# The Real Texas Budget: 2018

by Vance Ginn, Ph.D.
*Director, Center for Economic Prosperity and Senior Economist*

Talmadge Heflin
*Director, Center for Fiscal Policy*

Bill Peacock
*Vice President, Research*

### Key Points

- Texas' 2018-19 state budget includes initial appropriations of $216.8 billion, a 3.7 percent increase over the previous budget's initial appropriations.

- State spending has increased faster than the pace of population growth and inflation since 2004, at a cost to taxpayers of $14.8 billion this biennium, or almost $1,000 more, on average, for a family of four this year.

- The Real Texas Budget demonstrates the need for increasing budget transparency and restraining government spending.

- Legislators should pass a Conservative Texas Budget in 2019 holding increases in appropriations of all funds and state funds to less than population growth plus inflation from current levels.

## Introduction

By the end of the current two-year budget cycle on August 31, 2019, Texas' government will have spent more than $1.4 trillion in the 16 years since the state's fiscal year 2004. While collecting and spending this money takes a massive effort, even more challenging is accurately accounting for these dollars. Legislative tactics, insufficient reporting, and the complexity of the budget make it difficult for Texans to accurately assess the size and scope of their government, which has contributed to excessive state spending over time.

For example, total spending is expected to be up 7.3 percent above the pace of the key measure of population growth plus inflation from 2004 to 2019. This translates to Texans paying $14.8 billion more in taxes this biennium, or $1,000 more in taxes, on average, for a family of four this year alone, because of excessive government spending. This large burden and pace of growth underscore the need for Texas government to stop excessively spending taxpayer dollars. Fortunately, in 2015 and 2017, the 84th and 85th legislatures, respectively, made some progress to this end, as both passed what could be two straight conservative budgets that increase by less than population growth plus inflation—a historic milestone.

To help Texans accurately understand how the state is spending their money, the Foundation has combed through numerous sources to catalogue state spending and appropriations since FY 2004. The result is *The Real Texas Budget* (see appendix) that compares Texas appropriations and spending from 2004 through 2019. This paper highlights key findings:

- Texas' 2018-19 state budget includes initial appropriations of $216.8 billion, a 3.7 percent increase over the previous budget's initial appropriations, indicating that Texas' total spending this biennium may increase over fiscal years 2016-17 less than population growth plus inflation—4.5 percent for the two fiscal years (2015-16) immediately preceding the regular legislative session (LBB 2017a, 3).

- Initial appropriations do not tell the whole story because the Legislature delayed a $1.8 billion transfer from general revenue to the state highway fund until after the current biennium (22) and assumed expected savings of $1 billion in all funds for Medicaid client services (10). Even if these figures are included in total spending, total spending of $219.6 billion would increase by 1.5 percent, keeping it below population growth and inflation.

- Initial appropriations of state (non-federal) funds (2.7 percent increase) and general revenue funds (0.7 percent increase) in fiscal years 2018-19 increased by less than population growth and inflation, and total spending for both of these funds are currently also under this metric.

- In 2017 the Texas Legislature's total appropriations, including prospective and retrospective appropriations, increased $9.5 billion above those in 2015, a 4.5 percent increase.

The Real Texas Budget shows the difficulty Texans have in knowing how much of their money the government spends and that it is being excessively spent over time, meaning taxes are higher and economic activity is less than otherwise. It is also difficult for Texans to know what their money is being spent on. These challenges demonstrate the need for strengthening the state's spending limit while increasing budget transparency by providing near real-time online access to it and changing the appropriations bill to a program-based budget. By taking these steps, Texas can rein in excessive growth in state government to lower tax burdens resulting in abundant opportunities to flourish.

## The 2018-19 Texas Budget

In putting together *The Real Texas Budget*, the Foundation has relied on several sources. Texas' official repository of budget information is the Legislative Budget Board's (LBB) *Fiscal Size-Up*, generally published near the end of each odd-numbered year or early the next year following a legislative session. However, it should be noted that the report for the 2018-19 biennium has not yet been published—the latest in recent history—at the time of writing. Instead, we used the most recent budget publication, which is the LBB's (2017a, 3) *Summary of the Conference Committee Report for SB 1* that shows the Texas Legislature's initial appropriation of funds was $216.8 billion for 2018-19, a 0.2 percent increase over estimated spending in 2016-17. But, this does not provide Texans an accurate picture of the budget in the current biennium or the increase from the previous biennium.

