



Conference Committee on SB1: A Ten-Minute Flirtation with Transparency...

**Opening Salvo, Fire in
the Hole**

April 29, 2021



The Conference Committee on SB1 met this morning, teasing us with a brief glimmer of open government. Not so fast there, Cowboy (or in my case, Eagle). The Legislative Budget Board made a presentation and then Chair Nelson said, “We are getting to work immediately”. Cameras zoomed in, fingers sat poised over keyboards and then the Committee dissolved into secret chambers where one can only imagine the dark arts hold sway.

Committee members include:

Senate:

- Nelson,
- Huffman,
- Kolkhorst,
- Nichols, and
- Taylor

(Not a Democrat to be seen.)

The House, in a nod to an attempt at bipartisanship, included

- Bonnen,
- Mary Gonzales,
- Capriglione,
- Walle, and
- Wilson.

The presentation by the LBB can be found below. The reader is advised to see other documents by Texas Insight for a more in-depth analysis of the differences between the two Bills.

Presentation by the Legislative Budget Board [[here](#)].

Senate Bill 1, by Method of Finance

Method of Finance Type	SENATE	HOUSE	Difference
General Revenue Funds	\$117,941.6	\$118,052.9	(\$111.3)
General Revenue–Dedicated Funds	\$6,327.7	\$6,175.1	\$152.5
Federal Funds	\$86,665.0	\$83,389.1	\$3,275.8
Other Funds	\$39,769.7	\$39,283.2	\$486.4
ALL FUNDS <i>(in millions)</i>	\$250,703.9	\$246,900.4	\$3,803.5

**Constitutional Limitations
Satisfactorily Addressed in Both Bills (Phew!)**

2022–23 Biennium		
	SENATE	HOUSE
Pay-as-you-go Limit <i>Texas Constitution, Article III, Section 49a</i>	\$0.5	\$0.2
Spending Limit Maximum GR Appropriations <i>Texas Constitution, Article VIII, Section 22</i>	\$3.8	\$4.5

These amounts compare each chamber's version of Senate Bill 1 with the Comptroller's Biennial Revenue Estimate and include other adjustments to be made, such as supplemental appropriations, 5% agency reductions, and the use of federal funds for public health / public safety salaries

All Funds, by Article

Article	SENATE	HOUSE	Difference
1 – General Government	\$7,188.3	\$6,745.1	\$443.1
2 – Health/Human Services	\$90,179.0	\$87,373.7	\$2,805.4
3 – Public Education	\$71,469.6	\$71,658.1	(\$188.5)
3 – Higher Education	\$22,981.7	\$22,533.1	\$448.6
4 – Judiciary	\$919.0	\$926.3	(\$7.3)
5 – Public Safety/Criminal Justice	\$12,864.9	\$12,744.2	\$120.7
6 – Natural Resources	\$7,492.8	\$7,532.8	(\$40.0)
7 – Business/Econ. Development	\$36,469.0	\$36,310.8	\$158.2
8 – Regulatory	\$729.1	\$680.9	\$48.2
10 – Legislature	\$410.4	\$395.4	\$15.0
TOTAL, ALL ARTICLES <i>(in millions)</i>	\$250,703.9	\$246,900.4	\$3,803.5

The “All Funds” number can be very deceiving, especially when comparing agency to agency and article to article. Programs like Medicaid which are highly dependent on general revenue to match the federal funds can look almost revenue effortless when compared to grant programs or other funding mechanisms. But they are anything but that. This becomes clearer when the table above is compared to the table below.

General Revenue Funds by Article

Article	SENATE	HOUSE	Difference
1 – General Government	\$4,318.6	\$4,067.7	\$250.9
2 – Health/Human Services	\$34,262.1	\$34,487.7	(\$225.5)
3 – Public Education	\$48,603.8	\$48,787.4	(\$183.6)
3 – Higher Education	\$16,032.8	\$16,074.0	(\$41.2)
4 – Judiciary	\$547.6	\$550.4	(\$2.9)
5 – Public Safety/Criminal Justice	\$12,024.0	\$11,906.6	\$117.4
6 – Natural Resources	\$966.8	\$1,003.8	(\$37.0)
7 – Business/Econ. Development	\$477.8	\$482.1	(\$4.3)
8 – Regulatory	\$298.1	\$298.2	(\$0.1)
10 – Legislature	\$410.2	\$395.2	\$15.0
TOTAL, ALL ARTICLES <i>(in millions)</i>	\$117,941.6	\$118,052.9	(\$111.3)

In Summary:

HIGHER EDUCATION

- Senate added \$48.6 million for GME expansion and \$19.5 million for the Child Mental Health Consortium through the Higher Education Coordinating Board (HECB).
- House provided \$110.0 million for additional student financial aid at the HECB.

PUBLIC SAFETY & CRIMINAL JUSTICE

- Senate included \$34.1 million for a 3% pay increase for Correctional Officers on maximum-security units and \$63.6 million for major safety and security repair projects at the Texas Department of Criminal Justice.

- Senate included \$39.1 million for Capitol security funding at the Texas Department of Public Safety (DPS).
- House added \$14.0 million to DPS for bulletproof windshields.

