete Flores, Senatorial District 24, Pleasanton

Bob Hall, Senatorial District 2, Edgewood

Kelly Hancock, Senatorial District 9, North Richland Hills

Bryan Hughes, Senatorial District 1, Mineola

Lois Kolkhorst, Senatorial District 18, Brenham

Robert Nichols, Senatorial District 3, Jacksonville

Angela Paxton, Senatorial District 8, McKinney

Charles Perry, Senatorial District 28, Lubbock

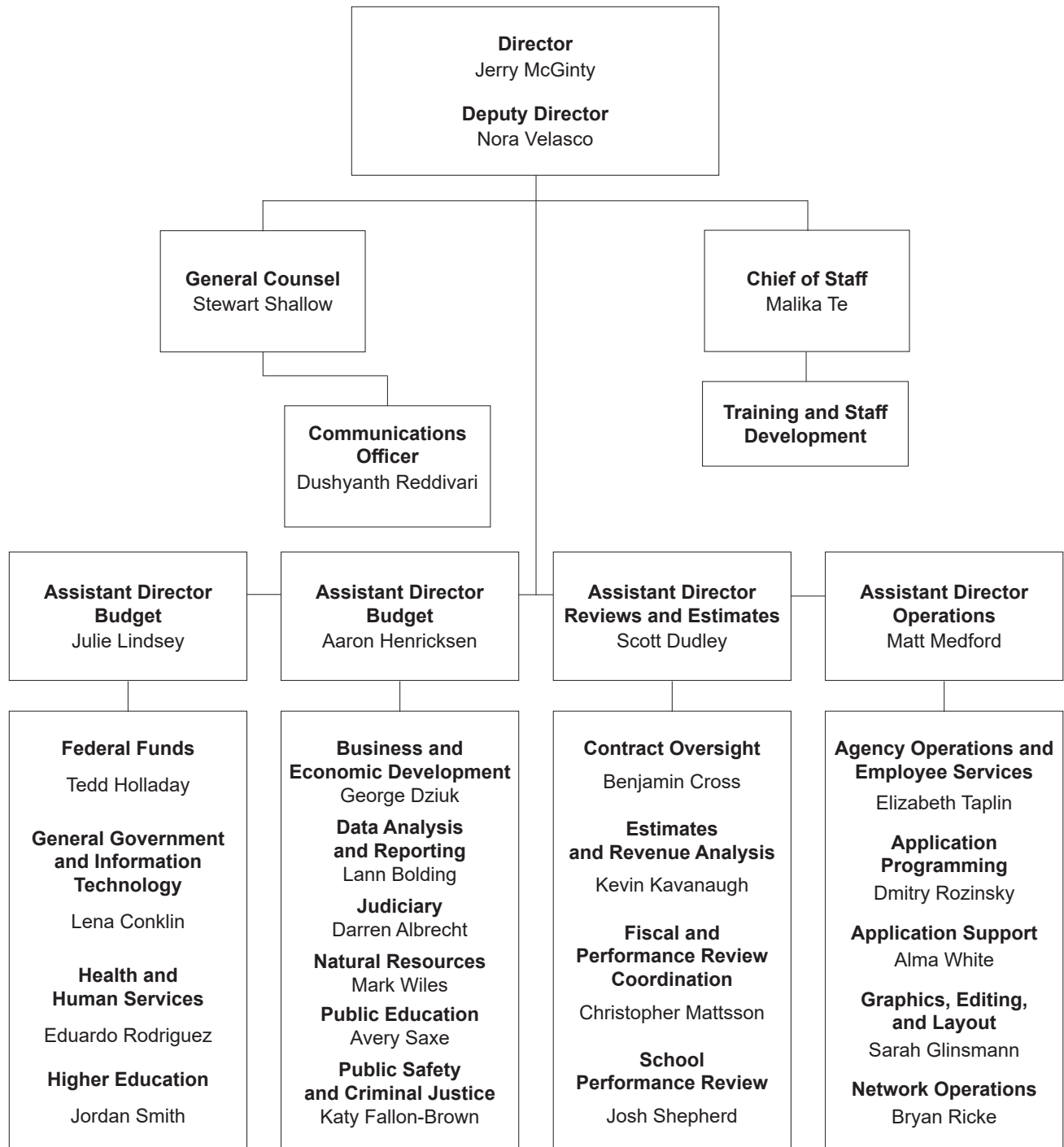
Charles Schwertner, Senatorial District 5, Georgetown

Royce West, Senatorial District 23, Dallas

John Whitmire, Senatorial District 15, Houston

Judith Zaffirini, Senatorial District 21, Laredo

APPENDIX E – LEGISLATIVE BUDGET BOARD ORGANIZATION



APPENDIX F – ABBREVIATIONS, INITIALISMS, AND ACRONYMS

AAS—Agricultural Analytical Service
ACCESS—Adult Curriculum for Community, Employment, and Social Skills
ACP—Alternative Certification Program
ADA—average daily attendance
ADP—average daily population
ADR—alternative dispute resolution
AI—artificial intelligence
AIDS—acquired immunodeficiency syndrome
AIMS—Alcohol Industry Management System
ALR—Administrative License Revocation
AMFI—Area Median Family Income
ANRUF—Available National Research University Fund
APS—Adult Protective Services
APT—advanced persistent threat
ARD—admission, review, and dismissal
ARIS—Archives and Information Services Division, Texas State Library and Archives Commission
ARPA—federal American Rescue Plan Act of 2021
ARRA—American Recovery and Reinvestment Act of 2009
ASF—Available School Fund
ATUF—Available Texas University Fund
AUF—Available University Fund
AWCF—Agricultural Water Conservation Fund

