

By: Hancock, et al.
(Otto, Bonnen of Galveston, Ashby, Burkett,
Gonzales)

S.B. No. 9

Substitute the following for S.B. No. 9:

By: Otto

C.S.S.B. No. 9

A BILL TO BE ENTITLED

AN ACT

relating to limitations on the rate of growth of appropriations for
certain categories of spending.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Chapter 316, Government Code, is amended by
adding Subchapter A-1 to read as follows:

SUBCHAPTER A-1. ADDITIONAL LIMIT ON GROWTH OF APPROPRIATIONS FROM
STATE FUNDS

Sec. 316.0101. LIMIT. In a state fiscal biennium, the rate
of growth of appropriations from all sources of revenue other than
the federal government may not exceed a rate determined as provided
under Section 316.0102(a) for each of the following categories of
spending:

- (1) transportation;
- (2) public primary and secondary education;
- (3) higher education;
- (4) health care;
- (5) public safety and corrections; and
- (6) other general government.

Sec. 316.0102. DUTIES OF LEGISLATIVE BUDGET BOARD.

(a) Before the Legislative Budget Board transmits the budget for
the next state fiscal biennium as prescribed by Section 322.008(c),
the board shall establish a limit on the rate of growth of
appropriations from all sources of revenue other than the federal

1 government for each spending category described by Section 316.0101
2 for that biennium, as compared to the previous state fiscal
3 biennium, by subtracting one from the product of:

4 (1) the sum of one and the estimated rate of growth in
5 the population served by expenditures in that spending category
6 during the biennium for which appropriations are made; and

7 (2) the sum of one and the estimated rate of inflation
8 in a representative set of goods and services for which
9 appropriations are made for that spending category during the
10 biennium.

11 (b) The board shall determine the rates described by
12 Subsection (a) using information available from any source the
13 board considers reliable.

14 (c) Except as provided by Subsection (d) and subject to
15 Subsection (g), the board shall establish for the next state fiscal
16 biennium a limit on the amount of appropriations from all sources of
17 revenue other than the federal government for each spending
18 category described by Section 316.0101 by multiplying the amount of
19 appropriations for each spending category for the then current
20 state fiscal biennium by the sum of one and the limit on the rate of
21 growth of appropriations for that spending category determined by
22 the board under Subsection (a).

23 (d) If the rate determined under Subsection (a) for any
24 spending category described by Section 316.0101 is a negative
25 number, the amount of appropriations from all sources of revenue
26 other than the federal government for that spending category
27 available for the next state fiscal biennium is the same as the

1 amount of those appropriations for the then current state fiscal
2 biennium.

3 (e) To ensure compliance with this subchapter, the board may
4 not transmit in any form to the governor or the legislature the
5 budget as prescribed by Section 322.008(c) or the general
6 appropriations bill as prescribed by Section 322.008(d) until the
7 board adopts the limit on the rate of growth of appropriations from
8 all sources of revenue other than the federal government for that
9 biennium for each spending category described by Section 316.0101.

10 (f) In the absence of an action by the board to adopt the
11 limits required under this subchapter, the amount of appropriations
12 from all sources of revenue other than the federal government for
13 each spending category described by Section 316.0101 available for
14 the next state fiscal biennium is the same as the amount of those
15 appropriations for the current state fiscal biennium.

16 (g) Notwithstanding any other law, for purposes of
17 calculations used to establish, in regard to a spending category
18 described by Section 316.0101, the limit on the rate of growth under
19 Subsection (a) and the limit on the amount of appropriations as
20 provided under Subsection (c), if the legislature by law exempts an
21 appropriation from the application of this subchapter for the next
22 state fiscal biennium, the board shall exclude then current or
23 previous appropriations that, as determined by the board, are of a
24 nature similar to the exempted appropriation as if those similar
25 appropriations also had been exempted by law.

26 Sec. 316.0103. PUBLICATION. Before the Legislative Budget
27 Board approves the items of information required by Section

1 316.0102, the board shall publish in the Texas Register the
2 proposed items of information and a description of the methodology
3 and sources used in the calculations.

4 Sec. 316.0104. PUBLIC HEARING. Not later than December 1 of
5 each even-numbered year, the Legislative Budget Board shall hold a
6 public hearing to solicit testimony regarding the proposed items of
7 information and the methodology used in making the calculations
8 required by Section 316.0102.

9 Sec. 316.0105. LIMIT ON BUDGET RECOMMENDATIONS. Unless
10 authorized by majority vote of the members of the Legislative
11 Budget Board from each house, the board's budget recommendations
12 relating to appropriations from all sources of revenue other than
13 the federal government for each spending category described by
14 Section 316.0101 may not exceed the limit adopted by the board under
15 Section 316.0102.

16 Sec. 316.0106. INCLUSION IN BUDGET RECOMMENDATIONS. The
17 Legislative Budget Board shall include in its budget
18 recommendations the proposed limit of appropriations from all
19 sources of revenue other than the federal government for each
20 spending category described by Section 316.0101.

21 Sec. 316.0107. EFFECT OF LIMIT; ENFORCEMENT. (a) The
22 proposed limit on appropriations from all sources of revenue other
23 than the federal government for each spending category described by
24 Section 316.0101 is binding on the legislature with respect to
25 those appropriations for the next state fiscal biennium unless the
26 legislature adopts a resolution raising the proposed limit that is
27 approved by a record vote of a majority of the members of each house

1 of the legislature. The resolution must find that an emergency
2 exists, identify the nature of the emergency, and specify the
3 amount authorized. The excess authorized under this subsection may
4 not exceed the amount specified in the resolution.

5 (b) The rules of the house of representatives and senate
6 shall provide for enforcement of Subsection (a).

7 SECTION 2. The changes in law made by this Act apply only,
8 as applicable, in relation to appropriations made for the state
9 fiscal biennium beginning September 1, 2017, and subsequent state
10 fiscal bienniums. Appropriations for the state fiscal biennium
11 that begins September 1, 2015, are governed by the law in effect at
12 the time those appropriations were made, and the former law is
13 continued in effect for that purpose.

14 SECTION 3. This Act takes effect September 1, 2015.