

PROCLAMATION

BY THE

Governor of the State of Texas

41-2965

TO ALL TO WHOM THESE PRESENTS SHALL COME:

House Bill 1, the General Appropriations Act, having been duly certified by the Comptroller of Public Accounts pursuant to Article III, Section 49a of the Texas Constitution, has been presented to me for action. The bill would appropriate an estimated \$117.4 billion from all fund sources, including \$58.2 billion from the General Revenue Fund for the fiscal biennium beginning September 1, 2003. General revenue spending would decrease by \$2.6 billion or 4.3% compared to the current biennium.

This budget accomplishes what we set out to do. We kept the trust by keeping our promises. We told the citizens of Texas that...despite tough economic times...we would not raise the price of government to balance the budget. We delivered on that promise.

This bill meets the basic needs of Texans. Key provisions include:

- \$1.2 billion in new funding for public education, including a new science initiative, the Governor's High School Completion and Success Initiative and the Early Start Initiative to foster strong early childhood learning. More than \$580 million was provided for textbooks and instructional materials.
- \$1.1 billion in new funding for vital health care programs. This budget enhances accountability while maintaining eligibility under the Children's Health Insurance Program at 200 percent of poverty while providing increases for Medicaid acute care coverage, HIV medications and children with special health care needs. An additional \$172 million is also provided to help trauma centers handle more emergency cases.
- Increased funding to the Texas Grant Program to assist in keeping access to higher education open to those students with the drive and determination to succeed in college.
- Funding for research carried out by public universities was significantly increased by allowing universities to retain 100% of their Indirect Cost Recovery for research purposes. Health-related institutions were also appropriated funds to increase their research into biotechnology initiatives.
- Seed money to generate billions in bond funds for the Texas Mobility Fund, an unprecedented commitment to building needed road, rail and public infrastructure projects.
- \$295 million in new funding (appropriated through House Bill 7) for the Texas Enterprise Fund. These funds will assist the state's efforts to attract employers and create new jobs.

This budget also lays the groundwork to ensure Texas has the safe, abundant water supply it needs by moving forward with funding for plans to desalinate ocean water, and provides the funding necessary to bring the state's clean air plan into federal compliance.

The legislature has done a commendable job in reducing the growth of state government, leaving me with little to veto in the state budget. However, as I discussed in my State of the State address, Texans have a need and a right to see and understand how their tax dollars are spent. The Texas state budget should have transparent items of appropriation. Continued reliance on outdated text and excess verbiage makes it more difficult than

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necessary to determine how money is used. I hope that legislative budget writers will work with me to separate administrative items of appropriation from direct service items of appropriation. Increasing the number of specific line items and decreasing lump sum appropriations would add precision and clarity to appropriations text so Texans can see what agencies are doing with our precious financial resources.

My item vetoes total \$68.2 million in general revenue and \$81.2 million from all funding sources. I hereby veto the following items from House Bill 1 and include a statement of my objections to each of those items.

Article I – General Government

Aircraft Pooling Board

All items of appropriation

	<u>2004</u>	<u>2005</u>
	\$3,741,068	\$3,660,494

This veto action will eliminate the Aircraft Pooling Board. As I said in my State of the State address, this agency underutilizes valuable state assets and is no longer needed. Operations of the Pooling Board can be conducted by outsourcing to commercial carriers and using charter planes. In addition, maintenance functions can be transferred to the Department of Public Safety through budget execution.

Article III – Education

Telecommunications Infrastructure Fund Board

All items of appropriation

	<u>2004</u>	<u>2005</u>
	\$2,086,025	\$0

This veto action will eliminate the Telecommunications Infrastructure Fund Board. The agency has not awarded grants since August 2002. Another entity will be needed to close out existing grants, but this will be done by Executive Order.

Higher Education Coordinating Board

C.1.1 Advanced Research Program

	<u>2004</u>	<u>2005</u>
	\$9,500,000	UB

This veto action deletes an appropriation to the Advanced Research Program. The goal of increasing the amount of research which is carried out by the general academic institutions has been met by allowing all institutions to keep 100% of their Indirect Cost Recovery for research purposes and continued funding for the Advanced Technology program at the Higher Education Coordinating Board. Funds would be better used to target research attracting significant matching contributions, to aid economic development efforts or to help community colleges and universities with programs designed to address critical occupational shortages such as those in nursing and the allied health professions.