HOUSE BILL 2 (Supplemental Appropriations Bill)

- House provided ESF funding to multiple agencies for IT projects, construction and major repair projects, and costs to complete current construction in the Capitol Complex

After the LBB concluded... Like that... You could hear a pin drop as secrecy prevailed again at the Texas Capitol. Not a creature was stirring... not even a Democrat.

TEXAS INSIGHT COMPARATIVE DOCUMENT

ARTICLE II – HEALTH AND HUMAN SERVICES

SENATE				
(IN MILLIONS)	ESTIMATED/BUDGETED 2020–21	CSSB1 2022–23	BIENNIAL CHANGE	PERCENTAGE CHANGE
METHOD OF FINANCE				
General Revenue Funds	\$35,914.4	\$34,262.1	(\$1,652.3)	(4.6%)
General Revenue–Dedicated Funds	\$540.2	\$556.6	\$16.4	3.0%
Federal Funds	\$57,502.8	\$54,194.0	(\$3,308.8)	(5.8%)
Other Funds	\$1,738.2	\$1,166.3	(\$571.9)	(32.9%)
Total, All Methods of Finance	\$95,695.6	\$90,179.0	(\$5,516.5)	(5.8%)

HOUSE				
(IN MILLIONS)	ESTIMATED/BUDGETED 2020–21	HCSSB1 2022–23	BIENNIAL CHANGE	PERCENTAGE CHANGE
METHOD OF FINANCE				
General Revenue Funds	\$35,914.4	\$34,410.1	(\$1,504.3)	(4.2%)
General Revenue–Dedicated Funds	\$540.2	\$531.5	(\$8.7)	(1.6%)
Federal Funds	\$57,502.8	\$51,111.5	(\$6,391.3)	(11.1%)
Other Funds	\$1,738.2	\$1,167.2	(\$571.1)	(32.9%)
Total, All Methods of Finance	\$95,695.6	\$87,220.2	(\$8,475.4)	(8.9%)

MAJOR FISCAL AND POLICY ISSUES AFFECTING ARTICLE II. All Funds included in the Senate Committee Substitute for Senate Bill 1 (CSSB1) for the Health and Human Services agencies total \$90.2 billion, a decrease of \$5.5 billion from the 2020–21 biennium (House \$87.2 billion, a decrease of \$8.5 billion from 2020–21). General Revenue Funds and General



Revenue–Dedicated Funds total \$34.8 billion (Senate), a decrease of \$1.6 billion and \$34.9 billion, a decrease of \$1.5 billion (House).

Appropriations for Health and Human Services encompass many different programs, but the biennial All Funds decrease is primarily the result of the following areas:

- a decrease of \$1.8 billion in Federal Funds provided for response to the COVID-19 pandemic;(Senate and House)
- In the Senate there was a decrease of \$3.5 billion in All Funds associated with Medicaid and Children’s Health Insurance Program (CHIP) client services, primarily due to decreases in caseload associated with the assumed end of continued eligibility, which was required for states to receive the 6.2 percentage-point increase in the federal medical assistance percentage (FMAP) and related matches pursuant to the federal Families First Coronavirus Response Act (FFCRA). In the House the decrease was for the same purpose but was for \$6.1 million.
- a decrease of \$0.6 billion in Other Funds associated with funds from the Economic Stabilization Fund and bonds appropriated for capital repairs and renovations at state facilities and new construction of state mental health hospitals and other state-funded inpatient mental health facilities during the 2020–21 biennium (Senate and House).

HIGHLIGHTS. Senate provides funding of \$72.2 billion in All Funds, including \$25.1 billion in General Revenue Funds and \$0.1 billion in General Revenue–Dedicated Funds, at the three health and human services agencies for the Texas Medicaid program. House provides funding of \$69.3 billion in All Funds, including \$25.4 billion in General Revenue Funds and \$0.1 billion in General Revenue–Dedicated Funds, is provided at the three health and human services agencies for the same purpose. The Senate amount is a decrease of \$2.7 billion in All Funds and a decrease of \$1.3 billion in General Revenue Funds. The House amount is a decrease of \$5.6 billion in All Funds and \$0.9 billion in General Revenue Funds, these decisions include the following:

- \$67.2 billion (Senate) and \$64.7 billion (House) in All Funds for Medicaid client services, \$1.7 billion (Senate) and \$1.8 billion (House) in All Funds for programs supported by Medicaid funding, and \$3.2 billion (Senate) and \$2.9 billion (House) in All Funds for administration of the Medicaid program and other programs supported by Medicaid funding. The net decrease in Medicaid funding is due to a \$3.1 billion (Senate)and \$5.7 (House) decrease in All Funds in Medicaid client services. The Senate provides an offset of a \$0.3 billion increase in All Funds in administrative funding and a \$0.1 billion increase in All Funds in other programs supported by Medicaid funding; The House provides a \$0.1 billion decrease in All Funds in administrative funding offset by a \$0.1 billion increase in All Funds in other programs supported by Medicaid funding.
- Both houses assume less favorable FMAPs combined with the assumed loss of the 6.2 percentage-point increase in FMAP pursuant to the federal FFCRA result in a lower proportion of the program being funded with Federal Funds. Full funding for anticipated

increases in cost due to medical inflation, higher utilization, or increased acuity is not included; and

- Both the Senate and House assume 2020–21 biennial amounts for Medicaid supplemental funding to complete fiscal year 2021 expenditures.

