HIGHLIGHTS OF SB 2, SENATE'S BASE BUDGET

Background: Since being appointed chair of Finance on July 17, 2014 Senator Nelson has been developing SB 2, the Senate's appropriations bill. The introduced version of the bill is known as the "base budget" because it represents the starting point from which the Senate will build its version of the 2016-17 state budget. The Texas Constitution, which limits regular sessions of the Texas Legislature to 140 days every odd-numbered year, requires that legislators pass a two-year budget. The public can follow the Senate Finance Committee's deliberations on SB 2, including hearings on the budgets of Texas' 171 state agencies, at www.senate.state.tx.us. To review SB 2 in depth or for information about the state budget process, visit www.lbb.state.tx.us.

Highlights of SB 2, which:
• Directs $3B in property tax relief.
• Includes $1B in franchise tax relief.
• Ends highway funding diversions, includes a one-time dedication of $1.2B from the motor vehicle sales tax to the state highway fund and anticipates $2.6B over the biennium from Proposition 1.
• Provides $815M for border security – more than the previous 7 years combined, including $19.7M for SWAT team expansion, $10M for a high altitude airplane with high-definition and infrared cameras, and a $10M increase in grants to local law enforcement.
• Maintains current education formula funding; covers enrollment growth for an estimated 83,000 additional students in 2016 and 85,000 additional students in 2017; adds $100M for math and reading training for K-3 teachers; and adds $25M for career counseling for middle school students.
• Includes $2.6B in general revenue across state government for mental health programs, including an increase of $20M for Texas Veterans Initiative; $12M for jail & emergency room diversions; $18.4M for crisis mental health; and $14.5M to keep waiting lists at zero through the 16-17 budget cycle.
• Adds $50M for women’s health, building on our commitment from last session.
• Adds $60M for Graduate Medical Education towards goal of a 1.1:1 ratio, ensuring there is a residency spot in Texas for every Texas medical school graduate.
• Appropriates $205.1B in all funds -- up 1.5% from the current $202B 2014-15 budget.
• Appropriates $101.470B in general revenue -- up 6.6% from the $95.17B in 2014-15.

Statement by Senator Nelson:
"This budget is responsible. It is compassionate. It meets our growing needs while remaining true to the policies of fiscal discipline that have led to our economic success and created the Texas miracle. This proposal represents a starting point, and I look forward to working with my colleagues to further develop a budget that is worthy of our state."

SENATOR JANE NELSON represents District 12, including portions of Denton and Tarrant counties. She is chair of the Senate Finance Committee and the highest ranking Republican in the Texas Senate.

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