



# LEGISLATIVE BUDGET BOARD

## **Senate Bill 1** *as Introduced*

***2026-27 Biennium***

**PRESENTED TO SENATE FINANCE COMMITTEE  
LEGISLATIVE BUDGET BOARD STAFF**

**JANUARY 2025**

# Senate Bill 1, by Method of Finance

MOF Type	2024-25	2026-27	\$ Change	% Change
General Revenue	\$ 142,644.4	\$ 151,626.5	8,982.1	6.3%
General Revenue - Dedicated	9,901.8	6,981.1	(2,920.7)	-29.5%
Federal Funds	108,326.9	98,531.3	(9,795.6)	-9.0%
Other Funds	72,095.7	75,774.6	3,678.9	5.1%
<b>TOTAL</b>	<b>\$ 332,968.8</b>	<b>\$ 332,913.6</b>	<b>(55.3)</b>	<b>-0.02%</b>

*Totals may not sum due to rounding.*

# All Funds, by Article

Article	2024-25	2026-27	\$ Change	% Change
1 – General Gov't	\$ 21,639.1	\$ 16,278.4	(5,360.6)	-24.8%
2 – Health/Human Services	101,651.3	103,064.8	1,413.5	1.4%
3 – Public Education	89,141.2	96,839.8	7,698.6	8.6%
3 – Higher Education	32,510.2	32,493.1	(17.1)	-0.1%
4 – Judiciary	1,241.2	1,133.1	(108.1)	-8.7%
5 – Public Safety/Criminal Justice	19,485.3	19,901.5	416.2	2.1%
6 – Natural Resources	11,055.8	7,216.0	(3,839.8)	-34.7%
7 – Business/Econ Development	49,832.2	49,114.1	(718.1)	-1.4%
8 – Regulatory	5,891.9	5,929.9	38.0	0.6%
9 – General Provisions	-	402.5	402.5	-
10 – Legislature	520.8	540.3	19.5	3.7%
<b>TOTAL</b>	<b>\$ 332,968.8</b>	<b>\$ 332,913.6</b>	<b>(55.3)</b>	<b>-0.02%</b>

*Totals may not sum due to rounding.*

# General Revenue Funds, by Article

Article	2024-25	2026-27	\$ Change	% Change
1 – General Gov't	\$ 11,040.2	\$ 10,627.3	(412.9)	-3.7%
2 – Health/Human Services	43,571.5	44,524.1	952.6	2.2%
3 – Public Education	47,835.0	50,807.2	2,972.2	6.2%
3 – Higher Education	21,475.6	22,160.3	684.7	3.2%
4 – Judiciary	850.9	772.1	(78.8)	-9.3%
5 – Public Safety/Criminal Justice	13,401.1	19,376.5	5,975.4	44.6%
6 – Natural Resources	2,639.9	1,387.5	(1,252.4)	-47.4%
7 – Business/Econ Development	881.1	845.1	(35.9)	-4.1%
8 – Regulatory	428.3	483.8	55.5	13.0%
9 – General Provisions	-	102.5	102.5	-
10 – Legislature	520.8	540.1	19.3	3.7%
<b>TOTAL</b>	<b>\$ 142,644.4</b>	<b>\$ 151,626.5</b>	<b>8,982.1</b>	<b>6.3%</b>

*Totals may not sum due to rounding.*

*In addition to amounts shown above, the 2026-27 introduced bill transfers \$5.0 billion in General Revenue to the Texas Energy Fund, \$3.0 billion (contingent on legislation) for dementia prevention and research, and \$15.3 billion to the Property Tax Relief Fund, which includes \$3.0 billion in funding for additional property tax relief, contingent on legislation.*

# All State Funds, by Article

Article	2024-25	2026-27	\$ Change	% Change
1 – General Gov't	\$ 16,055.5	\$ 12,866.9	(3,188.6)	-19.9%
2 – Health/Human Services	45,656.0	46,501.2	845.2	1.9%
3 – Public Education	76,406.6	83,130.6	6,724.1	8.8%
3 – Higher Education	29,494.9	29,829.6	334.7	1.1%
4 – Judiciary	1,234.9	1,129.2	(105.7)	-8.6%
5 – Public Safety/Criminal Justice	13,705.5	19,573.6	5,868.1	42.8%
6 – Natural Resources	5,454.2	3,386.7	(2,067.5)	-37.9%
7 – Business/Econ Development	30,227.4	31,097.6	870.3	2.9%
8 – Regulatory	5,886.1	5,923.9	37.8	0.6%
9 – General Provisions	-	402.5	402.5	-
10 – Legislature	520.8	540.3	19.5	3.7%
<b>TOTAL</b>	<b>\$ 224,641.9</b>	<b>\$ 234,382.2</b>	<b>9,740.3</b>	<b>4.3%</b>

*Totals may not sum due to rounding.*

# Major Funding Items

## PUBLIC EDUCATION

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

## PROPERTY TAX RELIEF

- Provides \$51 billion for new tax relief and maintain tax relief provided since HB 3, 86<sup>th</sup> Legislature. New relief for 2026-27 includes \$3.0 billion in additional compression of district property tax rates, contingency funding of \$3.0 billion in additional property tax relief by raising the homestead exemption, and intent to provide \$500 million in tax relief for businesses.

## HIGHER EDUCATION

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

# Major Funding Items

## BORDER SECURITY

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

## CRIMINAL JUSTICE & PUBLIC SAFETY

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

## HEALTH & HUMAN SERVICES

- Contingency funding of \$3.0 billion for the Dementia Prevention and Research Institute of Texas
- An increase of \$4.4 billion in All Funds for Medicaid and CHIP, primarily due to projected caseload growth
- \$756.2 million in General Revenue (\$1.8 billion in All Funds) to increase attendant wages to \$12 per hour
- \$84.5 million in General Revenue (\$89.6 million in All Funds) to the Department of Family and Protective Services to roll out Community Based Care at an additional four regions

## OTHER HIGHLIGHTS

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

# Major Funding Items

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

- Contingency funding of \$2.5 billion for water infrastructure and supply projects
- \$1.0 billion for an additional one-time legacy payment to the Employees Retirement System
- \$515.8 for construction and major repair and renovation projects at criminal justice facilities
- \$350.0 million to fund local rail grade crossing separation projects
- \$328.3 million to expand laboratory capacity through the Department of State Health Services
- \$315.0 million for emergency operations centers and resource storage and staging areas
- \$194.0 million to the Texas A&M Forest Service for the purchase of aircraft for wildfire suppression
- \$100.0 million to the Texas Historical Commission for the Courthouse Grant Program
- \$339.0 million for cross-article agency vehicle replacements



# Constitutional / Statutory Limitations

2026–27 Remaining General Revenue Spending Authority (in billions)	
<b>Pay-as-you-go Limit</b> <i>Texas Constitution, Article III, Section 49a</i>	\$12.4
<b>Tax Spending Limit</b> <i>Texas Constitution, Article VIII, Section 22</i>	\$6.9
<b>Consolidated General Revenue Limit</b> <i>Texas Government Code, Section 316.001</i>	\$14.2

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

# LBB Staff

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

Publications include:

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



# LEGISLATIVE BUDGET BOARD

## **Contact the LBB**

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