To make an apples-to-apples comparison from one biennium to another, it is important to account for the fact that Texas primarily spends more in a biennium than the Legislature initially appropriates. For example, from 2004-05 to 2018-19, the initial appropriation of funds has totaled $1.39 trillion, which is $46.3 billion less than total spending during that time. A reason this happens is that the amount of money appropriated is generally an estimate of what will be spent, especially regarding federal funds, over the next 24 months—that start only a couple of months after passage of a budget. Another contributing factor is the Legislature's regular passage of a supplemental appropriations bill during the following legislative session which (usually) increases spending for the current biennium. This process is sometimes referred to as "backfilling." The major increase in funds usually associated with backfilling is Medicaid spending, as happened again in the 85th Legislature when they

passed a supplemental bill of $2.6 billion with $2.4 billion going to fund Medicaid during 2016-17 (LBB 2017b).

Accounting for all of this, initial data in *The Real Texas Budget* indicate that the 2018-19 budget could increase overall spending compared with the previous biennium's spending by less than the key metric of population growth plus inflation. Compared with 2016-17 expected spending, the 2018-19 initial appropriations of $216.8 billion is an increase of 0.2 percent—far less than the 4.5 percent growth of population plus inflation during fiscal years 2015 and 2016 (Heflin and Ginn, 1). However, we cannot be certain whether this holds until all the spending numbers are in for 2018-19, although consistent comparison of the increase in initial appropriations from 2016-17 to 2018-19 (a 3.7 percent increase) looks promising.

Budget comparisons for state (non-federal) and general revenue appropriations also look promising. *The Real Texas Budget* shows that the Texas Legislature's initially appropriated $141.1 billion of state funds for 2016-17 and $144.9 billion for 2018-19, a 2.7 percent increase that is well below population growth plus inflation. General revenue appropriations, the category over which legislators have the most control, is up only 0.7 percent. If spending for the current biennium follows the trends of appropriations, there is a good possibility that the 2018-19 Texas spending of state funds and general revenue will be below the Conservative Texas Budget growth rate limit of 4.5 percent (Heflin and Ginn, 1).

## Historical Spending

How much Texas expenditures have grown and whether that growth is too much or too little is a constant topic of debate. To shed some light on this topic, *The Real Texas Budget* looks back over the last 14 years of the Texas budget and then uses estimated spending for the next two years.

**Table 1** shows that since the beginning of FY 2004, biennial total spending for Texas government has grown by $92.6 billion or 74.6 percent.

Biennial spending in Texas during this period not only increased in absolute numbers, but also increased $14.8 billion (7.3 percent) above increases in the key metric of compounded growth in population plus inflation since 2004. This means that a family of four pays, on average, $1,000 a year more than they would had the Legislature increased the budget by no more than this key metric over time. **Table 1** shows that each of the subcategories of spending in the Texas budget increased by more than this key metric except general revenue-dedicated funds and federal funds.

**Table 1.** Total Texas spending (state and federal funds) by biennium (millions of $)

| Type | 2004-05 | 2018-19* | Change | | Change Adjusted for Pop+Inflation | | Total Spending |
|---|---|---|---|---|---|---|---|
| GR | $58,956.0 | $106,726.90 | $47.770.90 | 81.03% | $10,800.60 | 11.26% | $686,561.20 |
| ESF | 1,869.1 | 988.9 | n/a | | n/a | | 10,828.7 |
| GR+ESF Total | $60,825.10 | $107,715.80 | $46,890.70 | 77.09% | $8,748.20 | 8.84% | $697,389.90 |
| GR-D | 5,889.9 | 6,376.3 | 486.4 | | -3,207.1 | | 52,782.4 |
| Other | 13,042.9 | 30,807.00 | 17,764.1 | | 9,585.20 | | 487,440.2 |
| State Total | $79,757.90 | $144,899.10 | $65,141.20 | 81.67% | $15,126.30 | 11.66% | $937,612.50 |
| Federal | 44,376.1 | 71,858.80 | 27,482.7 | 61.93% | -344.8 | -0.48% | 497,326.2 |
| All Funds Total | 124,134.0 | $216,757.90 | $92,623.90 | 74.62% | $14,781.50 | 7.32% | $1,434,938.70 |