BCCS—Breast and Cervical Cancer Services
BCLS—Basic Civil Legal Services
BCM—Baylor College of Medicine
BDO—Broadband Development Office
BEST—Blindness, Education, Screening, and Treatment Program; Business Entity Secured Transaction
BET—Business Enterprises of Texas
BGP—Bond Guarantee Program
BIF—Broadband Infrastructure Fund
BOOT—Bringing Online Opportunities to Texas
BPP—Board of Pardons and Paroles

BRB—Bond Review Board
BRE—Biennial Revenue Estimate, produced by the Comptroller of Public Accounts
BRP—Benefit Replacement Pay
Btu—British thermal units

CAC—Children’s Advocacy Center (program)
CAPPS—Centralized Accounting and Payroll/Personnel System
CARES Act—federal Coronavirus Aid, Relief, and Economic Security Act, 2020
CASA—Court Appointed Special Advocates (program)
CBC—Community-based Care
CCA—Court of Criminal Appeals
CCAP—Capital Construction Assistance Projects, formerly tuition revenue bonds
CCDBG—federal Child Care and Development Block Grant
CCRSM—College and Career Readiness School Model
CCTS—Capitol Complex Telephone System
CDBG—Community Development Block Grant
CDL—constitutional debt limit
CEPRA—Coastal Erosion Planning and Response Act
CFT—cattle fever tick
CGR—consolidated General Revenue Funds appropriations
CH—credit hour
CHIP—federal Children’s Health Insurance Program
CHS—Center for Health Statistics, Department of State Health Services
CID—Criminal Investigations Division, Department of Public Safety
CIS—Communities in Schools; Completed Impact Statements
CJAD—Community Justice Assistance Division, Texas Department of Criminal Justice
CMHC—Correctional Managed Health Care
CMP—Coastal Management Program
CNG—compressed natural gas
COG—council of government

COVID-19—coronavirus disease that began a pandemic during calendar year 2019; see entry for SARS-CoV-2

CPA—Comptroller of Public Accounts

CPCF—Centennial Parks Conservation Fund

CPI—Consumer Price Index

CPRIT—Cancer Prevention and Research Institute of Texas

CPRSAA—federal Coronavirus Preparedness and Response Supplemental Appropriations Act, 2020

CPS—Child Protective Services

CPW—Center for Ports and Waterways

CRE—Certification Revenue Estimate, prepared by the Comptroller of Public Accounts

CRF—federal Coronavirus Relief Fund

CRRSA—federal Coronavirus Response and Relief Supplemental Appropriations Act, 2021

CSCD—community supervision and corrections department

CSEC—Commission on State Emergency Communications

CSFR—Coronavirus State Fiscal Recovery; part of the federal Coronavirus State and Local Fiscal Recovery Funds (SLFRF) program, 2022, authorized by the American Rescue Plan Act of 2021

CSHCN—Children with Special Health Care Needs (program)

CTE—career and technology education

CVC—Compensation to Victims of Crime; Capitol Visitors Center

CWD—chronic wasting disease, affecting farmed and free-ranging deer, elk, and moose

CWF—Compact Waste Disposal Facility

CWSRF—Clean Water State Revolving Fund

CYD—Community Youth Development

DART—Disaster Assessment and Recovery Teams, Texas A&M AgriLife Extension Service

DCS—Department of Information Resources, Data Center Services

DDS—Disability Determination Services

DEAAG—Defense Economic Adjustment Assistance Grant

DFPS—Department of Family and Protective Services

DFund I and II—Water Development Fund I and II

DIR—Department of Information Resources

DLD—Driver License Division, Department of Public Safety

DMV—Texas Department of Motor Vehicles

DNA—deoxyribonucleic acid

DPS—Department of Public Safety

DSHS—Department of State Health Services

DSRIP—Delivery System Reform Incentive Payment

DWC—Division of Workers’ Compensation, Texas Department of Insurance

DWQS—Drinking Water Quality and Standards (program)

DWSRF—Drinking Water State Revolving Fund

EB/EL—emergent bilingual/English learner

ECI—Early Childhood Intervention

EDA—Existing Debt Allotment

EDAP—Economically Distressed Areas Program

EFU—Election Fraud Unit

EMS—emergency medical services

EPA—U.S. Environmental Protection Agency

ERCOT—Electric Reliability Council of Texas

ERS—Employees Retirement System of Texas

ESC—Education Service Center

ESF—Economic Stabilization Fund

ESG—Emergency Solutions Grant Program

FAPE—free appropriate public education

FAYS—Family and Youth Success program

FDA—U.S. Food and Drug Administration

FEMA—Federal Emergency Management Agency

FFCRA—federal Families First Coronavirus Response Act, 2020

FFCS—Feed and Fertilizer Control Service

FFTA—Family First Transition Act, 2019

FIF—Flood Infrastructure Fund

FMAP—federal medical assistance percentage

FMLA—federal Family Medical and Leave Act, 1993

FPL—federal poverty level

FPP—Family Planning Program

FSCR—family supports and community resources

FSP—Foundation School Program

FSS—family support services

FTE—full-time-equivalent (positions)

FTSE—full-time student equivalent

FVA—Fund for Veterans’ Assistance

FWF—Federal Waste Disposal Facility

GAA—General Appropriations Act

GAB—General Appropriations Bill

GAI—general academic institutions

GBP—group benefits program

GCPD—Governor’s Committee on People with Disabilities

GCW—Governor’s Commission for Women

GEER— Governor’s Emergency Education Relief funds

GIS—geographic information system

GLO—General Land Office

GME—graduate medical education

GO—General Obligation (bonds)

