

# How a Budget Becomes Law

## Passing the 2020-2021 Texas State Budget

### BUDGET IS ESTIMATED

Comptroller of Public Accounts Glenn Hegar (R) estimates how much state revenue is available for lawmakers to spend for the 2020-21 biennium: **\$119.12 billion.**

### BUDGET IS INTRODUCED



Chair of the House Committee on Appropriations, Rep. John Zerwas, M.D. (R-Richmond) and Senate Committee on Finance, Sen. Jane Nelson (R-Flower Mound), propose the budget bill to their respective committees: **\$67.6 billion.**

The two chambers use the same process for passing legislation, although there are differences in rules and jurisdiction.

### COMMITTEES BEGIN WORK



### COMMITTEES MAKE AMENDMENTS



### CHAMBER FLOORS VOTE

Budget can be amended by any member, reducing or eliminating key funding. Needs majority to pass.



### Requirements

Mandates in state law and the Texas Constitution and requirements for federal matching funds drive most of the budget. Less than a fifth of the budget is available for “discretionary” spending. How lawmakers prioritize this spending depends on the state’s current needs, but gaining consensus between the upper and lower chambers is no straightforward process.

### Challenges

While the state has about \$9 billion more to spend than it had for the 2018-2019 biennium, budget negotiations could be further complicated as lawmakers search for ways to repay borrowed money and cover essential programs that were underfunded last session. The 86th Legislature is facing a significant Medicaid shortfall because budget writers last session underestimated Medicaid cost and caseload growth to the order of \$2 billion.

### CONFERENCE COMMITTEE RECONCILES DIFFERENCES

Committee members are chosen by Lt. Governor Dan Patrick (R) and Speaker of the House Dennis Bonnen (R-Angleton). Upon reconciling differences between the two budgets, the Conference Committee issues a report.



### BUDGET BECOMES LAW



### GOVERNOR SIGNATURE

Gov. Greg Abbott (R) may line item veto individual spending items.



### BUDGET CERTIFICATION

Comptroller certifies the budget is balanced; appropriations do not exceed revenue forecast.

### CHAMBER FLOORS VOTE ON FINAL BILL

No amendments are allowed at this stage. The bill needs a majority vote to pass.