Higher Education Coordinating Board

D.1.6 Chiropractic Colleges

	<u>2004</u>	<u>2005</u>
	\$250,000	\$250,000

This veto action deletes the FY 2005 appropriation to the Parker Chiropractic College and the Texas Chiropractic College. The funds could be used to support other educational needs for Texans.

Rider 31. Border Faculty Loan Repayment Program. The Higher Education Coordinating Board may allocate additional funds from Strategy B.1.11., TEXAS Grant Program, to the Border Faculty Loan Repayment Program, and any unexpended balances on hand at the end of fiscal year 2004 are hereby appropriated for the same purposes in fiscal year 2005.

This veto action deletes a portion of a rider which would allow funds designated for the Texas Grant Program to be used to supplement the appropriation made for the Border

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Faculty Loan Repayment Program. The legislature appropriated money for the Border Faculty Loan Repayment Program in Strategy B.1.14. Reducing funding for the Texas Grant program reduces our commitment to keeping higher education affordable for all Texans. By eliminating the unexpended balance authority, allocations from Texas Grant are more reliably determined.

<u>Texas Excellence Fund</u>	<u>2004</u>	<u>2005</u>
All items of appropriation	\$10,894,765	\$11,633,294

This veto action deletes the appropriation to the Texas Excellence Fund. The goal of increasing the amount of research which is carried out by the general academic institutions has been met by allowing all institutions to keep 100% of their Indirect Cost Recovery for research purposes and continued funding for the Advanced Technology program at the Higher Education Coordinating Board. Funds would be better used to target research attracting significant matching contributions, to aid economic development efforts or to help community colleges and universities with programs designed to address critical occupational shortages such as those in nursing and the allied health professions.

<u>University Research Fund</u>	<u>2004</u>	<u>2005</u>
All items of appropriation	\$10,894,765	\$11,633,294

This veto action deletes the appropriation to the University Research Fund. The goal of increasing the amount of research which is carried out by the general academic institutions has been met by allowing all institutions to keep 100% of their Indirect Cost Recovery for research purposes and continued funding for the Advanced Technology program at the Higher Education Coordinating Board. Funds would be better used to target research attracting significant matching contributions, to aid economic development efforts or to help community colleges and universities with programs designed to address critical occupational shortages such as those in nursing and the allied health professions.

<u>Texas Wildlife Damage Management Service</u>	<u>2004</u>	<u>2005</u>
All items of appropriation	\$3,278,256	\$3,278,255

This veto action will eliminate the Texas Wildlife Damage Management Service. This agency provides operational and technical assistance in the abatement of wildlife proliferation and diseases that can be outsourced or handled by another agency. Funds for these services can be provided through budget execution.

Had the legislature not lump-sum appropriated funds to this agency and provided the transparency I spoke of in my State of the State address, I could have eliminated only those line items for activities that could be outsourced or coordinated by other state agencies. I will issue an Executive Order to direct other agencies to assist in controlling problem animals on an as needed basis.

Article V – Public Safety and Criminal Justice

<u>Criminal Justice Policy Council</u>	<u>2004</u>	<u>2005</u>
All items of appropriation	\$1,251,110	\$1,251,110

This veto action eliminates the Criminal Justice Policy Council. The duties and functions of this agency can be transferred to other entities by Executive Order. The criminal justice crisis in the early 1990's provided a need for an independent agency to assist public officials in restructuring sentencing policies. However, current functions such as program monitoring and developing projections can be contracted on an as-needed basis or assigned to another agency.

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Article VI – Natural Resources

Texas Council on Environmental Technology

2004 2005
\$1,515,149 — \$1,547,099

All items of appropriation

This veto action eliminates the Texas Council on Environmental Technology (TCET) as a stand-alone agency. This entity serves a valuable and important purpose, but should be operated by the Texas Commission on Environmental Quality (TCEQ). By Executive Order, I will direct TCEQ to absorb the functions of TCET and will seek appropriate funding through budget execution.

Article VIII – Regulatory

Board of Nurse Examiners

2004 2005
\$223,387 — \$227,850

A.2.1 Accreditation

This veto action deletes funding to realize \$451,237 in savings associated with passage of HB 1483, which consolidates the Board of Nurse Examiners and the Board of Vocational Nurse Examiners.

Research & Oversight Council on

Workers' Compensation

2004 2005
\$979,290 — \$979,290

All items of appropriation

This veto action eliminates the Research and Oversight Council on Workers' Compensation. The research and studies conducted by this agency are not necessary for the Workers' Compensation Commission to carry out its responsibilities and duties. Furthermore, an oversight agency to watch the actions of another agency with commissioners appointed by the Governor and answerable to the legislature is wasteful and unnecessary.