GPA—grade point average

GSP—gross state product

GURI—Governor’s University Research Initiative

HAVA—Help America Vote Act

HEF—Higher Education Fund

HEGI—Higher Education Employees Group Insurance

HHS—health and human services function or agencies

HHSC—Health and Human Services Commission

HHSP—Homeless Housing and Services Program

HIV—human immunodeficiency virus

HLP—Hazlewood Legacy Program

HMO—health maintenance organization

HOME—federal HOME Investment Partnerships Program

HOPES—Healthy Outcomes through Prevention
and Early Support

HPC—Health Professions Council

HR—human resources

HRI—health-related institution

HTC—Housing Tax Credit

HTF—housing trust fund

HTTOC—Office of the Attorney General, Human
Trafficking and Transnational Organized Crime division

HTW—Healthy Texas Women Program

HUD—U.S. Department of Housing
and Urban Development

I&A—instruction and administration

I&O—instruction and operations

I&S—interest and sinking

ICF/IID—intermediate care facilities for individuals
with intellectual disability

ICT—Department of Public Safety,
Intelligence and Counterterrorism Division

IFA—Instructional Facilities Allotment

IJA—federal Infrastructure Investment and Jobs Act of
2021

IPTC—In-Prison Therapeutic Community (program)

IRAP—Industry-recognized Apprenticeship Programs

IRO—independent review organizations

IRS— federal Internal Revenue Service

IT—information technology

ITP—individual treatment plan

JAMP—Joint Admission Medical Program

JBCC—Judicial Branch Certification Commission

JCO—juvenile correctional officer

JET—Jobs and Education for Texans grant program

JJAEP—Juvenile Justice Alternative Education Program

JPD—juvenile probation department

JRS—Judicial Retirement System, plans I and II

L&H—life and health insurance

LBB—Legislative Budget Board

LBE—Legislative Budget Estimates

LBHA—local behavioral health authority

LDC—local distribution companies

LECOS—Law Enforcement and Custodial Officer
Supplemental (Retirement Fund)

<p>LIDDA—local intellectual and developmental disability authority</p> <p>LLC—limited liability company</p> <p>LLRWDC—Low-level Radioactive Waste Disposal Compact Commission</p> <p>LMHA—local mental health authority</p> <p>LMI—Labor Market Information program</p> <p>LNG—liquefied natural gas</p> <p>LoanSTAR—Loans to Save Taxes and Resources</p> <p>LPG—liquefied petroleum gas</p> <p>LRL—Legislative Reference Library</p> <p>LSWFF—Lone Star Workforce of the Future Fund</p> <p>LWDB—Local Workforce Development Boards</p> <hr/> <p>M&O—maintenance and operations</p> <p>MCC—Mortgage Credit Certificate (program)</p> <p>MFA—multifactor authentication</p> <p>MFMRB—Multifamily Mortgage Revenue Bonds (program)</p> <p>MLDP—Managed Lands Deer Program</p> <p>MLPP—Master Lease Purchase Program</p> <p>MMMRC—Maternal Mortality and Morbidity Review Committee</p> <p>MMRIA—Maternal Mortality Review Information Application</p> <p>MOU—memoranda of understanding</p> <p>MSA—metropolitan statistical area</p> <p>MVCPA—Motor Vehicle Crime Prevention Authority</p> <p>MVE—(Support for) Military Veterans Exemptions</p> <hr/> <p>NAAQS—National Ambient Air Quality Standards</p> <p>NASA—National Aeronautics and Space Administration</p> <p>NFIP—National Flood Insurance Program</p> <p>NPL—federal National Priorities List for hazardous waste</p> <p>NRUF—National Research University Fund</p> <p>NSOC—Network Security Operations Center</p> <p>NWSTF—New Water Supply for Texas Fund</p> <p>NYMEX—New York Mercantile Exchange</p> <hr/> <p>OAG—Office of the Attorney General</p>	<p>OBPH—Office of Border Public Health, Department of State Health Services</p> <p>OCA—Office of Court Administration, Texas Judicial Council</p> <p>OCFW—Office of Capital and Forensic Writs</p> <p>OER—open education resource</p> <p>OIEC—Office of Injured Employee Counsel</p> <p>OIG—Office of Inspector General</p> <p>OIO—Office of the Independent Ombudsman</p> <p>OLS—Operation Lone Star</p> <p>OOG—Office of the Governor</p> <p>OPIC—Office of Public Insurance Counsel</p> <p>OPUC—Office of Public Utility Counsel</p> <p>ORP—Optional Retirement Program</p> <p>OSFR—Office of State–Federal Relations</p> <p>OSPA—Office of the State Prosecuting Attorney</p> <p>OTSC—Office of the Texas State Chemist, Texas A&M AgriLife Research</p> <hr/> <p>P&C—property and casualty insurance</p> <p>PAAF—Port Access Account Fund</p> <p>PAB—private activity bond; federal Private Activity Bond Allocation Program</p> <p>PAL—preparation for adult living purchased services provided by Child Protective Services</p> <p>PCA—permanency care assistance payments</p> <p>PEI—Prevention and Early Intervention</p> <p>PEIMS—Public Education Information Management System</p> <p>PHE—public health emergency</p> <p>PHEF—Permanent Higher Education Fund</p> <p>PIU—Public Integrity Unit, Texas Ranger Division</p> <p>PMP—Prescription Monitoring Program</p> <p>PPPHCEA—Paycheck Protection Program and Health Care Enhancement Act</p> <p>PRB—Pension Review Board</p> <p>PSAP—public safety answering point, Commission on State Emergency Communications</p> <p>PSCJ—public safety and criminal justice</p> <p>PSF—Permanent School Fund</p>
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PSFLA—Permanent School Fund Liquid Account	SAO—State Auditor’s Office
PSO—Public Safety Office	SARS-CoV-2—severe acute respiratory syndrome related to the coronavirus that developed in calendar year 2019; see the entry for COVID-19
PSP—Private Security Program, Department of Public Safety	SBEC—State Board for Educator Certification
PST—petroleum storage tank program, Texas Commission on Environmental Quality	SBOE—State Board of Education
PSTAR—Petroleum Storage Tank Administration and Regulatory program	SBVME—State Board of Veterinary Medical Examiners
PTF—Pension Trust Fund	SCIRF—Ship Channel Improvement Revolving Fund
PTRF—Property Tax Relief Fund	SCJC—State Commission on Judicial Conduct
PUC—Public Utility Commission	SCOR—System of Contract Operation and Reporting
PUF—Permanent University Fund	SCP—State Compression Percentage
PVS—Property Value Study, Comptroller of Public Accounts	SDU—State Disbursement Unit, Office of the Attorney General, Child Support Division