*Sources:* Legislative Budget Board and authors' calculations

Similarly, the LBB's numbers in *The Real Texas Budget* show that all categories of Texas spending have increased faster than population and inflation except for general revenue-dedicated funds and federal funds. The Legislature's decision to take $6.1 billion in patient income spending off the books in 2013 means the LBB's comparisons with previous budgets before the 2014-15 biennium are inaccurate when attempting to make an apples-to-apples comparison over time. Therefore, the spending excesses are smaller because the LBB's figures are not adjusted for the removal of patient income in other funds in 2014-15.

## What You See Is Not Always What You Get

As noted, backfilling through the supplemental appropriations process is common in Texas. Some of this is to be expected, of course. The Texas budget cycle lasts two years, and it is impossible for the Legislature to precisely forecast what should be spent over that period. Unfortunately,

the process often results in the public being misinformed about how much money the Legislature spends. **Figure 1** illustrates the difference between initial appropriations and spending in each budget cycle.

Total spending from 2004-05 through 2016-17 is estimated to be just over $1.22 trillion. However, the initial appropriation of funds during that period was only $1.17 trillion. That means the Texas Legislature has used backfilling, or the supplemental appropriations process, to spend around $46 billion.

The problem with overuse of backfilling is most apparent in the 2012-13 budget cycle. After the Legislature left town in 2011, it looked like it had trimmed spending to meet the anticipated $10 billion to $15 billion revenue shortfall. It had appropriated only $168 billion, down from the previous biennial spending of $182.6 billion. However, in 2013 the Legislature returned to the Capitol and restored many of these spending "cuts" and more through backfilling, resulting in an increase of total biennial spending to $185.3 billion. While the resulting 1.4 percent increase in biennial spending was a welcome relief in comparison to the previous few budget cycles, it did not match with the accounts of state spending from two years prior. In addition, it raised the baseline for spending in 2014-15, allowing appropriators to spend more than they would otherwise have been allowed under the state's constitutional spending limit. This resulted in a 26 percent increase in session appropriations from 2011 to 2013, providing a reminder that Texans

**Figure 1. A comparison of initial appropriations versus spending**
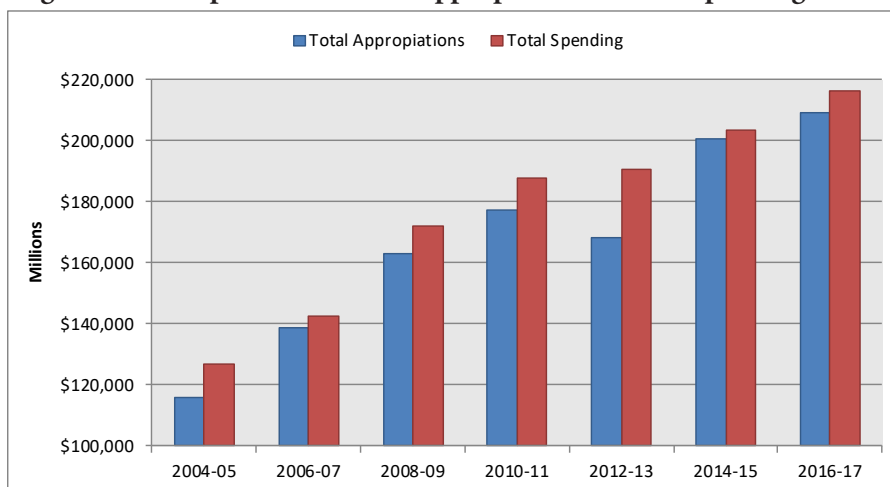


*Sources:* Legislative Budget Board and authors' calculations with expected spending for 2016-17.

deserve to have an accurate accounting of every one of their taxpayer dollars spent.