Article IX – General Provisions

~~Sec. 11.55. Contingency for House Bill 3181. Contingent upon enactment of House Bill 3181, House Bill 2292, or similar legislation establishing the Commission for State Health Expenditures, a total of \$2 million in General Revenue Funds for the biennium are hereby transferred from the Department of Health, Strategy E.1.3, Health Care and Outcomes, to the Commission on State Health Expenditures. The Commission on State Health Expenditures is also hereby authorized a total of 25 Full-time Equivalent Positions per fiscal year.~~

This veto action deletes a contingency rider for a new program that did not pass in any legislation

~~Sec. 11.57. Contingency for House Bill 3441. Contingent upon enactment of House Bill 3441 or similar legislation by the Seventy-eighth Legislature, Regular Session, the State Preservation Board is hereby appropriated \$80,000 for the fiscal year beginning September 1, 2003, and \$80,000 for the fiscal year beginning September 1, 2004, out of the GR Dedicated Fund—Capitol Account, in Strategy A.3.1, Manage Enterprises, for operation and maintenance of Capitol Complex parking meters. In addition, the agency's Full-Time Equivalent (FTE) cap is hereby increased by 2 for each fiscal year of the biennium.~~

~~In addition, contingent upon passage of House Bill 3441, or similar legislation, the agency is hereby appropriated \$200,000 for the fiscal year beginning September 1, 2003, out of the GR Dedicated Fund—Capital Renewal Account, in Strategy A.1.2, Building Maintenance, to maintain and preserve the Capitol, the General Land Office Building, their contents and their grounds.~~

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~~Any unexpended balances remaining as of August 31, 2004 are hereby appropriated to the agency in fiscal year 2005 for the same purposes.~~

This veto action deletes a contingency rider for a bill that was vetoed.

I have signed House Bill No. 1 together with this proclamation stating my objections to individual items of appropriation therein. In accordance with Article IV, Section 14 of the Texas Constitution, individual items of appropriation objected to shall be of no force or effect. The remaining portions of the bill shall be effective according to its terms. Since the Legislature by its adjournment has prevented the return of this bill, I am filing this bill and these objections in the office of the Secretary of State and giving notice thereof by this public proclamation according to the aforementioned constitutional provision.



IN TESTIMONY WHEREOF, I have signed my name officially and caused the Seal of the State to be affixed hereto at Austin, this 22nd day of June, 2003.

Rick Perry

RICK PERRY
Governor of Texas

ATTESTED BY:

Gwyn Shea

GWYN SHEA
Secretary of State

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H.B. NO. 1

CHAPTER 1330

GENERAL APPROPRIATIONS
ACT

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**RECAPITULATION - ALL ARTICLES
(General Revenue)**

	For the Years Ending	
	August 31,	August 31,
	<u>2004</u>	<u>2005</u>
ARTICLE I - General Government	\$ 709,461,542	\$ 681,506,373
ARTICLE II - Health and Human Services	7,494,348,663	7,178,224,222
ARTICLE III - Agencies of Education	18,079,783,845	16,455,201,872
ARTICLE IV - The Judiciary	160,756,921	157,470,981
ARTICLE V - Public Safety and Criminal Justice	3,275,196,061	3,336,557,288
ARTICLE VI - Natural Resources	258,287,837	251,690,745
ARTICLE VII - Business and Economic Development	157,358,732	153,179,997
ARTICLE VIII - Regulatory	201,824,494	199,755,851
ARTICLE IX - General Provisions	(682,202,483)	(170,563,626)
ARTICLE X - The Legislature	<u>128,759,754</u>	<u>136,404,826</u>
GRAND TOTAL, General Revenue	<u>\$ 29,783,575,366</u>	<u>\$ 28,379,428,529</u>

**RECAPITULATION - ALL ARTICLES
(General Revenue - Dedicated)**

	For the Years Ending	
	August 31,	August 31,
	<u>2004</u>	<u>2005</u>
ARTICLE I - General Government	\$ 225,505,531	\$ 193,470,631
ARTICLE II - Health and Human Services	450,962,262	476,718,556
ARTICLE III - Agencies of Education	1,257,963,597	1,305,876,041
ARTICLE IV - The Judiciary	13,396,438	13,075,155
ARTICLE V - Public Safety and Criminal Justice	28,810,857	26,802,523
ARTICLE VI - Natural Resources	470,364,118	456,030,484
ARTICLE VII - Business and Economic Development	184,749,932	182,762,438
ARTICLE VIII - Regulatory	51,298,698	49,699,611
ARTICLE IX - General Provisions	(780,422)	(3,553,090)
ARTICLE X - The Legislature	<u>0</u>	<u>0</u>
GRAND TOTAL, General Revenue - Dedicated	<u>\$ 2,682,271,011</u>	<u>\$ 2,700,882,349</u>