Both Houses provide funding for non-Medicaid/CHIP behavioral health services at the three health and human services agencies totaling \$3.3 billion in All Funds, including \$2.5 billion in General Revenue Funds and General Revenue–Dedicated Funds, which includes funding for community mental health services; mental health services for veterans; inpatient mental health services at state-owned and community hospitals; and substance abuse prevention, intervention, and treatment services. This amount is a decrease of \$0.4 billion (Senate) and \$.05 (House) in All Funds primarily due to a decrease in Other Funds associated with funding from the Economic Stabilization Fund and bonds appropriated for onetime construction projects and certain capital repair and renovation projects at state mental health hospitals and other state-funded inpatient mental health facilities.

Figure 2 shows the All Funds included in Senate CSSB1 for each agency in Article II, and Figure 3 shows the General Revenue Funds for each agency. Figures 4 and 5 show these amounts in the House Bill. On the subsequent pages in this report are more details about funding levels for the agencies in Article II.

FIGURE 2

ARTICLE II – (SENATE) HEALTH AND HUMAN SERVICES, ALL FUNDS

(IN MILLIONS)				
FUNCTION	ESTIMATED/BUDGETED 2020–21	CSSB1 2022–23	BIENNIAL CHANGE	PERCENTAGE CHANGE
Department of Family and Protective Services	\$4,374.7	\$4,544.2	\$169.5	3.9%
Department of State Health Services	\$3,634.2	\$1,817.5	(\$1,816.6)	(50.0%)
Health and Human Services Commission	\$86,171.9	\$82,235.4	(\$3,936.6)	(4.6%)
Subtotal, Health and Human Services	\$94,180.8	\$88,597.1	(\$5,583.7)	(5.9%)
Employee Benefits and Debt Service	\$2,213.2	\$2,264.1	\$50.9	2.3%
Less Interagency Contracts	\$698.4	\$682.2	(\$16.2)	(2.3%)
Total, All Functions	\$95,695.6	\$90,179.0	(\$5,516.5)	(5.8%)

NOTES:

(1) May include anticipated supplemental spending adjustments.

(2) Biennial change and percentage change are calculated on actual amounts before rounding. Therefore, totals may not sum due to rounding.

SOURCE: Legislative Budget Board.

FIGURE 3
ARTICLE II – (SENATE) HEALTH AND HUMAN SERVICES, GENERAL REVENUE FUNDS

(IN MILLIONS)	ESTIMATED/BUDGETED	CSSB1	BIENNIAL	PERCENTAGE
FUNCTION	2020–21	2022–23	CHANGE	CHANGE
Department of Family and Protective Services	\$2,512.5	\$2,648.8	\$136.4	5.4%
Department of State Health Services	\$618.5	\$510.6	(\$107.9)	(17.4%)
Health and Human Services Commission	\$30,799.8	\$29,572.5	(\$1,227.2)	(4.0%)
Subtotal, Health and Human Services	\$33,930.7	\$32,731.9	(\$1,198.8)	(3.5%)
Employee Benefits and Debt Service	\$1,983.7	\$1,530.2	(\$453.5)	(22.9%)
Total, All Functions	\$35,914.4	\$34,262.1	(\$1,652.3)	(4.6%)

NOTES:

(1) May include anticipated supplemental spending adjustments.

(2) Biennial change and percentage change are calculated on actual amounts before rounding. Therefore, totals may not sum due to rounding.

SOURCE: Legislative Budget Board.

FIGURE 4
ARTICLE II – (HOUSE) HEALTH AND HUMAN SERVICES, ALL FUNDS

(IN MILLIONS)	ESTIMATED/BUDGETED	HCSSB1	BIENNIAL	PERCENTAGE
FUNCTION	2020–21	2022–23	CHANGE	CHANGE
Department of Family and Protective Services	\$4,374.7	\$4,516.2	\$141.5	3.2%
Department of State Health Services	\$3,634.2	\$1,845.0	(\$1,789.2)	(49.2%)
Health and Human Services Commission	\$86,171.9	\$79,261.6	(\$6,910.3)	(8.0%)
Subtotal, Health and Human Services	\$94,180.8	\$85,622.8	(\$8,558.0)	(9.1%)
Employee Benefits and Debt Service	\$2,213.2	\$2,278.9	\$65.7	3.0%
Less Interagency Contracts	\$698.4	\$681.5	(\$16.9)	(2.4%)
Total, All Functions	\$95,695.6	\$87,220.2	(\$8,475.4)	(8.9%)

NOTES:

(1) May include anticipated supplemental spending adjustments.

(2) Biennial change and percentage change are calculated on actual amounts before rounding. Therefore, totals may not sum due to rounding.

SOURCE: Legislative Budget Board.

