

Preliminary Summary of Committee Substitute for SB 1 (CSSB 1)

The information below provides a very high level overview of CSSB 1. A more detailed summary, specifically related to IDD services and related reimbursement rates and budget riders will soon follow.

On Wednesday, March 22, 2017 the Senate Finance Committee passed Committee Substitute for SB 1 (Appropriations bill). The bill will now go to the Senate Floor for a vote, after which it will be sent to the House. Next Tuesday is the expected date for CSSB 1 to be considered on the Senate Floor.

According to Senator Nelson, Chair of Senate Finance, **CSSB 1:**

- **Appropriates \$106.3 billion GR**, which is an increase from the **\$103.6 billion budget** introduced in January. *[According to Senator Nelson the bill “meets our responsibilities, keeps Texas on the path to success and prosperity, is well within the spending and constitutional limits and when passed by the Senate, will represent the priorities of the full Senate.”]*
- Proposes approximately **\$400 million in “cost-containment” measures (reductions)** that come from health and human services programs, **primarily in Medicaid**.
- Includes proposed **spending reductions** between 6 to 10 percent across **public universities**.
- Proposes **to delay sending some \$2.5 billion** in tax money earmarked for the Proposition 7 **transportation projects** for one month – from August 2019 to September 2019. This, in effect, would allow the state to balance the 2018-19 budget by **“borrowing”** money from the 2020-21 budget. *[According to Senator Nelson doing this is “a smart money management decision that allows us to responsibly meet our needs without raiding the Rainy Day Fund.”]*

General Highlights of CSSB 1:

- Dedicates approximately \$5B for transportation in accordance with Proposition 7;
- Adds \$44.9M to Railroad Commission to maintain operational stability & increase pipeline safety;
- Provides \$46.2M to fund preservation and updates to the Alamo;
- Includes \$40M to support infrastructure projects at Texas ports;
- Maintains veterans' services at current levels;
- Increases funding for the Commission on Jail Standards to improve the safety of local jails;
- Provides additional resources to DPS to prevent crimes against children;
- Fully funds the Cancer Prevention & Research Institute;
- Maintains the \$800M for border security approved last session;
- Includes \$25M for high caliber bullet-proof vests to protect Texas peace officers;
- Increases Crimestoppers funding by \$4M;
- Adds \$6.3M to strengthen oversight of guardianship;
- Directs the Department of Information Resources to study Texas' vulnerability to cyberattacks;
- Fully funds behavioral health peer assistance programs (dental, pharmacy, nursing & veterinary boards); and
- Fully funds the prescription monitoring program at the Board of Pharmacy

Health & Human Services Highlights of CSSB 1:

- **Adds \$18.2M for an additional 276 HCS waiver slots for foster children aging out of the system;**
- **Increases funding for Medicaid to provide caseload growth at FY 18 levels**
- **Assumes over \$400M in cost containment initiatives [House calls for \$110,000 M GR];**
- Provides \$3.4B for CPS, an increase of \$430M over FY 16-17 levels, including:
 - \$180M increase to continue pay raises and the 828 additional caseworkers and support staff approved over the interim;
 - \$116M to strengthen foster care capacity by increasing rates and expanding community-based foster care to four additional regions; and
 - \$55M to hire 386 new conservatorship caseworkers to reduce caseloads;
- Provides an additional \$15M in child abuse prevention funds to maintain programs and services;
- Allows DFPS to allocate \$3M to address youth homelessness and human trafficking;
- Provides a \$780M commitment for new construction and significant repairs to the state hospital system, plus \$145M for other “critical life and safety” capital needs at state hospitals and SSLCs;

- Adds \$244M for mental health services in Article II, including:
 - \$63M to eliminate community mental health services' wait lists;
 - \$44M to maintain indigent behavioral health services to former NorthSTAR consumers;
 - \$10M to maintain level funding for current purchased psychiatric hospital beds; and
 - \$35M to maintain state hospital service levels and increase maximum security capacity;
- Provides \$20M for the Texas Veterans + Family Alliance, a grant program to assist veterans with post-traumatic stress and other mental health issues; and
- Maintains funding for women's health programs at current appropriated levels, a \$31M increase over current spending levels, and requires additional program reporting requirements.

Education Highlights of CSSB 1:

- Continues the current funding formulas for public education;
- Adds \$2.65B to cover student enrollment growth, which is projected to be more than 80,000 per year over the next two years;
- Provides \$65M for a new public-private partnership to ensure high quality pre-kindergarten throughout the state;
- Includes \$25M for E-Rate, a program to bring broadband infrastructure to Texas schools lacking those services;
- Includes \$5M for Pathways in Technology Early College High School (P-TECH), a new program designed to help students pursue careers in technology;
- Adds \$316M to fund SB 788 by Senator Huffman to mitigate the Teacher Retirement System shortfall;
- Increases financial aid for public institutions of higher education, including an additional \$45M for TEXAS Grant;
- Replaces special items with \$700M in additional formula funding, which ensures that at least 90 percent of each higher education institution's FY 16-17 formula and special items are funded; and
- Increases Graduate Medical Education funding by \$44.1M with the goal of ensuring that residency slots are available for Texas medical school graduates.

Remarks of Interest by Senate Finance Committee Members

- Senator Larry Taylor: "We spend 52% of GR in education and 32% in Health and Human Services. HHS is highest in all funds.
- Senator Joan Huffman: "Article II and Article III are eating all the other articles alive. There are some great program suggestions that could not be implemented due to revenue issues. The State is growing and we are asking our agencies to act lean (not mean)."
- Senator Schwertner: "Article II is the driver of the budget and is appropriate yet not extravagant."
- Senator Kolkhorst: "The workgroups allowed us to dive deeper into the numbers for cost savings and efficiencies."