

**Preliminary Side-by-Side Comparison of House and Senate Budget Proposals**

	<b>2006-07</b>	<b>2008-09 House proposal</b>	<b>2008-09 Senate Proposal</b>
<b>All Funds (AF) Spending</b>	\$144.7 billion	\$164.3 billion* (\$19.6 billion, or 13.6%, more)  * <i>\$150.1 billion in HB 1, \$14.2 billion in HB 2 Not included: HB 15</i>	\$167 billion* (\$22.4 billion, or 15.5%, more)  <i>\$166.4 billion in HB 1; about \$400 million federal added by Frew amendment?; \$14.2 billion in HB 2</i>
<b>Without Property Tax Cut Funding</b>	\$142.4 billion All Funds	\$150.1 billion All Funds (\$7.7 billion, or <b>5.4%, more</b> )	\$152.6 billion All Funds (\$10.1 billion, or <b>7.1%, more</b> )
		<i>Comptroller's Revenue Estimate: Population and Consumer Inflation will each grow about 2% annually in 2008 and 2009 (8% combined effect). Health care inflation likely to be even higher.</i>	
<b><u>GR and GR Dedicated ONLY</u></b> <b>(COMPTROLLER-CERTIFIED PART OF THE BUDGET)</b>	\$71.3 billion  PLUS \$2.2 b GR for tax cuts	\$79 billion (\$7.7 billion, or 10.8%, more)  PLUS \$6.1 billion GR for property tax cuts	\$79.6 billion (\$8.3 billion, or 11.6%, more)  PLUS \$6.1 billion GR for property tax cuts
<b>Debt Service</b>	\$1.2 billion GR	\$1.5 billion GR (28.5% increase)	\$1.6 billion GR (38% increase)
<b>Unspent Funds</b>		House Research Organization says \$4.2 billion in General Revenue was left unappropriated, plus \$4.3 billion in Rainy Day Fund - \$9 billion total is unspent, after factoring in the supplemental spending bill (HB 15)	\$3.6 billion in GR unspent? Plus RDF

	<b>2006-07</b>	<b>2008-09 House proposal</b>	<b>2008-09 Senate Proposal</b>
<b>Medicaid (not counting Frew amendment)</b>	\$36.6 billion All Funds/ <b>\$13.4 billion GR/GR-Ded.</b>	\$36.9 billion All Funds (+0.7%)/ <b>\$14.7 billion GR/GR-Dedicated.</b> \$1.2 billion more GR, for caseload growth, acute care cost growth, full two years of Medicare clawback (prescription drugs) payments, less favorable match rate, and preventing community care waiting lists from growing.	\$38.8 billion All Funds (+6.2%)/ <b>\$15.5 billion GR/GR-Dedicated.</b> \$2 billion GR more than in 06-07, to fund House increases, plus pay for a <b>reduction</b> of community care waiting lists and <b>rate restorations/increases.</b>
		Both House and Senate fund these caseload levels: <b>2.94 million Medicaid Acute Care (incl. STAR+PLUS) recipient months per month in 2009, up from 2.81 million budgeted for 2007.</b> Compared to 2007, caseloads would grow 2% in 2008 and 2.6% in 2009. More than two-thirds of Medicaid clients are children.  Caseload assumptions the same in House and Senate for Aged/Medicare-eligible: STAR+PLUS, and for Disabled/Blind: STAR+PLUS	
<b>Frew</b>			Article IX amendment spells out use of \$707 million in GR/\$1.8 billion All Funds to address the settlement terms. Of this, \$241 million in GR/\$607 million All Funds was already “in the bill” for Article II rate increases. Remaining \$465.9 million in GR comes from across-the-board reductions of 0.59% to all Articles.
<b>CHIP</b>	\$1.0 billion All Funds, \$335 million GR.	\$2.1 billion All Funds, \$630 million in GR. <i>House has the contingency funding for 12-month eligibility/other HB 109 restorations, which raises caseloads by 68,537 in '08, 102,224 in '09.</i>	Funded at \$1.8 billion All Funds/\$575 million in General Revenue