FIGURE 5

ARTICLE II – (HOUSE) HEALTH AND HUMAN SERVICES, GENERAL REVENUE FUNDS

(IN MILLIONS)				
FUNCTION	ESTIMATED/BUDGETED 2020–21	HCSSB1 2022–23	BIENNIAL CHANGE	PERCENTAGE CHANGE
Department of Family and Protective Services	\$2,512.5	\$2,592.3	\$79.8	3.2%
Department of State Health Services	\$618.5	\$485.4	(\$133.1)	(21.5%)
Health and Human Services Commission	\$30,799.8	\$29,792.5	(\$1,007.3)	(3.3%)
Subtotal, Health and Human Services	\$33,930.7	\$32,870.1	(\$1,060.6)	(3.1%)
Employee Benefits and Debt Service	\$1,983.7	\$1,540.0	(\$443.7)	(22.4%)
Total, All Functions	\$35,914.4	\$34,410.1	(\$1,504.3)	(4.2%)

NOTES:

(1) May include anticipated supplemental spending adjustments.

(2) Biennial change and percentage change are calculated on actual amounts before rounding. Therefore, totals may not sum due to rounding.

SOURCE: Legislative Budget Board.

DEPARTMENT OF FAMILY AND PROTECTIVE SERVICES

Funding included in the Committee Substitute for Senate Bill 1 (CSSB1) for the Department of Family and Protective Services (DFPS) for the 2022–23 biennium totals \$4.5 billion in All Funds, including \$2.6 billion in General Revenue Funds and \$8.6 million in General Revenue–Dedicated Funds. These amounts represent a \$136.4 million, or 5.4 percent, increase in General Revenue Funds and a \$169.5 million, or 3.9 percent, increase in All Funds.

Funding included in the House Bill totals \$4.5 billion in All Funds, including \$2.6 billion in General Revenue Funds and \$8.6 million in General Revenue–Dedicated Funds. These amounts represent a \$79.8 million, or 3.2 percent, increase in General Revenue Funds and a \$141.5 million, or 3.2 percent, increase in All Funds.

HIGHLIGHTS. Both the Senate and House Funding includes a total of \$1.9 billion in All Funds and \$0.9 billion in General Revenue Funds. Where the bills depart is on how the increases are reflected. The Senate shows an increase of \$74.3 million in All Funds and \$35.6 million in General Revenue Funds from 2020–21 biennial spending levels, for the client services programs while the House reports an increase of \$67.3 million in All Funds and \$33.3 million in General Revenue Funds from 2020–21 biennial spending levels for client services programs:

- The Senate and House report \$1.1 billion in All Funds, including \$0.5 billion in General Revenue Funds. The Senate provides for Foster Care Payments, including those for Community-based Care (CBC). Senate Funding includes a \$15.3 million increase in All Funds, including a \$20.9 million increase in General Revenue Funds, from the 2020–21 biennial base while House funding includes an \$8.3 million increase in All Funds and a \$13.9 million increase in General Revenue Funds from the 2020–21 biennial base. The increase in both houses is due primarily to increases of \$4.3 million in General

Revenue Funds to provide a full biennium of payments to providers to support 24-hour awake supervision. Where the proposals depart is that the Senate provides \$7.0 million in General Revenue Funds for network support payments for CBC in Region 8B and for new Regions 3E, 4, 5, and 9, and \$5.5 million in Federal Funds for provider payments for the Qualified Residential Treatment Program (QRTP) pilot. Additionally, an increase of \$11.2 million in General Revenue Funds is offset by an equal decrease in Federal Funds due to less favorable federal medical assistance percentages (FMAP) and the assumed loss of the 6.2 percentage-point increase in FMAP pursuant to the federal Families First Coronavirus Response Act. The House provides \$5.5 million in Federal Funds for provider payments for the Qualified Residential Treatment Program (QRTP) pilot. The House, like the Senate also provides an increase of \$11.2 million in General Revenue Funds which is offset by an equal decrease in Federal Funds due to less favorable federal medical assistance percentages (FMAP) and the assumed loss of the 6.2 percentage-point increase in FMAP pursuant to the federal Families.

- Both the Senate and House provides \$636.5 million in All Funds, including \$289.7 million in General Revenue Funds, for Adoption Subsidies and Permanency Care Assistance (PCA) Payments. Funding includes a \$28.1 million increase in All Funds (\$25.7 million in General Revenue Funds) from the 2020–21 biennial base due primarily to an increase of \$24.7 million in All Funds (\$12.4 million in General Revenue Funds) for projected caseload growth in both adoption subsidies and PCA. Additionally, changes in the proportion of the program funded with General Revenue Funds are attributed to: (1) an increase of \$18.9 million in General Revenue Funds offset by an equal decrease in Federal Funds due to less favorable FMAPs and the assumed loss of the 6.2 percentage-point increase in FMAP; and (2) an increase of \$7.8 million in Federal Funds offset by an equal decrease in General Revenue Funds due to increased federal Title IV-E eligibility for adoption subsidies;
- Both houses provide \$121.8 million in All Funds, including \$18.5 million in General Revenue Funds, for Texas Workforce Commission (TWC) contracted day care services. Funding includes a \$32.2 million increase in All Funds (a \$5.7 million decrease in General Revenue Funds) from the 2020–21 biennial base due to projected growth in caseload, number of days per child, and average daily cost and to maintain a full biennium of rate increases implemented by TWC in October 2019 and October 2020; and
- Both Senate and House provide \$49.3 million in All Funds, including \$31.9 million in General Revenue Funds, for Relative Caregiver Payments. Funding includes a \$1.3 million decrease in All Funds (\$0.6 million in General Revenue Funds) from the 2020–21 biennial base due to projected decreases in the number of daily and post-permanency payments.

