

TEXAS BUDGET TRENDS IN ARTICLES IV & V

OVERVIEW

The 84th Texas Legislature passed a 2016-17 total budget including state and federal funds of \$209.1 billion for an increase of 2.9 percent from the previous budget’s expected expenditures ([Legislative Budget Board \(LBB\) 2016a, 2](#)). Although this was a conservative budget, defined as an increase at or below the increase in population growth plus inflation of 6.5 percent during the prior two fiscal years ([Heflin and Ginn 2015, 5](#)), individual budget functions that increase by more than this key metric deserve scrutiny.

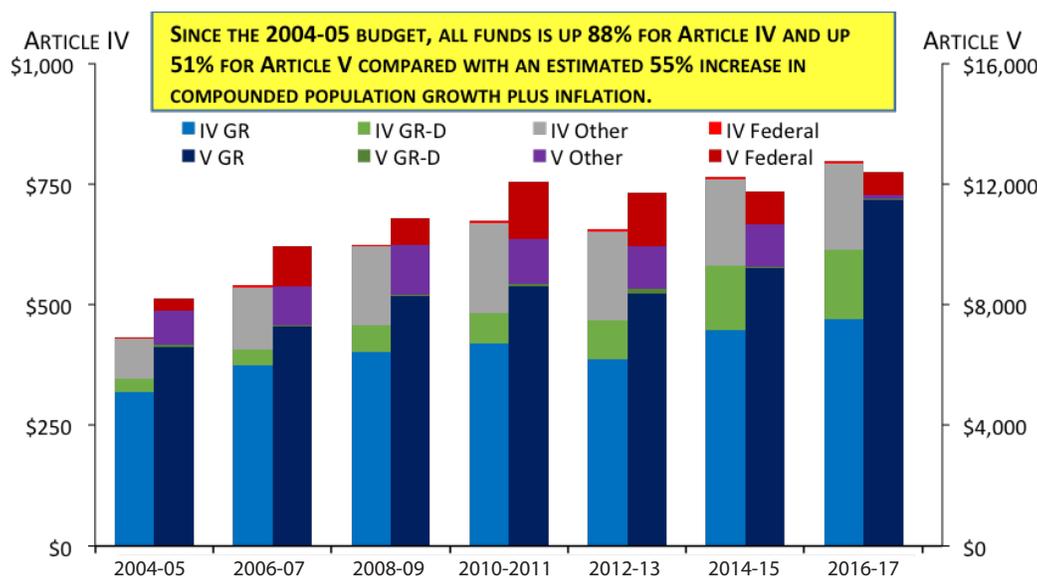
Trends in Articles IV & V Budgets Compared with Population Growth Plus Inflation Since 2004-05

Article IV includes judiciary functions as the Supreme Court of Texas, Court of Criminal Appeals, and the Comptroller’s Judiciary Section that handles payments to judicial personnel. The 2016-17 all funds appropriations to Article IV is \$807.8 million, an increase of \$43.3 million, or 5.7 percent, from the previous budget’s expected expenditures.

Article V includes functions related to public safety and criminal justice such as the Alcoholic Beverage Commission, Department of Criminal Justice, and the Department of Public Safety. Appropriations increased by \$563.6 million, or 4.7 percent, to \$12.4 billion in the 2016-17 all funds budget. Both articles are primarily funded by general revenue funds.

Chart 1 notes that the Article IV budget has increased by more than compounded population growth plus inflation since the 2004-05 budget, for a cumulative increase over each budget period through 2016-17 of \$4.5 billion. However, the Article V budget has increased by less than this key metric during this period with a cumulative increase of \$77.1 billion.

Chart 1: Articles IV & V budget growth vs. population growth plus inflation since 2004-05.



Notes: Data are from the Legislative Budget Board ([2016a](#)) and Heflin, et al. ([2015](#)) with expected spending in 2014-15 and 2016-17.

continued

By Talmadge Heflin and Vance Ginn, Ph.D.

- Article IV budget increased 88 percent and Article V budget is up 51 percent since the 2004-05 budget compared with a 55 percent increase in population growth plus inflation.
- The 84th Legislature appropriated \$807.8 million for Article IV in the 2016-17 all funds budget, which is an increase of 5.7 percent from the previous budget.
- The 84th Legislature appropriated \$12.4 billion for Article V in the 2016-17 all funds budget, which is an increase of 4.7 percent from the previous budget.

- These articles and functions should be watched closely as agencies make their requests and during the legislative process next session.



901 Congress Avenue
Austin, Texas 78701
512.472.2700

Article IV Budget Increases by Function

Although the current Article IV budget increased by less than population growth plus inflation, previous budget excesses since the 2004-05 budget warrant cautiously considering future budget changes in the judiciary. Chart 2 highlights major functions of Article IV that increased by more than or near 6.5 percent in appropriations from 2014-15 to 2016-17.