**RECAPITULATION - ALL ARTICLES
(Federal Funds)**

	For the Years Ending	
	August 31, <u>2004</u>	August 31, <u>2005</u>
ARTICLE I - General Government	\$ 401,430,142	\$ 323,742,831
ARTICLE II - Health and Human Services	11,991,988,248	11,731,288,924
ARTICLE III - Agencies of Education	3,594,145,139	3,620,261,147
ARTICLE IV - The Judiciary	1,326	1,335
ARTICLE V - Public Safety and Criminal Justice	127,489,345	129,836,813
ARTICLE VI - Natural Resources	129,032,244	123,134,534
ARTICLE VII - Business and Economic Development	3,560,962,407	3,490,584,195
ARTICLE VIII - Regulatory	2,725,675	2,725,688
ARTICLE IX - General Provisions	(1,857,130)	(9,753,736)
ARTICLE X - The Legislature	<u>0</u>	<u>0</u>
GRAND TOTAL, Federal Funds	<u>\$ 19,805,917,596</u>	<u>\$ 19,411,821,731</u>

**RECAPITULATION - ALL ARTICLES
(Other Funds)***

	For the Years Ending	
	August 31, <u>2004</u>	August 31, <u>2005</u>
ARTICLE I - General Government	\$ 84,845,741	\$ 64,045,806
ARTICLE II - Health and Human Services	258,058,259	204,629,283
ARTICLE III - Agencies of Education	2,772,544,752	3,007,035,846
ARTICLE IV - The Judiciary	40,380,674	36,460,178
ARTICLE V - Public Safety and Criminal Justice	577,034,769	482,047,314
ARTICLE VI - Natural Resources	176,763,072	132,689,482
ARTICLE VII - Business and Economic Development	3,217,704,317	3,198,490,959
ARTICLE VIII - Regulatory	118,210,576	138,592,309
ARTICLE IX - General Provisions	66,241,537	65,016,012
ARTICLE X - The Legislature	<u>2,088,000</u>	<u>2,103,000</u>
GRAND TOTAL, Other Funds	<u>\$ 7,313,871,697</u>	<u>\$ 7,331,110,189</u>

* Excludes interagency contracts

**RECAPITULATION - ALL ARTICLES
(All Funds)***

	For the Years Ending	
	August 31,	August 31,
	2004	2005
ARTICLE I - General Government	\$ 1,421,242,956	\$ 1,262,765,641
ARTICLE II - Health and Human Services	20,195,357,432	19,590,860,985
ARTICLE III - Agencies of Education	25,704,437,333	24,388,374,906
ARTICLE IV - The Judiciary	214,535,359	207,007,649
ARTICLE V - Public Safety and Criminal Justice	4,008,531,232	3,975,243,938
ARTICLE VI - Natural Resources	1,034,447,271	963,545,245
ARTICLE VII - Business and Economic Development	7,120,775,388	7,025,017,589
ARTICLE VIII - Regulatory	374,059,443	390,773,459
ARTICLE IX - General Provisions	(618,598,498)	(118,854,440)
ARTICLE X - The Legislature	<u>130,847,754</u>	<u>138,507,826</u>
GRAND TOTAL, All Funds	<u>\$ 59,585,635,670</u>	<u>\$ 57,823,242,798</u>
Number of Full-Time-Equivalent Positions (FTE)- Appropriated Funds	226,630.4	225,665.4

* Excludes interagency contracts

AN ACT

appropriating money for the support of the Judicial, Executive and Legislative Branches of the State government, for the construction of State buildings, and for State aid to public junior colleges, for the period beginning September 1, 2003 and ending August 31, 2005, authorizing and prescribing conditions, limitations, rules and procedures for allocating and expending the appropriated funds; and declaring an emergency.

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

ARTICLE I

GENERAL GOVERNMENT

Sec. 1. The several sums of money herein specified, or so much thereby as may be necessary, are appropriated out of any funds in the State Treasury not otherwise appropriated, or out of special funds as indicated, for the support, maintenance, or improvement of the designated agencies of general government.