	2006-07	2008-09 House proposal	2008-09 Senate Proposal
<b>CPS/Foster Care: Replace Rainy Day Funds with General Revenue</b>		Adds \$591 million in GR to Family and Protective Services budget, but does not actually pay for anything new	Same as House
<b>CPS Reform</b>		\$150.5 million more in GR to annualize CPS/APS reforms and keep the programs where they are in August 2007 (staff, salaries, method of finance).  Reform funding in HB 15, HB 1.	Same \$150.5 million more in GR that House added, for same purposes. Additional contingent funds (SB 758) of \$35 million GR, \$99 million All Funds, to keep CPS reforms going.
<b>Other HHS</b>			
TANF Cash Assistance	163,769 in 06, 137,068 in 07	2008 and 2009: only 131,820	Same as in House
Children served, Early Childhood Intervention (Comprehensive Svcs)	48,961 in 07	By 2009: 59,280	By 2009: 55,141
Children served, STAR prevention	6,078	By 2009: 6,745 per month	By 2009: 6,275
Adults, Substance Abuse Treatment	3,695	By 2009: 3,695 per month	By 2009: 4,613
Women and Children, Family Violence	87,102	By 2009: 88,602	By 2009: 90,102
		<i>House restores deferred month of payments to health care/other HHS providers (\$300 m GR?). House also uses QAF to generate revenue for nursing home rate increase and other health care provider rate increases.</i>	

	<b>2006-07</b>	<b>2008-09 House proposal</b>	<b>2008-09 Senate Proposal</b>
<b>Public Education: Foundation School Program</b> <b>(excluding Property Tax Relief)</b>	\$26.6 billion All Funds, including \$1.5 billion in facilities funding.	\$25 billion All Funds, including \$1.6 billion in facilities funding. House floor amendment redirected “pay for performance” funding to across-the-board pay raise for teachers.	\$25.1 billion All Funds, including \$1.7 billion in facilities funding.
		<i><b>\$1.1 billion is used to restore the Foundation School Program to its original payment schedule (last week of Aug. '09, instead of Sept. '09)</b></i>	
<b>Higher Education</b>			
Debt Service for Tuition Revenue Bonds authorized in 2006	—	\$307 million in GR	\$313 million in GR
Student Financial Aid		\$150.5 million GR increase <i>Texas Grants only: \$454 million for the biennium; would serve <b>75,680</b> students by 2009</i>	\$130.5 million GR increase <i>Texas Grants only: \$400 million for the biennium; would serve <b>63,556</b> students by 2009</i>
Enrollment growth at General Academic and Health-Related Institutions		\$49.2 million GR increase	\$84.5 million GR increase
Formula Funding Enrichment			\$205.5 million GR
Texas Tech El Paso Medical School, TAMU Pharmacy School		\$49 million GR	\$49 million GR
<b>State Parks</b>	\$97 million AF for state parks, \$16 million for local grants	\$112 million AF for state parks  \$33 million for local grants	\$113 million AF. Also: \$6 million for repairs  \$35 million for local grants
<b>Governor’s Funds</b>			
Enterprise Fund	\$141 m GR, \$47 m GR-Ded	No GR; \$120 m in GR-Dedicated	Same as House
Emerging Technology Fund	\$100 m GR	\$75 million GR	Same as House

	<b>2006-07</b>	<b>2008-09 House proposal</b>	<b>2008-09 Senate Proposal</b>
<b>System Benefit Fund</b>		Restores PUC Discount Program at \$170 million for the biennium	Restores Discount Program at \$85 million (only for summer months)
<b>Prisons: Incarceration and treatment of adult felons</b>		\$4.5 billion All Funds. Rehabilitation/diversion proposal (TDCJ Rider 83) includes \$154 million in General Revenue increases for substance abuse and mental health treatment, probation, parole, and prison chaplains.	\$4.6 billion All Funds. TDCJ Rider 85: \$201 million for rehabilitation/diversion. Also: issue remaining Proposition 8 bonds (\$283 million), of which \$233 million would be used to build three 1,330-bed prisons. (2,146 more incarcerated by 2009, compared to House.)
<b>Border Security Proposal</b>		\$100.3 million in GR	\$54.4 m All Funds (\$10 m GR)
<b>Transportation</b>		\$16.7 billion All Funds for TxDOT — most of \$0.7 billion increase in Other Funds is due to TX Mobility Fund, highway revenue bonds	Same as House
<b>Child Support Enforcement (Attorney General's Office)</b>	\$161 million in General Revenue; \$529 million All Funds	\$67 million (39%) GR increase, but not enough to offset federal funding cuts. All Funds: \$516 million (2.4% decrease)	Same as House
<b>Child Care for Low-Income Families (Texas Workforce Commission – TWC)</b>	84% of child care funding is federal		
TANF Choices (receiving cash assistance)	\$140.2 m, All Funds. About 14,000 children/day in 2006; <b>15,000</b> in 2007	\$161.2 million, All Funds (\$21 million [15%] increase) <b>16,900</b> children served daily in 2008 and 2009	Same as House