QAT—Quality Assurance Team	SECO—State Energy Conservation Office, Fiscal Programs within the Office of the Comptroller of Public Accounts
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RAC—Regional Advisory Councils	SFA—school food authority
RAMI Hub—Rio Grande Valley Advanced Manufacturing Innovation Hub	SFMRB—Single-family mortgage revenue bonds
RCRA—federal Resource Conservation and Recovery Act	SFP—state flood plan
RDA—Regional Diversion Alternatives program	SFR—Strategic Fiscal Review
RESFA—Real Estate Special Fund Account	SGST—Sporting Goods Sales Tax
RESTORE Act—Resources and Ecosystems Sustainability, Tourist Opportunities, and Revived Economies of the Gulf Coast States Act of 2012	SHF—State Highway Fund
RGSP—Real Gross State Product	SIF—Subsequent Injury Fund, administered by the Texas Department of Insurance, Division of Workers’ Compensation
RPC—regional planning commission	SIP—State Implementation Plan, Texas Commission on Environmental Quality
RRC—Railroad Commission of Texas	SIS—small institution supplement
RSOC—regional security operations centers	SLB—School Land Board
RTS—Registration and Titling System	SMVE—Support for Military and Veterans Exemptions
RUCBA—Reimbursements to the Unemployment Compensation Benefit Account	SNAP—Supplemental Nutrition Assistance Program
RWAF—Rural Water Assistance Fund	SOAH—State Office of Administrative Hearings
RWP—Regional Water Planning program	SORM—State Office of Risk Management

SAAP—federal Special Appropriation Act Project grants	SOS—Secretary of State
SABG—Substance Abuse Prevention and Treatment block grant	SOSDirect—Secretary of State Online Access
SAC—Sunset Advisory Commission	SPB—State Preservation Board
SAFPF—substance abuse felony punishment facility	SPP—State Participation Program
	SPU—Special Prosecution Unit, Judiciary Section, Comptroller’s Department
	SRC—State Records Center

SSCC—single-source continuum contractor
 SSLC—State Supported Living Centers
 STAAR—State of Texas Assessments of Academic Readiness
 STAIRS—State of Texas Automated Information and Reporting System
 STAR+PLUS—Texas Medicaid managed care program for adults who have disabilities or are age 65 or older
 STD—sexually transmitted disease
 STEM—science, technology, engineering, and mathematics
 SWCD—soil and water conservation district
 SWIFT—State Water Implementation Fund for Texas
 SWIRFT—State Water Implementation Revenue Fund for Texas
 SWP—State Water Plan

TAAS—Texas Assessment of Academic Skills
 TABC—Texas Alcoholic Beverage Commission
 TABS—Texas Assessment of Basic Skills
 TAHC—Texas Animal Health Commission
 TAIS—Texas Apiary Inspection Service, Texas A&M AgriLife Research
 TAJF—Texas Access to Justice Foundation
 TAKS—Texas Assessment of Knowledge and Skills
 TAMU—Texas A&M University
 TANF—Temporary Assistance for Needy Families
 TB—tuberculosis
 TBP—Talking Book Program
 TCA—Texas Commission on the Arts
 TCAP—Tax Credit Assistance Program
 TCCO—Texas Civil Commitment Office
 TCEQ—Texas Commission on Environmental Quality
 TCFP—Texas Commission on Fire Protection
 TCI—Texas Correctional Industries
 TCID—Texas Center for Infectious Disease
 TCJS—Texas Commission on Jail Standards
 TCLAS—Texas COVID-19 Learning Acceleration Supports
 TCOLE—Texas Commission on Law Enforcement
 TCOOMMI—Texas Correctional Office on Offenders with Medical or Mental Impairments

TDA—Texas Department of Agriculture
 TDCJ—Texas Department of Criminal Justice
 TDEM—Texas Division of Emergency Management
 TDHCA—Texas Department of Housing and Community Affairs
 TDI—Texas Department of Insurance
 TDLR—Texas Department of Licensing and Regulation
 TEA—Texas Education Agency
 TEAM—Texas Election Administration Management voter registration system
 TEAMS—Texas Educational Assessment of Minimum Skills
 TEC—Texas Ethics Commission
 TEES—Texas A&M Engineering Experiment Station
 TEEX—Texas A&M Engineering Extension Service
 TEF—Texas Enterprise Fund
 TEOG—Texas Educational Opportunity Grant
 TERP—Texas Emissions Reduction Plan
 TESRS—Texas Emergency Services Retirement System
 TEX-AN—Texas Agency Network
 TEXAS Grant Program—Towards EXcellence, Access, and Success Grant Program
 TFA—Teach for America
 TFC—Texas Facilities Commission
 TFS—Texas A&M Forest Service
 TFSC—Texas Forensic Science Commission
 THC—Texas Historical Commission
 THECB—Texas Higher Education Coordinating Board
 THPD—Texas Highway Patrol Division, Department of Public Safety
 TIDC—Texas Indigent Defense Commission
 TIERS—Texas Integrated Eligibility Redesign System
 TIMA—Technology and Instructional Materials Allotment
 TIRN—Texas Information and Referral Network
 TJJD—Texas Juvenile Justice Department
 TLC—Texas Lottery Commission
 TMD—Texas Military Department
 TMDL—total maximum daily load, water measurement
 TMF—Texas Mobility Fund

