

THE STATE BUDGET

87th Texas Legislature, Regular and First-Called Session

By the numbers

\$248.5 BILLION*

Total Appropriations for the 2022-23 Biennium

\$13.5 billion ▼

less than the 2020-21 biennial budget as adjusted by the supplemental appropriations made in **House Bill 2**:

\$15.5 BILLION ▼ decrease in federal funding.

\$5.9 BILLION ▲ increase in General Revenue funds.

\$3.9 BILLION ▼ decrease in other funds.

5.4% ▼ Total decrease of \$13.5 billion

Projected balance in the Rainy Day Fund, as of Aug. 31, 2023.

\$12 BILLION

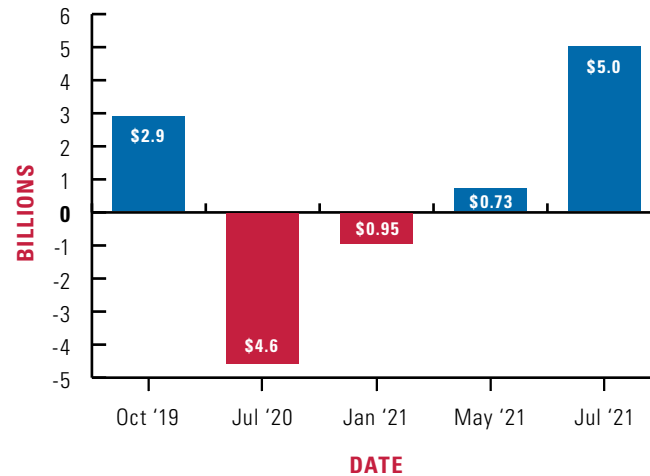
\$7.85 billion

Projected surplus in General Revenue funds, as of Aug. 31, 2023.

Not counted are significant amounts of federal fiscal relief funds through the American Rescue Plan Act and other relief packages proposed by the Biden administration.

*Gov. Greg Abbott vetoed funding for the legislative branch, reducing the biennial budget by \$410.2 million.

COMPTROLLER'S ESTIMATE - FY2021 ENDING BALANCE IN GENERAL REVENUE-RELATED FUNDS
(BILLIONS OF DOLLARS)



\$2.9 billion surplus – Comptroller's certification revenue estimate (CRE) for the 2020-21 biennium.
 \$4.6 billion deficit – Comptroller's revised CRE for the 2020-21 biennium.
 \$946 million deficit – Comptroller's Biennial Revenue Estimate (BRE) for the 2022-23 biennium.
 \$725 million surplus – Comptroller's updated BRE for the 2022-23 biennium.
 \$5.01 billion surplus – Comptroller's Revenue Estimate for the 87th Legislature, First-Called Session.

Due to reductions in General Revenue appropriations for the current two-year budget that ends Aug. 31, combined with surging revenue collections, Comptroller Glenn Hegar estimates a surplus of \$5 billion at the end of fiscal year 2021. The reductions reflect the 5% cuts to state agencies' budgets required by state leadership in May 2020 and the replacement of eligible General Revenue appropriations by federal fiscal relief funds.

This estimate represents a remarkable turnaround from the \$4.6 billion deficit Hegar projected in July 2020 for the end of fiscal year 2021. At the time, Hegar reduced his 2020-21 revenue estimate, citing the COVID-19 pandemic and volatile oil prices as the primary causes. See the chart above for estimates of the budget surplus (deficit) during the past two-year period.

Summary

Senate Bill 1, passed during the regular legislative session that ended May 31, is a balanced budget that complies with all constitutional spending limits and continues to fund public education priorities that were passed in the 2019 legislative session.

Some items affecting counties from the 2022-23 state budget:

▶ **\$8.4 BILLION** in behavioral health funding across 25 state agencies:

- An additional **\$30 million** in General Revenue for new rural and urban community health beds.
- An additional **\$86 million** in General Revenue for new state mental health hospital beds.
- An additional **\$321.3 million** to complete state hospital construction and begin work on new state hospitals in the Dallas area (the supplemental appropriations bill for the 2020-21 budget).

▶ **\$164.2 MILLION** to lower Child Protective Services caseworker workloads, fund foster care lawsuit needs, expand community-based care for foster kids and increase capacity in the foster care system.

▶ **\$123.5 MILLION** to return rural hospitals to full-cost reimbursement for the outpatient services they provide Medicaid beneficiaries.

▶ **\$95 MILLION** to assist counties in funding and delivering indigent defense services in criminal cases. Services are delivered via systems that best meet local needs, including public defender

offices, managed assigned counsel programs and attorney appointments. State grants provide only 10% of total statewide indigent defense costs, with the remaining 90% borne by counties.

▶ **\$34.5 MILLION** for grants to counties for renovation and rehabilitation of historic courthouses.

SB 1 includes targeted grants of:

- **\$6 million** for Mason County, whose courthouse was destroyed by fire in February 2021.
- **\$1.1 million** for Newton County.
- **\$1 million** for Tyler County.

HB 2 includes an additional \$25 million out of the Rainy Day Fund for grant funds available to counties via a request for proposal process.

▶ **\$34 MILLION** for reimbursements to counties for the retrofitting or purchase of new auditable voting machines and an increase of \$1.4 million for the training of county election officials.

▶ **\$15 MILLION** for grants to local law enforcement agencies for body-worn camera programs.