AIRCRAFT POOLING BOARD

	For the Years Ending	
	August 31, 2004	August 31, 2005
A. Goal: EFFICIENT AIRCRAFT TRAVEL		
To provide safe, efficient aircraft transportation upon request to state officers and employees traveling on official state business.		
A.1.1. Strategy: FLEET OPERATIONS	\$ 1,272,142	\$ 1,271,568
Operate a fleet of centrally scheduled aircraft to meet users' needs.		
Output (Volume):		
Number of Hours Aircraft Are Flown	2,208	2,184
Number of Flights	2,004	1,980
B. Goal: AIRCRAFT MAINTENANCE		
To provide quality and economical maintenance, fuel and oil, hangar space, and line services for state operated aircraft.		
B.1.1. Strategy: AIRCRAFT MAINTENANCE	\$ 2,252,640	\$ 2,172,640
Operate a state-of-the-art maintenance and avionics repair facility.		
Output (Volume):		
Number of Work Orders Completed	640	640
C. Goal: INDIRECT ADMINISTRATION		
C.1.1. Strategy: INDIRECT ADMINISTRATION	\$ 216,286	\$ 216,286
Grand Total, AIRCRAFT POOLING BOARD	\$ 3,741,068	\$ 3,660,494
Method of Financing:		
Appropriated Receipts	\$ 2,215,830	\$ 2,135,256
Interagency Contracts	1,525,238	1,525,238
Total, Method of Financing	\$ 3,741,068	\$ 3,660,494
Number of Full-Time-Equivalent Positions (FTE):	39.0	39.0

AIRCRAFT POOLING BOARD
(Continued)

Schedule of Exempt Positions:

Executive Director, Group 2	\$70,000	\$70,000
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Object-of-Expense Informational Listing:

Salaries and Wages	\$ 1,353,305	\$ 1,353,305
Other Personnel Costs	28,330	28,330
Professional Fees and Services	10,212	10,212
Fuels and Lubricants	400,164	400,164
Consumable Supplies	19,500	19,500
Utilities	4,800	4,800
Travel	27,178	27,178
Rent - Building	1,560	1,560
Rent - Machine and Other	7,676	7,676
Other Operating Expense	1,366,488	1,286,587
Capital Expenditures	<u>521,855</u>	<u>521,182</u>
Total, Object-of-Expense Informational Listing	<u>\$ 3,741,068</u>	<u>\$ 3,660,494</u>

1. **Capital Budget.** Funds appropriated above may be expended for capital budget items listed below. The amounts shown below shall be expended only for the purposes shown and are not available for expenditure for other purposes. Amounts appropriated above and identified in this provision as appropriations either for "Lease Payments to the Master Lease Purchase Program" or for items with an "(MLPP)" notation shall be expended only for the purpose of making lease-purchase payments to the Texas Public Finance Authority pursuant to the provisions of § 1232.103, Government Code.

	<u>2004</u>	<u>2005</u>
Out of the Interagency Contracts:		
a. Acquisition of Capital Equipment and Items		
(1) Terrain Awareness Warning System Avionics Under FAA Mandate	\$ 98,000	\$ 98,000
(2) Master Lease Purchase Program Acquisitions 2002-2003	<u>\$ 423,855</u>	<u>\$ 423,182</u>
Total, Acquisition of Capital Equipment and Items	<u>\$ 521,855</u>	<u>\$ 521,182</u>
Total, Capital Budget	<u>\$ 521,855</u>	<u>\$ 521,182</u>

2. **Transfer Authority.** The State Aircraft Pooling Board is hereby authorized to transfer such amounts as may be necessary between appropriation Strategies A.1.1. Fleet Operations, and B.1.1. Aircraft Maintenance. Appropriations made in Strategy B.1.1, Aircraft Maintenance, include funding for aircraft replacement and aircraft acquisition.
3. **Revolving Fund Appropriation.** It is the intent of the Legislature that the Comptroller of Public Accounts maintain the State Aircraft Pooling Board's "Revolving Fund" to account for the expenditures, revenues and balances related to revenues from the sale of aircraft appropriated to the State Aircraft Pooling Board for the purpose of maintenance, acquisition, repair or replacement. The expenditures, revenues and balances shall be maintained separately by the State Aircraft Pooling Board within its accounting system.
4. **Limitation of Expenditures for Aircraft Insurance.** Included in amounts above, unexpended balances consisting solely of appropriated receipts and interagency contracts and not to exceed \$80,000, in the appropriation made to the Aircraft Pooling Board remaining as of

AIRCRAFT POOLING BOARD

(Continued)

August 31, 2003, are included in Strategy A.1.1. Fleet Operations, for the biennium beginning September 1, 2003, for the sole purpose of acquiring aircraft insurance for aircraft owned or leased by the Aircraft Pooling Board. Any liability insurance to protect the officers and employees of other state agencies from losses arising from the operation of state-owned aircraft owned or leased by that state agency shall be financed by appropriations to those state agencies. Any unexpended balances remaining as of August 31, 2004 are hereby appropriated to the agency for the same purpose in fiscal year 2005.