TMO—Texas Music Office	UCC—Uniform Commercial Code
TMPC—Texas Military Preparedness Commission	UCIP—Unsolved Crimes Investigation Program
TPCO—Texas Primary Care Office, Department of State Health Services	UIC—Underground Injection Control program
TPFA—Texas Public Finance Authority	URA—utilization review agents
TPSFC—Texas Permanent School Fund Corporation	USACE—U.S. Army Corps of Engineers
TPWD—Texas Parks and Wildlife Department	USAS—Uniform Statewide Accounting System
TRD—Texas Ranger Division, Department of Public Safety	USDA—U.S. Department of Agriculture
TREE Fund—Tax Reduction and Excellence in Education Fund	USDW—underground sources of drinking water
TRUE—Texas Reskilling and Upskilling Through Education Program	UT—University of Texas
TRS—Teacher Retirement System of Texas	UTHSC—University of Texas Health Science Center
TSBVI—Texas School for the Blind and Visually Impaired	UTIMCO—University of Texas/Texas A&M Investment Management Company
TSD—Texas School for the Deaf	UTMB—University of Texas Medical Branch
TSIC—Texas Semiconductor Innovation Consortium	
TSLAC—Texas State Library and Archives Commission	VA—U.S. Department of Veterans Affairs
TSSWCB—Texas State Soil and Water Conservation Board	VEIMP—Vehicle Emissions Inspection and Maintenance Program
TSTC—Texas State Technical College	VEP—Veteran Entrepreneur Program
TTC—Texas Transportation Commission	VIP—Vehicle Inspection Program, Department of Public Safety
TTI—Texas A&M Transportation Institute	VLB—Veterans’ Land Board
TTSTC—Texas Treasury Safekeeping Trust Company	VR—vocational rehabilitation
TTUHSC—Texas Tech University Health Sciences Center	VSU—Vital Statistics Unit, Department of State Health Services
TUF—Texas University Fund	
TVC—Texas Veterans Commission	WAP—Weatherization Assistance Program
TVMDL—Texas A&M Veterinary Medical Diagnostic Laboratory	WCS—Waste Control Specialists, LLC
TWC—Texas Workforce Commission	WFTSE—weighted full-time student equivalent
TWDB—Texas Water Development Board	WIC—Special Supplemental Nutrition Program for Women, Infants, and Children
TWF—Texas Water Fund	WIF—Water Infrastructure Fund
TWPP—Texas Wildfire Protection Plan	WIOA—Workforce Innovation and Opportunity Act
TWRFA—Texas Water Resources Finance Authority	WSCH—weighted semester credit hour
TxDOT—Texas Department of Transportation	WSD—Windham School District
TXMF—Texas military forces	
TXNG—Texas National Guard	
TXSG—Texas State Guard	
TxSSC—Texas School Safety Center	
TX–TF1 and TX–TF2—Texas Task Force 1 and 2	

APPENDIX G – READER’S GUIDE TO THE GENERAL APPROPRIATIONS ACT

This guide explains certain key elements of a General Appropriations Bill. The version of the General Appropriations Bill that becomes law is referred to as the General Appropriations Act (GAA). The GAA is the state’s budget for a two-year period referred to as a biennium.

General Appropriations Bills are categorized by articles that cover a certain area of government. For example, Article I applies to areas of General Government, Article II covers Health and Human Services, and Article III applies to Public and Higher Education. Six additional articles cover other areas of government. Article IX, General Provisions, contains additional limitations, authority, and requirements applicable to other articles.

Articles contain agency bill patterns that all follow a similar format. Article-specific summary information is included at the end of each article.

A Agency names are followed by their bill patterns, which consist of items of appropriations and riders.

B Methods of Finance (MOF) describe different fund types in an agency’s appropriations. The four MOF categories are General Revenue Funds (GR), General Revenue–Dedicated Funds (GR-D), Federal Funds, and Other Funds. Each of these four contains subcategories.

C The Number of Full-Time Equivalents (FTE) shows the maximum number of FTE positions, or FTE cap, for the agency.

D The Schedule of Exempt Positions indicates annual salary caps for certain agency executives.

E Agency Items of Appropriation consist of goals with multiple strategies. Each strategy has its own appropriation.

F The left footer shows the version of the appropriations bill. This example shows the Fiscal Size-up version.

G The center footer shows the article number followed by its page number. This is the third page of Article I, General Government.