Chart 2: Major functions in 2016-17 all funds Article IV that increased by more than or near population growth plus inflation

FUNCTION (IN MILLIONS)	2014-15 APPROPRIATIONS	2016-17 APPROPRIATIONS	BIENNIAL CHANGE	PERCENTAGE CHANGE
<i>Office of Capital and Forensic Writs</i>	\$2.1	\$2.8	\$0.7	31.9%
<i>Supreme Court of Texas</i>	\$65.4	\$78.7	\$13.3	20.4%
<i>State Commission on Judicial Conduct</i>	\$1.9	\$2.2	\$0.3	16.2%
<i>Court of Criminal Appeals</i>	\$29.5	\$32.4	\$2.9	9.9%
<i>Office of Court Administration, Judicial Council</i>	\$150.4	\$159.9	\$9.5	6.3%

Sources: Legislative Budget Board ([2013](#), [2016b](#))

The primary causes for these increases are listed below:

- ★ \$0.7 million of the Office of Capital and Forensic Writs budget increase goes to “death penalty representation” for personnel, consumable supplies, travel, rent of buildings and machines, and other operating expenses ([LBB 2016b, IV-29](#)).
- ★ \$13 million of the Supreme Court of Texas budget increase is to fund “basic civil legal services” for eligible recipients, including victims of sexual assaults, veterans, and their families ([LBB 2016b, IV-1](#)).
- ★ \$300,000 of the State Commission on Judicial Conduct budget increase is for “administration and enforcement” that includes funding personnel, rents, and other expenses ([LBB 2016b, IV-33](#)).
- ★ \$1.3 million of the Court of Criminal Appeals budget increase is to provide “judicial education” for 23,312 participants per year that are “trained in judicial education courses” ([LBB 2016b, IV-4,5](#)).
- ★ \$12.3 million of the Office of Court Administration, Judicial Council budget increase is for “information technology” that includes funding related to “(1) centralized accounting and payroll/personnel system deployments”; and (2) the operation and administration of and practice in courts in the judicial branch of state government, the composition of certain juvenile boards, and the increase of certain filing fees” ([LBB 2016b, IV-23,28](#)).

Article V Budget Increases by Function

The current Article V appropriations compared with the 2014-15 expected expenditures and 2004-05 expenditures have increased by less than population growth plus inflation. However, there are certain functions within the current public safety and criminal justice budget that should be scrutinized when determining future budget changes. Chart 3 highlights key functions included in Article V that increased by more than 6.5 percent in appropriations from 2014-15 to 2016-17.

Chart 3: Functions in 2016-17 all funds Article V that increased by more than population growth plus inflation

FUNCTION (IN MILLIONS)	2014-15 APPROPRIATIONS	2016-17 APPROPRIATIONS	BIENNIAL CHANGE	PERCENTAGE CHANGE
<i>Military Department</i>	\$145.9	\$196.6	\$50.7	34.8%
<i>Alcoholic Beverage Commission</i>	\$88.3	\$100.1	\$11.8	13.4%
<i>Commission on Law Enforcement</i>	\$6.6	\$7.5	\$0.9	13.4%
<i>Department of Criminal Justice</i>	\$6,300.5	\$6,745.4	\$444.9	7.1%

Sources: Legislative Budget Board ([2013](#), [2016b](#))

The primary causes for these increases are listed below:

- ★ \$68.8 million of the Military Department budget increase is in “facilities management” to “provide adequate facilities for operations, training, and maintenance”; there were decreases in other areas of the budget, particularly for the “truck rebuild program” of \$16 million ([LBB 2016b, V-40](#)).
- ★ \$9 million of the Alcoholic Beverage Commission budget increase is for “enforcement” to “promote the health, safety, and welfare of the public” ([LBB 2016b, V-1](#)).
- ★ \$900,000 of the Commission on Law Enforcement budget increase is in “enforcement” that funds personnel to audit agencies for law and rule compliance and “enforce through license revocations, suspension, reprimand” ([LBB 2016b, V-37](#)).
- ★ \$170.8 million of the Department of Criminal Justice budget increase is in “correctional security operations”; \$75.9 million in “hospital and clinical care” and \$66.9 million in “unit and psychiatric care” for managed health care of patients ([LBB 2016b, V-5,6](#)).

CONCLUSION

Articles IV and V 2016-17 appropriations increased by less than the population growth plus inflation from the previous budget. However, budget trends since 2004-05 show that future changes should be watched closely as agencies make their requests and during the legislative process next session. Doing so will help secure that the total budget increases by less than population growth plus inflation each session. ★

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About the Authors



The Honorable Talmadge Heflin is the director of the Foundation's Center for Fiscal Policy. Prior to joining the Foundation, Heflin served the people of Harris County as a state representative for 11 terms. Well regarded as a legislative leader on budget and tax issues by Democratic and Republican speakers alike, he was the only House member to serve on both the Ways and Means and Appropriations committees for several terms.

In the 78th Session, Heflin served as chairman of the House Committee on Appropriations. He navigated a \$10 billion state budget shortfall through targeted spending cuts that allowed Texans to avoid a tax increase.



Vance Ginn, Ph.D. is an economist in the Center for Fiscal Policy at the Texas Public Policy Foundation. He is an expert on Texas' state budget, franchise tax, tax and expenditure limit, and other fiscal issues. Before joining the Foundation in September 2013, Ginn was a Koch Fellow, and taught at three universities and one community college in Texas. He has published peer-reviewed articles in academic journals, as well as commentaries in major media outlets across Texas and the nation.

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