5. **Capital Budget Expenditure.** Notwithstanding the limitations on capital budgets contained in Rider 1, page 1-2 of this Act, for the State Aircraft Pooling Board, the agency may utilize funds appropriated for capital budget purposes for expenditures on salaries and wages and contracts for fuel for the first two months of each fiscal year of the biennium beginning September 1, 2003. Any expenditure made pursuant to this section shall be repaid by appropriated receipts and interagency contracts when such funds become available and not later than August 31, 2005.

COMMISSION ON THE ARTS

	For the Years Ending	
	August 31, 2004	August 31, 2005
A. Goal: SECURE RESOURCES		
Secure from public and private sectors the appropriate and necessary resources for the purpose of funding the Commission on the Arts and to equitably distribute such resources.		
A.1.1. Strategy: CULTURAL ENDOWMENT FUND	\$	\$
Promote the Texas Cultural Endowment Fund to secure stabilized public and private funding.	350,000	350,000
B. Goal: ARTS EDUCATION		
Continue to ensure that arts education is recognized and utilized as a major contributor to increase literacy and strengthen basic learning skills in Texas schools and communities.		
B.1.1. Strategy: ARTS EDUCATION	\$	\$
Provide and support arts education opportunities.	851,340	826,340
Efficiencies:		
Average Grant Amount Awarded for Arts Education Programs	3,422	3,422
C. Goal: ARTS ACCESS		
Ensure that Texas citizens and visitors are aware of the value of the arts and have equitable access to quality arts programs and services.		
Outcome (Results/Impact):		
Percentage of Total Assistance Dollars Provided to Applications From Minority Organizations	22%	22%
Percentage of Total Assistance Dollars Provided to Applications From Rural and Geographically Isolated Communities	29%	30%
C.1.1. Strategy: DISTRIBUTE DIRECT GRANTS	\$	\$
	3,452,808	3,435,808 & UB
Output (Volume):		
Number of Funded Applications from Rural and Geographically Isolated Communities	550	550
Number of Funded Applications From Minority Organizations	300	300

COMMISSION ON THE ARTS
(Continued)

C.1.2. Strategy: PROMOTION & PARTICIPATION	<u>\$ 684,535</u>	<u>\$ 584,535</u>
Improve statewide participation in arts programs, enhance the public's understanding of the arts' contribution and value, and encourage and promote cultural tourism.		
Output (Volume):		
Number of Marketing and Public Relations Activities, Conferences and Seminars Which Promote Tourism	75	75
Total, Goal C: ARTS ACCESS	<u>\$ 4,137,343</u>	<u>\$ 4,020,343</u>
D. Goal: INDIRECT ADMINISTRATION		
D.1.1. Strategy: INDIRECT ADMINISTRATION	<u>\$ 517,983</u>	<u>\$ 517,983</u>
Grand Total, COMMISSION ON THE ARTS	<u>\$ 5,856,666</u>	<u>\$ 5,714,666</u>
Method of Financing:		
General Revenue Fund	<u>\$ 2,900,253</u>	<u>\$ 2,700,252</u>
GR Dedicated - Commission on the Arts Operating Account No. 334	882,000	840,000
Federal Funds	760,000	760,000
Other Funds		
Appropriated Receipts	344,413	444,414
Interagency Contracts	970,000	970,000
Subtotal, Other Funds	<u>\$ 1,314,413</u>	<u>\$ 1,414,414</u>
Total, Method of Financing	<u>\$ 5,856,666</u>	<u>\$ 5,714,666</u>
Number of Full-Time-Equivalent Positions (FTE):	19.0	19.0
Schedule of Exempt Positions:		
Executive Director, Group 2	\$70,000	\$70,000
Object-of-Expense Informational Listing:		
Salaries and Wages	<u>\$ 733,000</u>	<u>\$ 733,000</u>
Other Personnel Costs	27,000	27,000
Operating Costs	500	500
Professional Fees and Services	218,500	218,500
Consumable Supplies	32,600	32,600
Utilities	44,300	44,300
Travel	107,000	107,000
Other Operating Expense	818,458	818,458
Grants	3,775,308	3,733,308
Capital Expenditures	<u>100,000</u>	<u>0</u>
Total, Object-of-Expense Informational Listing	<u>\$ 5,856,666</u>	<u>\$ 5,714,666</u>