Funding includes \$1.7 billion in All Funds, including \$1.2 billion in General Revenue Funds, for Child Protective Services direct delivery staff, including services provided through CBC. This amount includes increased funding to biennialize CBC expansion that occurred during fiscal



year 2020 for Stage II in Regions 3B and 2 and for Stage I in Region 1. It also includes a full biennium of funding for CBC expansion into Stage II in Region 8A and Stage I in Region 8B, which has not yet occurred. This amount also provides funding to expand CBC into Stage II in Regions 8B and 1, and into Stage II in Regions 3E, 4, 5, and 9.

The proposals depart from each other regarding case workers. In the Senate, funding is also provided for an additional 127.0 caseworkers and related staff in fiscal year 2022 and 156.0 in fiscal year 2023. In the House, funding is provided for an additional 253.0 caseworkers and related staff in fiscal year 2022 and 312.0 in fiscal year 2023

Senate funding includes reductions totaling \$10.4 million in General Revenue Funds for the 2022–23 biennium while the House has reductions totaling \$5.6 million in General Revenue Funds for the 2022–23 biennium. The reductions in both are associated with the following initiatives identified by the agency: savings for the Statewide Intake Automated Call Distribution System; reduction in mileage reimbursement and other travel savings; reductions in costs for various Prevention and Early Intervention contracts; continued delay of a fingerprint program; savings for the information technology help desk; and savings from conferences and professional development trainings.

Senate Funding includes \$62.6 million in All Funds, including \$58.9 million in General Revenue, for the 2022–23 biennium to address the foster care litigation. House funding includes \$85.2 million in All Funds, including \$80.0 million in General Revenue Funds, for the 2022–23 biennium for the same purpose. The funding in both houses includes implementing caseload guidelines, additional staff to perform heightened monitoring of residential facilities, investigation staff, staff to perform required documentation of cases, technological upgrades to DFPS's Information Management Protecting Adults and Children in Texas (IMPACT) system and reimbursing court monitors.

The federal Family First Prevention Services Act (FFPSA) is intended to be fully implemented by September 2021. In accordance with FFPSA, the federal government will no longer provide Title IV-E matching funds for children placed in foster care congregate settings after two weeks of placement unless the child is placed in a QRTP or licensed residential family-based treatment facility. FFPSA also provides a 50 percent federal match if the state invests additional General Revenue Funds in approved prevention programs. Texas received \$50.3 million in Federal Funds pursuant to the Family First Transition Act (FFTA) to assist in implementation of FFPSA.

Senate funding for the 2022–23 biennium includes \$12.0 million (Senate) and \$22 million (House) in FFTA Federal Funds for a QRTP pilot and system upgrades, for a Senate increase of \$7.7 million and a House increase of \$14.3 million from the amount budgeted for those purposes in fiscal year 2021. The proposals depart further where the Senate provides \$3.0 million to expand services for the Nurse Family Partnership program. The remaining \$30.9

million in Federal Funds may be directed by the Legislature. Funding included in CSSB1 does not assume increased General Revenue Funds or a loss of Title IV-E Federal Funds for foster care placements, additional funding that may be needed to implement QRTPs, or additional investment in prevention programs to draw additional Title IV-E Federal Funds. The House provides \$9.0 million to pilot FFPSA prevention services through CPS, \$8.9 million to purchase services for children who are at imminent risk of entering DFPS conservatorship and \$5.2 million to expand services for the Nurse Family Partnership program. Funding included in the bill does not assume increased General Revenue Funds or a loss of Title IV-E Federal Funds for foster care placements, additional funding that may be needed to implement QRTPs, or additional investment in prevention programs to draw additional Title IV-E Federal Funds.

DEPARTMENT OF STATE HEALTH SERVICES

Funding included in both houses for the Department of State Health Services (DSHS) for the 2022–23 biennium totals \$1.8 billion in All Funds, including \$0.5 billion in General Revenue Funds and \$0.3 billion in General Revenue–Dedicated Funds. These amounts represent an All Funds decrease of \$1.8 billion, or 50.0 percent, and a decrease in General Revenue Funds of \$107.9 million (Senate), or 17.4 percent and \$133.1 (House) million or 21.5%.

HIGHLIGHTS

- Funding in both houses includes \$126.8 million in Federal Funds for COVID-19 pandemic response in the 2022–23 biennium. This amount represents a decrease of \$1.7 billion in Federal Funds and \$50.0 million in General Revenue Funds transferred from the Health and Human Services Commission (HHSC) for COVID-19 pandemic response in the 2020–21 biennium.
- Senate Funding includes \$475.6 million in All Funds and \$130.0 million in General Revenue Funds for HIV/STD prevention, which represents an increase of \$31.2 million in All Funds and \$30.0 million in General Revenue Funds to address increasing costs and to maintain services in the Texas HIV Medication Program.
- House Funding includes \$47.4 million in All Funds, including \$32.1 million in General Revenue Funds and General Revenue–Dedicated Funds, for Data Center Services. This represents an increase of \$19.9 million in All Funds, including \$8.1 million in General Revenue Funds, for ongoing and increased costs following significant upgrades related to the infectious disease surveillance system
- House funding includes an increase of \$5.4 million in General Revenue Funds to provide a system viability assessment for the information technology platform used for DSHS health registries.
- Senate funding includes an increase of \$2.8 million in General Revenue–Dedicated Funds Account No. 341, Food and Drug Fee, and General Revenue–Dedicated Account No. 5024, Food and Drug Registration, to improve food safety licensure, inspection, and enforcement activities.