## *Recommendations*: Increase Budget Transparency and Restrain Government Spending

*The Real Texas Budget* is designed to give Texans an accurate picture of the state government's budget, which is how their tax dollars are being used. Developing this required the review of multiple appropriations bills, fiscal notes, and LBB publications. *To ensure its accuracy, we invite feedback from anyone.*

The difficulty in developing *The Real Texas Budget* leads the Foundation to renew its call for greater transparency in the budget process while effectively limiting spending.

### *Increase Budget Transparency*
Greater transparency can be accomplished by using program-based budgeting, zero-based budgeting, and real-time budgeting.

#### *Program-Based Budgeting*

The current strategy-based format of Texas' budget makes it challenging to track funds. This format was introduced in the 1993 appropriations bill with an objective of providing legislators with a longer-term view of budget goals beyond the two-year appropriation cycle. Although this is a reasonable objective, the lack of transparency obscures the funds approved for each agency program or service so there is little incentive to remove programs that are ineffective because of the difficulty of identifying them. This also creates problems for Texans to communicate with their legislators on how to vote on spending and for legislators not directly involved with writing the budget to determine spending priorities.

To overcome the shortcomings of the strategic budget format, the state should convert to a program-based budget format (Ginn 2016). This format would include each agency's income and expense listed by program, as is done in the agency's own internal budget, along with the source of funds for each line item.

#### *Zero-Based Budgeting*

Legislators too often simply add automatic spending increases on the previous budget. This budget inertia is highly inefficient. A helpful tool to improve efficiency and increase budget transparency would be to implement zero-based budgeting. Zero-based budgeting is a complete review of each agency's budget starting from scratch to determine the necessity of programs. Essential to successfully performing

zero-based budgeting is a review of all aspects of an agency or program, including its purpose, goals, and determined metrics to gauge success. Done correctly and often, zero-based budgeting would help restrain budget growth and therefore the government's footprint so taxes and fees can be lower than otherwise.

In 2003, Texas faced a projected $10 billion shortfall. Gov. Rick Perry sent the Legislature a budget with zeros next to each agency's line item and publicly stated that he would be against any budget that included a tax increase. The Legislature was asked to do the hard work of taking a detailed examination at what had become traditional spending patterns. Ultimately, the Legislature bridged the $10 billion budget shortfall by using a zero-based budgeting approach to eliminate inefficiencies within each agency while avoiding raising taxes for the 2004-05 biennium.

Other examples of the importance of program-based budgeting and zero-based budgeting include Gov. Abbott's *2018-19 Governor's Budget* that outlined what a program-based budget might include along with the necessity for starting each budget from scratch (16-18). Also, the Senate's version of the 2017 budget was filed with five agencies that submitted their budget request by program and 16 agencies underwent a version of zero-based budgeting, which are practices that should be continued and expanded (Nelson). While HB 114 and SB 272 introduced in the 85th Legislature would have required forms of zero-based budgeting, neither received a hearing, but they should be strongly considered next session. A positive effort of the passage of SB 1831 will help increase budget transparency by requiring the Comptroller to issue a report on state programs that do not receive appropriations but more should be done (Heflin and Berthelot). These changes will help simplify the budget process so programs can be efficiently reviewed to determine whether they should be eliminated, reduced, or expanded and more easily identify and deal with any waste, fraud, and abuse.

#### *Real-Time Budgeting*

The public should have access to near real-time budget data online. The current requirement of waiting for the LBB to publish documents puts taxpayer advocates days, weeks, or even months behind the appropriations process, especially this time when the *Fiscal Size-Up* for the budget passed last year has not been released. Yet agencies are already working on their appropriations requests and the next session is only months away. The exact format and content of the online access could take many forms, but one possible presentation of the data would be a spreadsheet format as is currently provided in the "State Budget by Program" on the LBB's

website. Taxpayers would be able to access past spending for each budget line item along with the proposed appropriations levels for the upcoming biennium. The data could be originally posted when state agencies submit their funding requests, and then updated once appropriation bills are drafted and filed. Updates should be made online throughout the legislative process as changes are made during hearings and after final adoption of the appropriation bill. Information about how much spending is being proposed in relation to the constitutional spending limits should also be included.