- Capital Budget.** None of the funds appropriated above may be expended for capital budget items except as listed below. The amounts shown below shall be expended only for the purposes shown and are not available for expenditure for other purposes. Amounts appropriated above and identified in this provision as appropriations either for "Lease Payments to Master Lease Purchase Program" or for items with an "(MLPP)" notation shall be expended only for the purpose of making lease-purchase payments to the Texas Public Finance Authority pursuant to the provisions of Government Code § 1232.103.

COMMISSION ON THE ARTS
(Continued)

	2004	2005
Out of the General Revenue Fund:		
a. Acquisition of Information Resource Technologies		
(1) Server Support	\$ 25,000	\$ 0
(2) Web Application Development	45,000	0
(3) Computer Hardware and Software	\$ 30,000	\$ 0
Total, Acquisition of Information Resource Technologies	\$ 100,000	\$ 0
Total, Capital Budget	\$ 100,000	\$ 0

2. **Appropriation: Texas Cultural Endowment Fund Interest Earnings.** Included above in Strategy A.1.1, Cultural Endowment Fund, are interest earnings on money deposited in the Texas Cultural Endowment Fund and transferred for appropriation out of the Commission on the Arts Operating Account No. 334, in the amount of \$350,000 each fiscal year, to be deposited to the credit of the corpus of the Texas Cultural Endowment Fund established under Government Code § 444.026, for the biennium beginning September 1, 2003. Any interest earnings in addition to amounts appropriated above are hereby appropriated to the agency for the same purposes for the biennium beginning September 1, 2003. Any unexpended balances of such earnings on August 31, 2004, are hereby appropriated for the same purpose for the fiscal year beginning September 1, 2004.

3. **Interagency Agreement.** Out of amounts included above in Strategy C.1.1, Distribute Direct Grants, and Strategy C.1.2, Promotion and Participation, the Commission on the Arts shall expend \$1,340,000 during the biennium beginning September 1, 2003, transferred from the Texas Department of Transportation through interagency contract, to showcase the arts and cultural diversity in Texas to promote tourism.

4. **Arts Education.** Out of the amounts appropriated above, in Strategy B.1.1, Arts Education, the Commission on the Arts shall expend \$300,000 each fiscal year, transferred from the Texas Education Agency through interagency contract, to award grants for arts education.

5. **Unexpended Balances within the Biennium.** Any unexpended balances in appropriations made to Strategy B.1.1, Arts Education, remaining as of August 31, 2004, are hereby appropriated to the Commission on the Arts for the fiscal year beginning September 1, 2004, for the same purpose.

6. **Texas, State of the Arts License Plates.** Included in the amounts appropriated above in Strategy C.1.1, Distribute Direct Grants are all balances collected prior to the effective date of this Act and revenue collected on or after September 1, 2003, not to exceed \$482,000 in fiscal year 2004 and \$490,000 in fiscal year 2005 out the Commission on the Arts, Operating Account No. 334 from the sale of license plates as provided by Transportation Code § 502.272. Also included in the amounts appropriated above are any unexpended balances of these funds remaining as of August 31, 2003, (not to exceed \$50,000) for Strategy B.1.1, Arts Education and Strategy C.1.1, Distribute Direct Grants, for the fiscal year beginning September 1, 2003. Any unexpended balances as of August 31, 2004, out of the appropriations made herein are hereby appropriated to the Commission on the Arts for the fiscal year beginning September 1, 2004.

7. **Reporting Requirements: SAO Audit.** Not later than September 1, 2003, the Commission on the Arts shall report to the State Auditor's Office (SAO) on the status of its implementation of procedures to address SAO findings contained in *An Audit Report on Internal Control and*

COMMISSION ON THE ARTS
(Continued)

Financial Processes at the Commission on the Arts and the Funeral Service Commission, (published June 24, 2002). Included in the amounts appropriated above are unobligated and unspent funds available as of September 1, 2003, in Strategy C.1.1, Distribute Direct Grants not to exceed \$100,000 in General Revenue if the SAO certifies to the Legislative Budget Board and the Comptroller of Public Accounts that all procedures to address SAO findings have been fully implemented.