A OFFICE OF THE ATTORNEY GENERAL		For the Years Ending	
		August 31, 2024	August 31, 2025
B	Method of Financing:		
	<u>General Revenue Fund</u>		
	General Revenue Fund ^{1, 2}	\$ 234,781,406	\$ 207,293,080
	Child Support Retained Collection Account	107,012,056	107,012,056
	Attorney General Debt Collection Receipts	<u>8,300,000</u>	<u>8,300,000</u>
	Subtotal, General Revenue Fund	\$ 350,093,462	\$ 322,605,136
	<u>General Revenue Fund - Dedicated</u>		
	Texas Department of Insurance Operating Fund Account No. 036	\$ 3,602,697	\$ 3,794,058
	Compensation to Victims of Crime Account No. 469 ^{3, 4, 5}	59,400,005	57,980,663
	Compensation to Victims of Crime Auxiliary Account No. 494	167,816	173,192
	AG Law Enforcement Account No. 5006	507,781	507,780
	Sexual Assault Program Account No. 5010	<u>16,651,126</u>	<u>15,694,467</u>
	Subtotal, General Revenue Fund - Dedicated	\$ 80,329,425	\$ 78,150,160
	Federal Funds	\$ 261,115,930	\$ 254,150,893
	<u>Other Funds</u>		
	Interagency Contracts - Criminal Justice Grants	\$ 1,566,826	\$ 1,566,826
	Appropriated Receipts	49,146,666	39,719,231
	Interagency Contracts	42,713,965	42,743,238
	License Plate Trust Fund Account No. 0802, estimated	<u>31,000</u>	<u>31,000</u>
	Subtotal, Other Funds	\$ 93,458,457	\$ 84,060,295
	Total, Method of Financing	<u>\$ 784,997,274</u>	<u>\$ 738,966,484</u>
	This bill pattern represents an estimated 100% of this agency's estimated total available funds for the biennium.		
C	Number of Full-Time-Equivalents (FTE):^{1, 2, 4}	4,269.5	4,269.5
D	Schedule of Exempt Positions:		
	Attorney General, Group 6	\$153,750	\$153,750
E	Items of Appropriation:		
	A. Goal: PROVIDE LEGAL SERVICES		
	Provide General Legal Services to the State and Authorized Entities.		
	A.1.1. Strategy: LEGAL SERVICES¹	\$ 168,135,733	\$ 130,594,706
	Provide Legal Counsel/Litigation/Alternative Dispute Resolution Svcs.		
	B. Goal: ENFORCE CHILD SUPPORT LAW		
	Enforce State/Federal Child Support Laws.		
	B.1.1. Strategy: CHILD SUPPORT ENFORCEMENT	\$ 364,828,725	\$ 364,828,724
	Establish Paternity/Obligations, Enforce Orders and Distribute Monies.		
	B.1.2. Strategy: STATE DISBURSEMENT UNIT	<u>13,358,667</u>	<u>13,358,667</u>
	Total, Goal B: ENFORCE CHILD SUPPORT LAW	\$ 378,187,392	\$ 378,187,391
F	A813-FSize-up-1-A		
G	I-3		September 6, 2023

H **Grand Total** amounts are the sum of all individual agency strategy appropriations. Note that Grand Total amounts exactly match the Total, Method of Financing line on the previous page and the Total, Object-of-Expense Informational Listing on this page.

I **Object-of-Expense Informational Listing** categorizes the use of the agency’s appropriation made above. It is not a separate appropriation.

J Entries for **Employee Benefits** and **Debt Service** are not specific agency appropriations, but rather an estimate of the amounts needed for this agency that are appropriated elsewhere.

K Performance Measure Targets instruct agencies on specific desired results within their strategies. There are four types of measures: outcome; output; efficiency; and explanatory/input.

The Performance Measure Targets section is also the beginning of the Rider Section of an agency bill pattern. Riders inform agencies on their use of items of appropriations. They may authorize, direct, or limit the use of items of appropriation.

OFFICE OF THE ATTORNEY GENERAL (Continued)			
C. Goal: CRIME VICTIMS' SERVICES			
Review/Process Applications for Compensation to Crime Victims.			
C.1.1. Strategy: CRIME VICTIMS' COMPENSATION^{3,4,5}	\$ 95,410,860	\$	95,252,826
Review Claims, Determine Eligibility/State Liability, Pay Correctly.			
C.1.2. Strategy: VICTIMS ASSISTANCE	48,174,901	\$	47,174,900
Provide Grants & Contracts for Victims Svcs/Sexual Asslt Victims.			
C.1.3. Strategy: LANDOWNER COMPENSATION²	<u>18,000,000</u>	<u>\$</u>	<u>18,000,000</u>
Total, Goal C: CRIME VICTIMS' SERVICES	\$ 161,585,761	\$	160,427,726
D. Goal: REFER MEDICAID CRIMES			
Investigate/Refer for Prosecution Fraud/Misconduct Involving Medicaid.			
D.1.1. Strategy: MEDICAID INVESTIGATION	\$ 20,296,047	\$	20,296,047
Conduct Investigation Supporting Prosecution of Alleged Medicaid Crime.			
E. Goal: GENERAL ADMINISTRATION			
Administration for OAG.			
E.1.1. Strategy: AGENCY IT PROJECTS	\$ 39,528,252	\$	17,000,000
Administer Information Technology Projects across the Agency.			
F. Goal: ADMINISTRATIVE SUPPORT FOR SORM			
Provide Administrative Support for the State Office of Risk Management.			
F.1.1. Strategy: ADMINISTRATIVE SUPPORT FOR SORM	\$ 1,063,971	\$	1,063,971
Provide Administrative Support to the State Office of Risk Management.			
G. Goal: SALARY ADJUSTMENTS			
G.1.1. Strategy: SALARY ADJUSTMENTS	<u>\$ 16,200,118</u>	<u>\$</u>	<u>31,396,643</u>
Grand Total, OFFICE OF THE ATTORNEY GENERAL	<u>\$ 784,997,274</u>	<u>\$</u>	<u>738,966,484</u>
I Object-of-Expense Informational Listing:			
Salaries and Wages	\$ 313,450,376	\$	328,646,901
Other Personnel Costs	8,373,275		8,373,275
Professional Fees and Services	165,055,921		114,023,445
Fuels and Lubricants	467,080		467,080
Consumable Supplies	1,627,958		1,627,958
Utilities	2,917,863		2,917,863
Travel	4,921,926		4,971,926
Rent - Building	23,123,160		23,123,160
Rent - Machine and Other	1,237,843		1,237,843
Other Operating Expense	200,600,995		190,371,991
Grants	62,763,462		62,763,462
Capital Expenditures	<u>457,415</u>		<u>441,580</u>
Total, Object-of-Expense Informational Listing	<u>\$ 784,997,274</u>	<u>\$</u>	<u>738,966,484</u>
J Estimated Allocations for Employee Benefits and Debt Service Appropriations Made Elsewhere in this Act:			
<u>Employee Benefits</u>			
Retirement	\$ 27,002,164	\$	28,611,568
Group Insurance	48,395,248		49,547,721
Social Security	21,730,715		23,026,606
Benefits Replacement	<u>139,520</u>		<u>111,477</u>
Total, Estimated Allocations for Employee Benefits and Debt Service Appropriations Made Elsewhere in this Act	<u>\$ 97,267,647</u>	<u>\$</u>	<u>101,297,372</u>
K 1. Performance Measure Targets.^{1,4,5,6} The following is a listing of the key performance target levels for the Office of the Attorney General. It is the intent of the Legislature that appropriations made by this Act be utilized in the most efficient and effective manner possible to achieve the intended mission of the Office of the Attorney General. In order to achieve the			