It is reasonable to expect the Legislature to provide transparency and accountability of taxpayer dollars so Texans understand the benefits achieved with their money. As the next session approaches, the Legislature would do a great service to Texas taxpayers and legislators by converting from a strategic budget format to a program-based budgeting layout, practicing zero-based budgeting, and providing budget information online in real time throughout the budget process.

### Restrain Government Spending
While increasing budget transparency gives Texans more opportunities to hold legislators accountable for using taxpayer dollars, there is a need for strengthening the state's constitutional appropriations limit. The current limit covers only state revenue not dedicated by the Texas Constitution, allows growth based on unreliable forecasts of volatile personal income for almost three years, and permits legislators to exceed the limit with only a majority vote in each chamber (Ginn 2017, 1). As noted by *The Real Texas Budget*, the current limit is weak as total spending has increased well

above increases in the compounded growth of population and inflation since 2004.

The Legislature can strengthen the limit by: (1) Limiting the total budget to eliminate perverse incentives to move appropriations outside the current spending limit; (2) Basing the limit's growth rate on the lowest of multiple metrics such as the growth rate of the Census Bureau's measure of state population plus the Bureau of Labor Statistics' measure of inflation for the consumer price index for all items or the Bureau of Economic Analysis' measure of total state personal income or the Bureau of Economic Analysis' measure of total gross state product; (3) Calculating growth rate with past data from the two fiscal years immediately preceding a regular legislative session; and (4) Requiring a supermajority vote of two-thirds in each chamber to exceed the limit (Ginn 2017, 2). This recommendation has been adopted by ALEC as model legislation and was outlined in SB 943 in 2017.

### Conclusion
While the Texas Legislature in 2017 passed a budget that sets the stage for passing what could be two consecutive conservative budgets—a historic milestone—that increase by less than population growth and inflation, Texas needs to keep past costly budget cycles from repeating. It is imperative that legislators repeat and increase their effort by passing a budget in 2019 that meets this criterion for both all funds and all state (non-federal) funds while providing valuable tax relief. To this end, the Foundation has released its target growth rate and levels for the *2020-21 Conservative Texas Budget*. ★

# Appendix

## The Real Texas Budget
## Appropriations and Spending Comparisons 2004-05 to 2018-19
## (Millions of $)

**Total Texas spending (state and federal funds) by biennium†**

| Type | 2004-05 | 2006-07 | 2008-09 | 2010-11 | 2012-13 | 2014-15 | 2016-17 |
|---|---|---|---|---|---|---|---|
| GR | $58,956.0 | $67,208.0 | $81,639.0 | $81,930.9 | $86,016.4 | $96,072.6 | $108,011.4 |
| ESF | 1,869.1 | 872.0 | 0 | 3,198.7 | 1,900.0 | 2,000.0 | $0 |
| GR+ESF Total | $60,825.1 | $68,080.0 | $81,639.0 | $85,129.6 | $87,916.4 | $98,072.6 | $108,011.4 |
| GR-D | 5,889.9 | 5,807.0 | 6,457.1 | 6,306.0 | 6,555.5 | 7,386.0 | 8,003.8 |
| Other | 13,042.9 | 17,677.1 | 24,053.1 | 18,607.5 | 25,960.6 | 29,114.3 | 28,177.7 |
| State Total | $79,757.9 | $91,564.9 | $112,149.2 | $110,043.1 | $120,432.5 | $134,572.9 | $144,192.9 |
| Federal | 44,376.1 | 47,680.1 | 55,082.4 | 72,573.4 | 64,822.2 | 68,727.7 | 72,205.5 |
| All Funds Total | $124,134.0 | $139,245.0 | $167,231.6 | $182,616.5 | $185,254.7 | $203,300.5 | $216,398.4 |
| GR Change | -1.61% | 14.00% | 21.47% | 0.36% | 4.99% | 11.69% | 12.43% |
| GR/ESF Change | 1.51% | 11.93% | 19.92% | 4.28% | 3.27% | 11.55% | 10.13% |
| State Change | 4.89% | 14.80% | 22.48% | -1.88% | 9.44% | 11.74% | 7.15% |
| Fed Change | 19.96% | 7.45% | 15.52% | 31.75% | -10.68% | 6.02% | 5.06% |
| All Change | 8.87% | 12.17% | 20.10% | 9.20% | 1.44% | 9.74% | 6.44% |