	<b>2006-07</b>	<b>2008-09 House proposal</b>	<b>2008-09 Senate Proposal</b>
Transitional Child Care	\$89.8 million, All Funds	\$90.1 million, All Funds (\$0.3 million [0.3%] increase)	Same as House
At-Risk Child Care	\$706.9 million, All Funds  Children in Transitional/At-Risk Combined: 104,400 in 2006, <b>103,100</b> in 2007	\$667.9 million, All Funds (\$39 million [5.5%] decrease)  Children Served: 99,565 in 2008, <b>96,964</b> in 2009 (6% fewer than in 2007)  Waiting list: 29,870 estimated for 2008, 29,089 for 2009	Same as House
<b>Customized Job Training (TWC)</b>			
Skills Development Fund	\$40.3 million in GR/GR-Ded.; <b>19,854</b> customers served in 2007	\$49.6 million <b>19,425</b> customers/year	Same as House
Self-Sufficiency Fund	\$12.3 million, all TANF federal; <b>4,703</b> customers served in 2007	\$6.2 million (50% reduction) <b>2,279</b> customers/year	Same as House
<b>Public Employee Health Care</b>			
	ERS: \$1.179 billion in GR	\$1.231 billion GR (4.4% more)  Funding recommendations are based on holding the state-paid premiums at fiscal year 2007 levels. <b>If this turns out to be insufficient, higher co-pays or benefit cuts may result.</b>	\$1.271 billion GR (7.8% more)  Additional funds allow for a premium increase of 1 percent per year, compared to fiscal 2007. Senate also puts \$139 million more in GR into the Higher Ed Group Insurance Program (vs. House increase of \$26 million).

	2006-07	2008-09 House proposal	2008-09 Senate Proposal
		<i>State employee health care: House &amp; Senate plan both require spending down the \$315 million ERS insurance trust fund balance. Both House and Senate decrease GR to fund health care for TRS retirees; instead, a Trust Fund balance will be spent.</i>	
<b>Public Employee Retirement</b>	\$383 m GR  TRS rate at 6% ORP at 6% ERS at 6.45%	\$463 million GR (20.8% more)  TRS state contribution rate is increased to 6.7% (\$700 million GR cost); ORP raised to 6.4% (\$39 million more); ERS raised to 7.3% (\$126 million All Funds)	\$409 million GR (6.7% more)  TRS rate raised to 6.4% (\$539 million more); ORP increase is same as in House version; ERS rate is continued at 6.45% (requires \$36.2 million more in All Funds)
<b>State Employee Pay</b>			GR-Related Only: \$112 million for merit pay raises; \$64 million for targeted pay increases
<b>State Employee Staffing Levels</b>	225,596 total FTEs budgeted for 2007	228,452 FTEs by 2009 <i>84,069 for Education</i> <i>53,521 for Prisons/Safety</i> <i>50,145 for HHS</i>	229,907 FTEs by 2009 <i>84,177 for Education</i> <i>53,953 for Prisons/Safety</i> <i>50,806 for HHS</i>
		<i>HHSC needed a higher FTE cap so that state staff could take over the eligibility/enrollment work that will no longer be done by contractors.</i>	
<b>New General Obligation Bonds</b>			In addition to using up remaining bond authority to build prisons and make repairs at School for the Blind, Senate budget also uses \$331.6 million in <b>new</b> \$1 billion bond authority (voters would have to approve this through a constitutional amendment)
<b>Article XI "Wish List"/Contingencies</b>		\$4.5 billion, All Funds	\$1.8 billion, All Funds