L An agency’s second rider is its **Capital Budget**. Capital Budgets do not make additional appropriations, but rather direct the use of items of appropriation made above for specific uses. Capital Budgets direct the agency purchase or lease of vehicles, information resources, real property, or certain road or building construction or repair.

OFFICE OF THE ATTORNEY GENERAL
(Continued)

objectives and service standards established by this Act, the Office of the Attorney General shall make every effort to attain the following designated key performance target levels associated with each item of appropriation.

	2024	2025
A. Goal: PROVIDE LEGAL SERVICES		
Outcome (Results/Impact):		
Delinquent State Revenue Collected	50,000,000	50,000,000
A.1.1. Strategy: LEGAL SERVICES		
Output (Volume):		
Legal Hours Billed to Litigation and Legal Counsel	1,166,850	1,152,735
Efficiencies:		
Average Cost Per Legal Hour	144.5	123.78
B. Goal: ENFORCE CHILD SUPPORT LAW		
Outcome (Results/Impact):		
Percent of Title IV-D Cases That Have Court Orders for Child Support	86%	86%
Percent of All Current Child Support Amounts Due That Are Collected	66%	66%
Percent of Title IV-D Cases with Arrears Due in Which Any Amount Is Paid Toward Arrears	66%	66%
Percent of Paternity Establishments for Out of Wedlock Births	96%	96%
B.1.1. Strategy: CHILD SUPPORT ENFORCEMENT		
Output (Volume):		
Amount of Title IV-D Child Support Collected (in Millions)	4,450	4,450
Efficiencies:		
Ratio of Total Dollars Collected Per Dollar Spent	11.9	11.6
B.1.2. Strategy: STATE DISBURSEMENT UNIT		
Output (Volume):		
Number of Payment Receipts Processed by the SDU Vendor	22,000,000	22,000,000
C. Goal: CRIME VICTIMS’ SERVICES		
Outcome (Results/Impact):		
Amount of Crime Victims’ Compensation Awarded	82,561,809	84,490,756
C.1.1. Strategy: CRIME VICTIMS’ COMPENSATION		
Efficiencies:		
Average Number of Days to Analyze a Claim and Make an Award	42	42
D. Goal: REFER MEDICAID CRIMES		
D.1.1. Strategy: MEDICAID INVESTIGATION		
Output (Volume):		
Number of Investigations Concluded	500	500



2. Capital Budget.¹ Funds appropriated above may be expended for capital budget items listed below. The amounts identified for each item may be adjusted or expended on other capital expenditures, subject to the aggregate dollar restrictions on capital budget expenditures provided in the General Provisions of this Act.

	2024	2025
a. Acquisition of Information Resource Technologies		
(1) Child Support Hardware/Software Enhancements	\$ 100,000	\$ 100,000
(2) Crime Victims Management System - Enhancements and Support	350,000	350,000
(3) Consumer Data Privacy System	3,859,456	295,606
Total, Acquisition of Information Resource Technologies	\$ 4,309,456	\$ 745,606
b. Data Center/Shared Technology Services		
(1) Data Center Consolidation	\$ 59,620,386	\$ 59,620,386
(2) CS IT System Modernization Phase III - DCS	30,640,000	12,640,000
Total, Data Center/Shared Technology Services	\$ 90,260,386	\$ 72,260,386
c. Legacy Modernization		
(1) Legal Case Legacy Modernization	\$ 6,000,000	\$ 1,500,000
(2) CS IT System Modernization Phase III	6,688,252	3,000,000

M The **Method of Financing (Capital Budget)** section directs agencies in the use of MOFs for Capital Budget expenses.

N Additional riders follow an agency’s Performance Measure Targets (Rider 1) and Capital Budget (Rider 2). Riders may provide general direction on the use of agency appropriations or may provide direction relating to a specific strategy.