† Spending prior to 2014-15 is adjusted to restate historical spending to reflect the Legislature's decision to remove expenditures from patient income from the 2014-15 appr
LBB includes it as "Other" spending.

**Total Texas spending (state and federal funds) by biennium – LBB Figures**

| Type | 2004-05 | 2006-07 | 2008-09 | 2010-11 | 2012-13 | 2014-15* | 2016-17 |
|---|---|---|---|---|---|---|---|
| GR | $58,956.0 | $67,208.0 | $81,639.0 | $81,930.9 | $86,016.4 | $96,072.6 | $108,011.4 |
| GR-D | 5,889.9 | 5,807.8 | 6,457.1 | 6,306.0 | 6,555.5 | 7,386.0 | 8,003.8 |
| Other | 17,412.0 | 22,049.1 | 28,953.1 | 26,706.2 | 33,360.6 | 31,114.3 | 28,177.7 |
| State Total | $82,257.9 | $95,064.9 | $117,049.2 | $114,943.1 | $125,932.5 | $134,572.9 | $144,192.9 |
| Federal | 44,376.1 | 47,680.1 | 55,082.4 | 72,573.4 | 64,822.2 | 68,727.7 | 72,205.5 |
| All Funds Total | $126,634.0 | $142,745.0 | $172,131.5 | $187,516.5 | $190,754.8 | $203,300.5 | $216,398,4 |
| GR Change | -1.61% | 14.00% | 21.47% | 0.36% | 4.99% | 11.69% | 12.43% |
| State Change | 5.54% | 15.57% | 23.13% | -1.80% | 9.56% | 6.86% | 7.15% |
| Fed Change | 16.86% | 7.45% | 15.52% | 31.75% | -10.68% | 6.02% | 5.06% |
| All Change | 9.25% | 12.72% | 20.59% | 8.94% | 1.73% | 6.58% | 6.44% |

* LBB figures prior to 2014-15 include expenditures from patient income.

| 2018-19 | Change | Change-adjusted for Pop+Inflation | Total Spending |
|---|---|---|---|
| $106,726.9 | $47,770.9 | $10,800.6 | 686,561.2 |
| 988.9 | n/a | n/a | 10,828.7 |
| $107,715.8 | $46,890.7 | $8,748.2 | $697,389.9 |
| 6,376.3 | 486.4 | (3,207.1) | 52,782.4 |
| 30,807.0 | 17,764.1 | 9,585.2 | 187,440.2 |
| $144,899.1 | $65,141.2 | $15,126.3 | $937,612.5 |
| 71,858.8 | 27,482.7 | (344.8) | 497,326.2 |
| $216,757.9 | $92,623.9 | $14,781.5 | $1,434,938.7 |
| -1.19% | 81.03% | 11.26% | |
| -0.27% | 77.09% | 8.84% | |
| 0.49% | 81.67% | 11.66% | |
| -0.48% | 61.93% | -0.48% | |
| 0.17% | 74.62% | 7.32% | |

ropriations figures. Also, economic stabilization fund (ESF) spending is itemized separately—the

| 2018-19 | Change | Change adjusted for Pop+Inflation | Total Spending |
|---|---|---|---|
| $106,726.9 | $47,770.9 | $10.800.6 | $686,561.2 |
| 6,376.3 | 486.4 | (3,207.1) | 52,782.4 |
| 31,795.9 | 14,383.9 | 3,465.1 | 219,568.9 |
| $144,899.1 | 62,641.2 | $11,058.6 | $958,912.5 |
| 71,858.8 | 27,482.7 | (344.8) | 497,326.2 |
| $216,757.9 | $90,123.9 | $10,713.8 | $1,456,238.7 |
| -1.19% | 81.03% | 11.26% | |
| 0.49% | 76.15% | 8.26% | |
| -0.48% | 61.93% | -0.48% | |
| 0.17% | 71.17% | 5.20% | |