- Senate funding includes an increase of \$1.2 million in General Revenue Funds and General Revenue–Dedicated Funds to improve the functionality of the online licensure and registration system for businesses regulated by DSHS.
- Senate and House Funding includes a decrease of \$23.9 million in General Revenue Funds because onetime funding provided in the 2020– 21 biennium is not continued. These funds were provided for laboratory repair and renovation; Laboratory Information Management System upgrade; National Electronic Disease Surveillance System upgrade; vehicles; Texas Center for Infectious Disease repair and renovation; laboratory equipment; and onetime laboratory operating costs. Funding also represents a decrease of \$29.0 million in funding from the Economic Stabilization Fund (Other Funds) because onetime funding provided in the 2020–21 biennium for an emergency generator for the laboratory and trauma capacity and response infrastructure is not continued.
- Senate funding includes reductions totaling \$27.3 million in General Revenue Funds and General Revenue–Dedicated Funds for the 2022–23 biennium. The House provides \$32.9 million in reductions. Both houses make these reductions to address associated initiatives identified by the agency including: \$6.0 million for the Medical Child Abuse Resources and Education System; \$4.6 million in administrative support services payments that DSHS makes to HHSC; and \$4.0 million to remove the zoster (shingles) vaccine from the formulary for adult immunization.
- Senate funding includes changes in method of financing that reduce General Revenue Funds by \$29.6 million and replace those funds with \$7.4 million in General Revenue–Dedicated Funds and \$22.3 million in Other Funds due to projected revenue and account balances. The House includes changes in method of financing that reduce General Revenue Funds by \$32.0 million and replace those funds with \$9.7 million in General Revenue–Dedicated Funds and \$22.3 million in Other Funds due to projected revenue and account balances. These changes in both houses include replacing General Revenue Funds with \$22.3 million from the Public Health Medicaid Reimbursements Account (Other Funds); \$3.4 million from General Revenue–Dedicated Account No. 524, Public Health Services Fee; \$2.3 million from General Revenue–Dedicated Account No. 129, Hospital Licensing (House only); \$2.0 million from General Revenue–Dedicated Account No. 5108, EMS, Trauma Facilities, Trauma Care Systems; and \$2.0 million from other General Revenue–Dedicated accounts.

HEALTH AND HUMAN SERVICES COMMISSION

Senate funding is for the Health and Human Services Commission (HHSC) for the 2022–23 biennium totals \$82.2 billion in All Funds, which is a decrease of \$3.9 billion in All Funds from the 2020–21 biennium. General Revenue Funds total \$29.6 billion, a decrease of \$1.2 billion from the 2020–21 biennium.

The House funding included in the bill for the Health and Human Services Commission (HHSC) for the 2022–23 biennium totals \$79.3 billion in All Funds, which is a decrease of \$6.9 billion

in All Funds from the 2020–21 biennium. General Revenue Funds total \$29.8 billion, a decrease of \$1.0 billion from the 2020–21 biennium

HIGHLIGHTS

Senate	House
<p>Medicaid Funding in CSSB1 for Medicaid client services at HHSC for the 2022–23 biennium includes \$67.2 billion in All Funds, including \$23.6 billion in General Revenue Funds and General Revenue–Dedicated Funds.</p> <p>This amount represents a decrease of \$3.1 billion in All Funds, including of \$1.3 billion in General Revenue Funds, from 2020–21 biennial spending levels.</p> <p>Funding includes: an increase of \$51.2 million in All Funds, including \$20.0 million in General Revenue Funds, to remove prior authorization requirements for direct acting antiviral treatment for Hepatitis C Virus</p> <p>an increase of \$51.3 million in All Funds, including \$20.0 million in General Revenue Funds, to provide for 1,023 additional</p>	<p>Medicaid Funding for Medicaid client services at HHSC for the 2022–23 biennium includes \$64.7 billion in All Funds, including \$23.9 billion in General Revenue Funds and General Revenue–Dedicated Funds.</p> <p>This amount represents a decrease of \$5.7 billion in All Funds, including a decrease of \$1.0 billion in General Revenue Funds, from 2020–21 biennial spending levels.</p> <p>Funding includes an increase of \$112.9 million in All Funds, including \$44.4 million in General Revenue Funds, to remove prior authorization requirements for direct acting antiviral treatment for Hepatitis C Virus</p> <p>Not in House Bill</p>

