

Virtual TAC Legislative Breakfast

January 12, 2021

State Budget Outlook – Selected Items of
Interest to Texas Counties



Biennial Revenue Estimate – 2022-23 Biennium

On Jan. 11, 2021, Comptroller of Public Accounts Glenn Hegar released his Biennial Revenue Estimate (BRE) for the upcoming biennium

- \$112.5 billion in available revenue for general purpose spending
- The current budget (2020-21) shortfall down from \$4.6 billion to less than \$1 billion due to increase in revenue collections – mainly from online sales
- Expect agency 5% reduction plans, many of which target grants to local governments, to be used to eliminate remaining \$1 billion shortfall and any additional spending requirements for the two-year budget that ends Aug. 31, 2021
- Go to the [Comptroller's website](#) for the BRE document and Comptroller Hegar's presentation

Proposed 2022-23 Budget Requests with County Impacts

Governor's Office Programs

- **Disaster grant funds** to assist local governments in meeting the required 25% match for FEMA grants
 - down by \$83 million from 2020-21 levels
 - Governor requests a \$50 million exceptional item
- **County Essential Service grants** provide funding for unanticipated, extraordinary, and generally criminal justice-related expenses
 - down by \$3.7 million or 64% from 2020-21 levels

Governor's Office Programs (cont'd)

- **Criminal justice grants for local governments**
 - down by \$155 million from 2020-21 levels
 - impacts specialty court, truancy prevention and diversion, and incident-based reporting grants
 - \$15 million body camera grant program for local law enforcement (25% match requirement)
 - \$5 million increase for bullet-resistant vest grants for DPS and local law enforcement

Behavioral Health/Mental Health

- Funds to continue increasing **forensic bed capacity at state hospitals.**
- Funds for community-based mental health programs remain at 2020-21 appropriated levels
- Ensuring individuals with mental health needs receive treatment in the most appropriate setting is a priority for many counties