## Biennial budget—initial appropriation by legislature†

| Type | 2004-05 | 2006-07 | 2008-09 | 2010-11 | 2012-13 | 2014-15 | 2016-17 |
|---|---|---|---|---|---|---|---|
| GR | $58,894.7 | $67,952.5 | $79,951.5 | $80,614.2 | $81,290.4 | $94,977.0 | $106,007.5 |
| ESF | 811.0 | 872.0 | 0 | 0 | 0 | 2,000.0 | $0 |
| GR+ESF Total | $59,705.7 | $68,824.5 | $79,951.5 | $80,614.2 | $81,290.4 | $96,977.0 | $106,007.5 |
| GR-D | 5,618.3 | 5,623.6 | 6,308.4 | 6,389.4 | 6,380.0 | 7,314.6 | $7,808.4 |
| Other | 11,147.0 | 15,737.1 | 25,664.3 | 24,750.8 | 25,653.0 | 27,413.1 | $27,285.6 |
| State Total | $76,471.0 | $90,185.2 | $111,924.2 | $111,754.4 | $113,323.4 | $131,704.7 | $141,101.5 |
| Federal | 39,229.4 | 48,303.7 | 50,963.0 | 65,533.6 | 54,660.8 | 68,716.5 | $68,001.5 |
| All Funds Total | $115,700.4 | $138,488.9 | $162,887.2 | $177,288.0 | $167,984.2 | $200,421.2 | $209,103.0 |
| GR Change | -4.22% | 15.38% | 17.66% | 0.83% | 0.84% | 16.84% | 11.61% |
| GR/ESF Change | -2.90% | 15.27% | 16.17% | 0.83% | 0.84% | 19.30% | 9.31% |
| State Change | -3.58% | 17.93% | 24.10% | -0.15% | 1.40% | 16.22% | 7.13% |
| Fed Change | 12.70% | 23.13% | 5.51% | 28.59% | -16.59% | 25.71% | -1.04% |
| All Change | 1.39% | 19.70% | 17.62% | 8.84% | -5.25% | 19.31% | 4.33% |

† Appropriations prior to 2014-15 are adjusted to restate historical appropriations to reflect the Legislature's decision to remove expenditures from patient income from the 2
stabilization fund (ESF) spending is itemized separately—the LBB includes it as "Other" spending.

## Total Appropriations by Legislative Session*†

| Type | 2003 | 2005 | 2007 | 2009 | 2011 | 2013 | 2015 |
|---|---|---|---|---|---|---|---|
| GR | $57,759.3 | $68,484.1 | $79,653.1 | $80,475.9 | $80,671.3 | $100,124.6 | $106,307.0 |
| ESF | 1,260.5 | 1,930.1 | 0 | 0 | 3,198.7 | 3,900.0 | 0 |
| GR+ESF Total | $59,019.8 | $70,414.2 | $79,653.1 | $80,475.9 | $83,869.9 | $104,024.6 | $106,307.0 |
| GR-D | 5,299.1 | 5,689.0 | 6,347.2 | 6,451.3 | 6,380.0 | 7,472.7 | 7,808.4 |
| Other | 11,165.8 | 15,806.2 | 25,663.9 | 24,771.1 | 25,653.0 | 27,726.1 | 27,285.6 |
| State Total | $75,484.7 | $91,909.4 | $111,664.1 | $111,698.2 | $115,902.9 | $139,223.4 | $141,401.0 |
| Federal | 39,229.4 | 49,256.3 | 51,136.8 | 67,930.7 | 54,660.8 | 75,376.4 | 68,266.3 |
| All Funds Total | $114,714.1 | $141,165.7 | $162,801.0 | $179,628.9 | $170,563.7 | $214,599.7 | $209,667.3 |
| GR Change | -6.62% | 18.57% | 16.31% | 1.03% | 0.24% | 24.11% | 6.17% |
| GR/ESF Change | -4.58% | 19.31% | 13.12% | 1.03% | 4.22% | 24.03% | 2.19% |
| State Change | -2.95% | 21.76% | 21.49% | 0.03% | 3.76% | 20.12% | 1.56% |
| Fed Change | 12.70% | 25.56% | 3.82% | 32.84% | -19.53% | 37.90% | -9.43% |
| All Change | 0.20% | 23.06% | 15.33% | 10.34% | -5.05% | 25.82% | -2.30% |