<p>waiver slots to reduce the interest list for certain community care waiver services.</p> <p>Not in Senate Bill</p> <p>Funding includes a decrease of \$375.0 million in General Revenue Funds for Medicaid cost-containment initiatives and program efficiencies.</p> <p>Less favorable federal medical assistance percentages (FMAP) combined with the assumed loss of the 6.2 percentage-point increase to FMAP pursuant to the federal Families First Coronavirus Response Act result in a lower proportion of the program being funded with Federal Funds.</p> <p>The resulting increase in General Revenue Funds demand is offset partially by a decrease in General Revenue Funds demand due to the overall projected reduction in Medicaid client services.</p> <p>Cost growth for the 2022–23 biennium is not included. The 2020–21 biennial spending levels for Medicaid client services assume supplemental funding to complete fiscal year 2021 expenditures.</p>	<p>an increase of \$90.1 million in All Funds, including \$35.1 million in General Revenue Funds, to support client service costs associated with transitioning day habilitation services to individualized skills and socialization.</p> <p>Not in House Bill</p> <p>Less favorable federal medical assistance percentages (FMAP) combined with the assumed loss of the 6.2 percentage-point increase to FMAP pursuant to the federal Families First Coronavirus Response Act result in a lower proportion of the program being funded with Federal Funds.</p> <p>The resulting increase in General Revenue Funds demand is offset partially by a decrease in General Revenue Funds demand due to the overall projected reduction in Medicaid client services.</p> <p>Cost growth for the 2022–23 biennium is not included. The 2020–21 biennial spending levels for Medicaid client services assume supplemental funding to complete fiscal year 2021 expenditures.</p>
<p style="text-align: center;">CHIP</p> <p>Identical Summaries</p> <p>Funding for Children’s Health Insurance Program (CHIP) client services for the 2022–23 biennium includes \$1.8 billion in All Funds, including \$0.5 billion in General Revenue Funds, which is a decrease of \$0.4 billion in All Funds, including an increase of \$0.1 billion in General Revenue Funds, from 2020–21 biennial spending levels. The All Funds decrease is related primarily to</p>	<p style="text-align: center;">CHIP</p> <p>Identical Summaries</p> <p>Funding for Children’s Health Insurance Program (CHIP) client services for the 2022–23 biennium includes \$1.8 billion in All Funds, including \$0.5 billion in General Revenue Funds, which is a decrease of \$0.4 billion in All Funds, including an increase of \$0.1 billion in General Revenue Funds, from 2020–21 biennial spending levels. The All Funds decrease is related primarily to</p>

<p>projected caseload decreases in the 2022–23 biennium and expected lapses in the 2020–21 biennium that are not accounted for. Less favorable enhanced FMAPs (EFMAP) combined with the loss of the 11.5-percentage-point increase to EFMAP pursuant to the federal Helping Ensure Access for Little Ones, Toddlers, and Hopeful Youth by Keeping Insurance Delivery Stable Act and the assumed loss of the 6.2 percentage-point increase to FMAP result in a decrease in the proportion of the program that is federally funded. Cost growth for CHIP during the 2022–23 biennium is not included.</p>	<p>projected caseload decreases in the 2022–23 biennium and expected lapses in the 2020–21 biennium that are not accounted for. Less favorable enhanced FMAPs (EFMAP) combined with the loss of the 11.5-percentage-point increase to EFMAP pursuant to the federal Helping Ensure Access for Little Ones, Toddlers, and Hopeful Youth by Keeping Insurance Delivery Stable Act and the assumed loss of the 6.2 percentage-point increase to FMAP result in a decrease in the proportion of the program that is federally funded. Cost growth for CHIP during the 2022–23 biennium is not included.</p>
<p>Medicaid and CHIP Contracts</p> <p>Funding for Medicaid and CHIP contracts and administration totals \$1.6 billion in All Funds, including \$0.5 billion in General Revenue Funds, which is an increase of \$0.3 billion in All Funds, including \$22.3 million in General Revenue Funds, from 2020–21 biennial spending levels. Funding includes an increase of \$291.6 million in All Funds, including \$34.6 million in General Revenue Funds, for modernization of the Medicaid Management Information System and transition of the Vendor Drug Program; \$32.1 million in All Funds, including \$3.4 million in General Revenue Funds, for technology enhancements for local intellectual and developmental disabilities (IDD) authorities, IDD providers, and service coordinators; \$8.0 million in All Funds, including \$1.3 million in General Revenue Funds, for expansion of electronic visit verification to home health services; and \$0.9 million in All Funds, including \$0.5 million in General Revenue Funds, to establish a registry of individualized skills and socialization providers.</p>	<p>Medicaid and CHIP Contracts</p> <p>Not addressed in the House Bill</p>

