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# Nelson Files SB 1, Senate's Base Budget Bill

Normal  
85th Session

On Tuesday, January 17, Senator Jane Nelson (R-Flower Mound) filed [SB 1](#) [1], the Senate's base budget, establishing the state's funding priorities for the next two years. The text of the bill is expected to be available later today. Below is a copy of her press release.

"This base budget is a starting point, and I look forward to working with my colleagues to develop a balanced budget that addresses our needs and strengthens our economy. While we will need to prioritize and make efficient use of our resources, I am confident we can meet the challenges ahead," Senator Nelson, chair of the Senate Finance Committee, said.

Last week, the Texas Comptroller issued his Biennial Revenue Estimate, indicating that the Legislature will have \$104.9 billion available for the FY 18-19 budget. **SB 1 allocates \$103.6 billion**, including additional resources for transportation, Child Protective Services and other priorities.

SB 1:

- Continues the current funding formulas for both public education and higher education;
- Adds \$2.65 billion to cover student enrollment growth, which is projected to be more than 80,000 per year over the next two years;
- Increases the education instructional materials allotment by \$29.6 million;
- Provides an additional \$32 million for high quality pre-kindergarten;
- Continues funding at current levels for Communities in Schools;
- Includes \$5 million for Pathways in Technology Early College High School (P-TECH), a new program designed to help students pursue careers in technology;
- Provides \$10 million to support Education Commissioner initiatives;
- Maintains current funding levels for Texas' major financial aid programs for public institutions of higher education, including TEXAS Grant;
- Adds \$44.1 million for Graduate Medical Education with the goal of ensuring that residency slots are available for Texas medical school graduates;
- Dedicates approximately \$5 billion for transportation in accordance with Proposition 7;
- Adds \$260 million to address the critical needs of Child Protective Services;
- Provides a \$1 billion commitment to improve the state hospital system and address other state facility needs;
- Includes \$63 million to eliminate waitlists for community mental health services;
- Keeps funding for women's health programs at current levels;

- Maintains veterans' services and the Texas Veterans + Family Alliance, a \$20 million grant program to assist veterans struggling with post-traumatic stress and other mental health issues;
- Fully funds the Cancer Prevention & Research Institute;
- Maintains the additional \$800 million for border security approved last session;
- Includes \$25 million for high caliber bullet-proof vests to protect Texas peace officers;
- Directs the Department of Information Resources to study the state's vulnerability to cyber-attacks.
- Balancing the state's needs against available revenue, SB 1 eliminates one-time expenditures from the previous budget; includes many agency recommendations for 4% savings; reduces funding for non-educational higher education initiatives; and calls for a 1.5% across-the-board budget reduction, exempting the Foundation School Program.

With declining oil revenue and growing needs, the Legislature faces several critical budget decisions this session, including:

- Structuring our school finance system to better meet the needs of students;
- Skyrocketing health care costs in Medicaid, the Teacher Retirement System, the Employee Retirement System and correctional managed care; and
- Addressing mental health needs of the state, including infrastructure and capacity challenges within the mental health state hospital system.
- “We have difficult decisions to make this session, and we will work tirelessly to address the needs of the state in a responsible manner,” Senator Nelson said.

In crafting the base budget, 16 agencies underwent strategic fiscal review – a modified form of zero-based budgeting. In an effort to improve transparency, five agency budgets are presented in a program-based format, and members will receive a program-based version of SB 1 in its entirety.

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## House Budget Bill Released

Normal  
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The initial 2018-19 budget introduced by Texas House leadership <sup>[1]</sup> released on Tuesday, January 17, puts additional resources into public education, child protection and mental health while increasing state spending by less than 1 percent, according to a press release sent out by Speaker Straus. The rest of the release states:

“We keep overall spending low while making investments in children and our future,” said Speaker Joe Straus, R-San Antonio. “We put an emphasis on public education, child protection and better mental health care. The Members of the House, beginning with the Appropriations Committee, will now have the chance to shape this budget and decide how best to allocate resources during an economic slowdown. This is the first step toward producing a balanced budget that reflects the priorities of the Texas House and does not raise taxes.”

Highlights of the initial House budget include:

- **Public Education.** The budget provides funding to pay for expected enrollment growth of about 165,000 students over the next two years. It also includes an additional \$1.5 billion for public education that is contingent upon the passage of legislation that reduces Recapture and improves equity in the school finance system.
- **Child Protection.** In December, the leaders of the House and Senate joined with Governor Greg Abbott to approve new caseworkers and investigators at Child Protective Services, as well as pay raises aimed at reducing employee turnover. Overall, the House budget provides \$268 million to bring additional stability to the CPS workforce.
- **Mental Health.** The House budget increases funding for behavioral health by \$162 million. The increase would allow the Legislature to eliminate wait lists for mental health services and implement recommendations of the House Select Committee on Mental Health, including early identification efforts, jail diversion programs and local collaborations to expand capacity of mental health treatment facilities. The increase also provides funding for the treatment of Post-Traumatic Stress Disorder among Veterans.

**The initial House plan appropriates \$108.9 billion in General Revenue.** It reduces funding for administrative costs and discretionary programs across state agencies. It also eliminates one-time funding provided by the last Legislature, such as completed capital and information technology projects. It also includes cost-containment efforts to reduce spending in Medicaid by \$100 million.

“The House will have a productive debate about where to go from here,” Speaker Straus said. “I’m

confident that the end product will put more dollars in the classroom, protect children and keep this state on sound fiscal footing.”

*To further compare House and Senate introduced budget bills visit the [LBB site](#) [2].*

***Both the House and Senate introduced bills along with estimates and summaries are now available on the LBB site.***

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