* Total Appropriations by Legislative Session' ("Session Appropriations") refers to all appropriations made during a legislative session, regardless of whether the appropriation
going forward into the upcoming biennium.

† Appropriations prior to 2014-15 are adjusted to restate historical appropriations to reflect the Legislature's decision to remove revenue from patient income from the 2014-
zation fund (ESF) spending is itemized separately—the LBB includes it as "other" spending.

| 2018-19 | Total Initial Appropriations |
|---|---|
| $106,726.9 | $676,414.7 |
| $988,900.0 | $4,671.9 |
| $107,715.8 | $681,086.6 |
| $6,376.3 | $51,819.0 |
| $30,807.0 | $188,457.9 |
| $144,899.1 | $921,363.5 |
| $71,858.8 | $467,267.3 |
| $216,757.9 | $1,388,630.8 |
| 0.68% | |
| 1.61% | |
| 2.69% | |
| 5.67% | |
| 3.66% | |

2014-15 appropriations figures. Also, economic

| 2017 | Total Appropriations |
|---|---|
| $107,664.0 | $681,139.2 |
| $988.9 | $11,278.2 |
| $108,652.9 | $692,417.4 |
| $6,263.2 | $51,710.8 |
| $30,806.1 | $188,877.7 |
| $145,722.2 | $933,005.9 |
| $73,454.5 | $479,311.1 |
| $219,176.7 | $1,412,317.0 |
| 1.28% | |
| 2.21% | |
| 3.06% | |
| 7.60% | |
| 4.54% | |

was "backfilling" into the current biennium or

15 appropriations figures. Also, economic stabili-

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## About the Authors

**Vance Ginn, Ph.D.**, is the director of the Center for Economic Prosperity and senior economist at the Texas Public Policy Foundation, one of the nation's premier free-market think tanks. Dr. Ginn is a leading free-market economist and former university lecturer who was honored with the "Champion of Freedom" award from Grassroots America—We The People. He is passionate about finding ways to let people prosper in Texas and beyond through sound research on the benefits of restraining government spending, cutting and ending taxes, and eliminating government barriers to competition. He is a first-generation college graduate and earned his doctorate in economics from Texas Tech University. He gives keynote speeches, appears in major media outlets, publishes papers in top-ranked academic journals, writes policy research on critical issues, and works to turn papers into policy.

**The Honorable Talmadge Heflin** is the director of the Texas Public Policy 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 for several terms was the only House member to serve on both the Ways and Means and the Appropriations committees. 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.

**Bill Peacock** is the vice president of research at the Texas Public Policy Foundation and has been with the Foundation since February 2005. Bill has extensive experience in Texas government and policy on a variety of issues including economic and regulatory policy, natural resources, public finance, and public education. His work has focused on identifying and reducing the harmful effects of regulations on the economy, businesses, and consumers. Prior to joining the Foundation, Bill served as the deputy commissioner for Coastal Resources for Commissioner Jerry Patterson at the Texas General Land Office (GLO). Before he worked at GLO, he was a legislative and media consultant, working with groups like Citizens for a Sound Economy and Putting Children First. Bill also served as the deputy assistant commissioner for intergovernmental affairs for Commissioner Rick Perry at the Texas Department of Agriculture, as a legislative aide to Rep. John Culberson in the Texas House of Representatives, and as an analyst for the Texas Senate Committee on Education.