OFFICE OF THE ATTORNEY GENERAL (Continued)		
(3) Legal/Child Support Mainframe Decommissioning	14,625,000	10,000,000
Total, Legacy Modernization	\$ 27,313,252	\$ 14,500,000
Total, Capital Budget	<u>\$ 121,883,094</u>	<u>\$ 87,505,992</u>
M Method of Financing (Capital Budget):		
General Revenue Fund	\$ 44,599,792	\$ 29,161,936
GR Dedicated - Compensation to Victims of Crime Account No. 469	\$ 170,800	\$ 170,800
Federal Funds	\$ 66,768,613	\$ 52,454,367
<u>Other Funds</u>		
Appropriated Receipts	\$ 10,196,677	\$ 5,571,677
Interagency Contracts	<u>147,212</u>	<u>147,212</u>
Subtotal, Other Funds	<u>\$ 10,343,889</u>	<u>\$ 5,718,889</u>
Total, Method of Financing	<u>\$ 121,883,094</u>	<u>\$ 87,505,992</u>
N 3. Cost Allocation, Reporting Requirement. The Office of the Attorney General is directed to continue an accounting and billing system by which the costs of legal services provided to each agency may be determined. This cost information shall be provided to the Legislative Budget Board and the Governor within 60 days after the close of the fiscal year.		
4. Child Support Collections.		
a. The Office of the Attorney General shall deposit Child Support Retained Collections in a special account in the Comptroller’s Office. The account shall be called the Child Support Retained Collection Account. Child Support Retained Collections shall include the state share of funds collected by the Office of the Attorney General which were previously paid by the State as Aid to Families with Dependent Children (AFDC) or Temporary Assistance for Needy Families (TANF) or foster care payments, all child support enforcement incentive payments received from the federal government, and all revenues specifically established by statute on a fee or service-provided basis and pertaining to the Child Support Enforcement Program.		
b. Amounts earned as interest on, and allocated by the Comptroller of Public Accounts to, the Child Support Trust Fund No. 994, in excess of \$808,289 in fiscal year 2024 and \$808,289 in fiscal year 2025, shall be transferred monthly by the Comptroller of Public Accounts to such funds from the General Revenue Fund, and all amounts so transferred are appropriated to the Office of the Attorney General for use during the 2024-25 biennium, in addition to the amounts otherwise appropriated herein. Amounts transferred pursuant to this provision shall be shown as a separate, individual entry in the Method of Finance in all standard reports regularly utilizing a method of finance which are submitted to the Governor’s Office or the Legislative Budget Board.		
c. The Office of the Attorney General, in cooperation with the Comptroller of Public Accounts, shall develop and maintain such cost centers and/or subaccounts within the Child Support Trust Fund No. 994 and/or the Child Support Retained Collection Account as may be determined necessary or appropriate to separately account for, and allocate the interest earned on, the various sources for receipts deposited to, and types of expenditures made from such funds. The Comptroller of Public Accounts shall separately allocate interest earned by the State to each such cost center and/or subaccount, or to such groupings thereof as may be designated by the Office of the Attorney General for purposes of reporting interest earned to the federal government.		
d. The Comptroller of Public Accounts is directed to transfer and carry forward all the balances of funds in the Child Support Trust Fund No. 994 and the Child Support Retained Collection Account as of August 31, 2023, as such funds are to be available for use in fiscal year 2024. Any balances in the Child Support Trust Fund No. 994 and the Child Support Retained Collection Account on hand as of August 31, 2024, shall be carried forward in such funds as funding sources for the appropriation for fiscal year 2025.		
A302-FSize-up-1-A	I-6	September 6, 2023

○ For the version of the GAA published with *Fiscal Size-Up*, endnotes are added to explain changes from the conference committee version of the GAA. Typically these changes are from appropriations that previously appeared in Article IX, gubernatorial vetoes of appropriation authority, and other legislation affecting appropriations.

OFFICE OF THE ATTORNEY GENERAL
(Continued)



¹ Incorporates Article IX, Section 18.02, of this Act, due to enactment of HB 4, 88th Legislature, Regular Session, relating to the regulation of the collection, use, processing, and treatment of consumers’ personal data by certain business entities, resulting in increases of \$5,269,057 in FY 2024 and \$1,644,817 in FY 2025 out of General Revenue Funds and increases of 12.0 FTEs in each fiscal year of the biennium. Performance Measures and the Capital Budget are adjusted accordingly.

² Incorporates Article IX, Section 18.03, of this Act, due to enactment of SB 1133, 88th Legislature, Regular Session, relating to a program to compensate landowners for property damage caused by certain criminal activities, resulting in increases of \$18,000,000 out of General Revenue Funds and 10.0 FTEs each fiscal year of the biennium.

³ Incorporates Article IX, Section 18.07, of this Act, due to enactment of HB 90, 88th Legislature, Regular Session, relating to benefits for certain members of the Texas military forces and survivors of members of the Texas military forces, resulting in an increase of \$2,000,000 in FY 2024 out of General Revenue – Dedicated Compensation to Victims of Crime Account No. 469.

⁴ Incorporates Article IX, Section 18.41, of this Act, due to enactment of SB 49, 88th Legislature, Regular Session, relating to crime victims’ compensation, resulting in increases of \$1,256,635 in FY 2024 and \$1,671,555 in FY 2025 out of General Revenue – Dedicated Compensation to Victims of Crime Account No. 469 and 4.0 FTEs each fiscal year of the biennium. Performance Measures are adjusted accordingly.

⁵ Incorporates Article IX, Section 18.58, of this Act, due to enactment of SB 1401, 88th Legislature, Regular Session, relating to the rights of victims of sexual assault and to certain procedures and reimbursements occurring with respect to a sexual assault or other sex offense, resulting in increases of \$1,440,071 in FY 2024 and \$1,263,196 in FY 2025 out of General Revenue – Dedicated Compensation to Victims of Crime Account No. 469. Performance Measures are adjusted accordingly.

⁶ Incorporates adjustments to Performance Measures based on funding levels.

⁷ Relevant legislation failed to become law.