Non-Medicaid/CHIP Behavioral Health	Non-Medicaid/CHIP Behavioral Health
<p>Funding for non-Medicaid/CHIP behavioral health totals \$3.3 billion in All Funds, including \$2.5 billion in General Revenue Funds and General Revenue–Dedicated Funds.</p>	<p>Funding for non-Medicaid/CHIP behavioral health totals \$3.2 billion in All Funds, including \$2.4 billion in General Revenue Funds and General Revenue–Dedicated Funds.</p>
<p>This amount includes funding for inpatient client services at state and community mental health hospitals; outpatient services provided through local mental health authorities and local behavioral health authorities; substance abuse prevention, intervention, and treatment services for adults and children; mental healthcare services for veterans; and various other services.</p>	<p>This amount includes funding for inpatient client services at state and community mental health hospitals; outpatient services provided through local mental health authorities and local behavioral health authorities; substance abuse prevention, intervention, and treatment services for adults and children; mental healthcare services for veterans; and various other services.</p>
<p>This amount is a decrease of \$0.4 billion in All Funds, primarily due to a decrease in Other Funds associated with funding from the Economic Stabilization Fund and bonds appropriated for onetime construction projects and certain capital repair and renovation projects at state mental health hospitals and other state-funded inpatient mental health facilities.</p>	<p>This amount is a decrease of \$0.5 billion in All Funds, primarily due to a decrease in Other Funds associated with funding from the Economic Stabilization Fund and bonds appropriated for onetime construction projects and certain capital repair and renovation projects at state mental health hospitals and other state-funded inpatient mental health facilities.</p>
<p>This amount is partially offset by an additional \$102.7 million in General Revenue Funds and 260.0 full-time-equivalent positions provided for state and community mental health hospitals, including: \$71.4 million in General Revenue Funds for expanded operations at Kerrville State Hospital and the new inpatient facility in Harris County; \$30.0 million in General Revenue Funds to purchase additional inpatient capacity in rural and urban areas of the state; and \$1.3 million in General Revenue Funds to provide Hepatitis C treatment to patients.</p>	<p>Not Address in House Bill</p>
<p>Behavioral health-related expenditures in Medicaid are estimated to be \$3.7 billion in All Funds for the biennium, when including cost growth that is not funded, and</p>	<p>Behavioral health-related expenditures in Medicaid are estimated to be \$3.7 billion in All Funds for the biennium, when including cost growth that is not funded, and</p>

<p>behavioral health-related expenditures in CHIP are estimated to be \$98.9 million in All Funds for the biennium, when including cost growth that is not funded. Total behavioral health-related funding at HHSC, including estimated Medicaid and CHIP expenditures, is estimated to be \$7.1 billion in All Funds for the biennium.</p>	<p>behavioral health-related expenditures in CHIP are estimated to be \$98.9 million in All Funds for the biennium, when including cost growth that is not funded. Total behavioral health-related funding at HHSC, including estimated Medicaid and CHIP expenditures, is estimated to be \$7.0 billion in All Funds for the biennium.</p>
<p style="text-align: center;">Other Client Services</p> <p>Funding includes General Revenue Funds increases for several client services programs, including: an increase of \$20.0 million for the Alternatives to Abortion program; an increase of \$7.5 million for the Family Violence Program; and an increase of \$8.0 million for Child Advocacy Centers.</p> <p style="text-align: center;">Foster Care Litigation</p> <p>Funding includes \$29.0 million in General Revenue Funds to respond to the foster care litigation, including: implementing caseload guidelines; performing heightened monitoring of certain residential childcare facilities; reimbursing court monitors; necessary technology upgrades to the Childcare Licensing Automated Support System (CLASS); and a new Compliance and Quality Assurance team.</p> <p>Funding for childcare licensing also includes \$7.3 million in General Revenue Funds to migrate Residential Child Care Licensing IT systems from the Department of Family and Protective Services to HHSC and upgrade WebLogic.</p> <p style="text-align: center;">Rainy Day Fund</p> <p>Funding includes a decrease of \$163.5 million from the Economic Stabilization Fund and bonds (Other Funds) for capital repairs and renovations at the state supported living centers.</p>	<p style="text-align: center;">Other Client Services</p> <p>Funding includes Federal Funds increases for several client services programs, including an increase of \$13.0 million for the Family Violence Program and an increase of \$21.9 million for Child Advocacy Centers.</p> <p style="text-align: center;">Foster Care Litigation</p> <p>Funding includes \$31.0 million in General Revenue Funds to respond to the foster care litigation, including: implementing caseload guidelines; performing heightened monitoring of certain residential child care facilities; reimbursing court monitors; necessary technology upgrades to the Childcare Licensing Automated Support System (CLASS); and a new Compliance and Quality Assurance team.</p> <p>Not addressed in the House Bill</p> <p style="text-align: center;">Rainy Day Fund</p> <p>Funding includes a decrease of \$163.5 million from the Economic Stabilization Fund and bonds (Other Funds) for capital repairs and renovations at the state supported living centers.</p>

COVID Related Federal Funds	COVID Related Federal Funds
Funding in CSSB1 does not include any Federal Funds for response to the COVID-19 pandemic for the 2022–23 biennium, which represents a decrease of \$100.9 million in Federal Funds.	Funding in the bill does not include any Federal Funds for response to the COVID-19 pandemic for the 2022–23 biennium, which represents a decrease of \$100.9 million in Federal Funds.

This summary contains supplemental information from third-party sources where that information provides clarity to the issues being discussed. Not every comment or statement from the speakers in these summaries is an exact transcription. For the purpose of brevity, their statements are often paraphrased. These documents should not be viewed as a word-for-word account of every meeting or hearing, but a summary. Every effort has been made to ensure the accuracy of these summaries. The information contained in this publication is the property of Texas Insight and is considered confidential and may contain proprietary information. It is meant solely for the intended recipient. Access to this published information by anyone else is unauthorized unless Texas Insight grants permission. If you are not the intended recipient, any disclosure, copying, distribution or any action taken or omitted in reliance on this



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