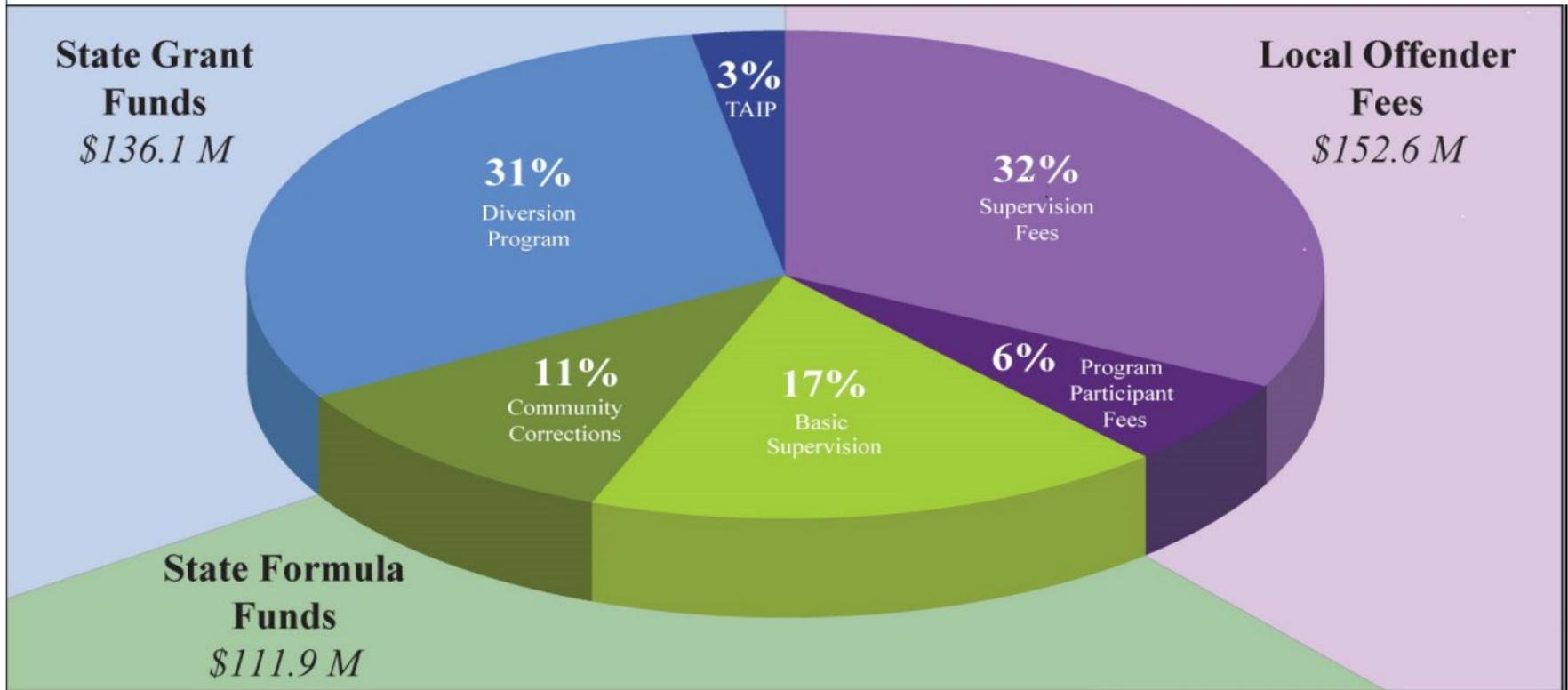
Indigent Defense

- Grants to counties for **indigent defense**, an underfunded mandate for which counties bear 90% of the cost
 - down by \$3.5 million from 2020-21 levels
 - Revenues to the Fair Defense Account down by \$5.8 million or more than 15% in FY2020 due to decline in misdemeanor cases and traffic tickets
 - Estimated appropriation authority request – appropriates all unspent balances and revenue dedicated for indigent defense purposes
 - The Indigent Defense Commission request also allows more counties to qualify for public defender offices

Adult Probation

- State funding for **Community Supervision and Corrections Departments (CSCDs)**, which represents 62% of a CSCD's operating budget
 - down by \$15.8 million
 - state supports the adult probation system via formula and discretionary allocations to the 123 CSCDs
 - CSCDs receive court-ordered fees from offenders and county support
 - Texas Department of Criminal Justice (TDCJ) reckons the proposed cuts would eliminate more than 70 Community Supervision Officers, among other impacts
 - TDCJ requests an exceptional item to restore CSCD funding to 2020-21 levels

TDCJ: FY 2020 CSCD Funding Sources – State and Local



State Funding (62%)		FY2020	Local Offender Fees (38%)	
Basic Supervision		\$68.7 million	Supervision Fees	\$129.2 million
Community Corrections		\$43.2 million	Program Participant Fees	\$23.4 million
Diversion Programs		\$125.3 million		
Treatment Alternative to Incarceration Program (TAIP)		\$10.8 million		
		\$248.0 million	\$152.6 million	
TOTAL		\$400.6 million		

Juvenile Probation

- State funding for juvenile probation departments, which represents 25% of the juvenile system's total costs
 - down by more than \$10.3 million from 2020-21 levels
 - prevention and intervention grants are zero-funded in FY2020 and the 2022-23 baseline request
 - 5% cuts to formula funding for basic supervision, community programs, commitment diversions, and more.
 - Exceptional items to
 - restore baseline reductions (a total of \$12.5 million)
 - increase the state's share of juvenile system's costs by 5% (\$66.8 million)
 - fund the validated risk and needs assessment required of youth under supervision by [HB 3689](#), 81st Legislature, 2009

As we did during the 86th Legislative Session, the TAC Legislative team will [track budget items of interest](#) to counties throughout the upcoming budget process.

For more information on this presentation, contact Zelma Smith, zelmas@county.org or your Association's legislative consultant.