8. **Limitation on Reimbursements for Commission Meetings.** Notwithstanding Article IX provisions, the number of days commissioners are appropriated expenses related to conducting Commission business as provided by Government Code § 659.032 is not to exceed six days a fiscal year.
9. **Reporting Requirements: Geographic Distribution.** The Commission on the Arts shall submit an annual report to the Legislative Budget Board and the Governor on the geographic distribution of their grants.
10. **Arts Entrepreneurial Business System.** Included in the amounts appropriated above, the Commission on the Arts is hereby authorized to collect receipts from the sale of promotional items bearing the Agency's logo, estimated to be \$1,000 in Appropriated Receipts for the biennium beginning September 1, 2003, for Strategy C.1.1, Distribute Direct Grants.

OFFICE OF THE ATTORNEY GENERAL

	For the Years Ending	
	August 31, 2004	August 31, 2005
A. Goal: PROVIDE LEGAL SERVICES		
To provide skillful and high quality legal representation, counseling, and assistance for the State of Texas, its authorized entities and employees in the lawful performance of their duties.		-
Outcome (Results/Impact):		
Delinquent State Revenue Collected	\$ 43,000,000	\$ 43,000,000
A.1.1. Strategy: LEGAL SERVICES	\$ 61,995,382	\$ 55,914,707
Respond to the legal counseling needs of the State of Texas, its authorized entities and employees by providing appropriate legal advice and answers to legal questions posed by clients, including the issuance of formal opinions and open records letters and decisions. Respond to the litigation needs of the State of Texas, its authorized entities and employees through the use of appropriate pre-trial and trial actions. Implement the use of alternative dispute resolution methods in legal disputes involving the state when this course of action is in the best interest of the state. Respond to the legal counseling and litigation needs of the State of Texas in the Colonias Project.		
Output (Volume):		
Legal Hours Billed to Litigation and Counseling	845,406	842,176
Efficiencies:		
Average Cost Per Legal Hour	69.01	69.18
B. Goal: ENFORCE CHILD SUPPORT LAW		
To enforce aggressively and fairly both state and federal child support laws and regulations.		

OFFICE OF THE ATTORNEY GENERAL
(Continued)

Outcome (Results/Impact):

Percent of All Current Child Support Amounts Due That Are Collected	62%	62%
Percent of Title IV-D Cases with Arrears Due in Which Any Amount Is Paid Toward Arrears	63%	63%
B.1.1. Strategy: CHILD SUPPORT ENFORCEMENT	\$ 205,696,000	\$ 207,887,807
Collect court-ordered child support through the use of the following: establish paternity; establish child support obligations; enforce child support obligations; and receive and distribute child support monies.		
Output (Volume):		
Amount of Title IV-D Child Support Collected (in Millions)	1,628.6	1,755.3
Number of Children for Whom Paternity Has Been Established	57,439	57,439
Number of Child Support Obligations Established	51,433	51,433
Efficiencies:		
Ratio of Total Dollars Collected Per Dollar Spent	7.92	8.44
B.1.2. Strategy: STATE DISBURSEMENT UNIT	\$ 39,023,461	\$ 36,130,613
Operate a state disbursement unit that receives and disburses all IV-D child support payments and all non-IV-D child support payments made pursuant to court-ordered income withholding.		
Output (Volume):		
Number of Payment Receipts Processed by the SDU Vendor	13,724,007	14,502,306
Total, Goal B: ENFORCE CHILD SUPPORT LAW	\$ 244,719,461	\$ 244,018,420

C. Goal: CRIME VICTIMS' SERVICES

To provide services and information to victims of crime in a caring, sensitive and efficient manner.

Outcome (Results/Impact):

Amount of Crime Victim Compensation Awarded	61,000,000	65,000,000
C.1.1. Strategy: CRIME VICTIM COMPENSATION	\$ 66,682,899	\$ 70,892,697
Obtain and review all claims for crime victims' compensation in accordance with state and federal regulations to determine eligibility for payment; ensure that all bills are reviewed for medical reasonableness and necessity and paid at the correct rate and that limits are not exceeded.		
Efficiencies:		
Average Number of Days to Analyze a Claim and Make an Award	90	90
C.1.2. Strategy: VICTIMS ASSISTANCE	\$ 37,092,760	\$ 37,100,005
Provide grants and contracts to support victim-related services or assistance in the state; train local rape crisis programs and allied professionals and advocates in prevention, intervention and crisis services for sexual assault victims; certify Sexual Assault Nurse Examiners and training programs; and contract with Texas CASA, Inc., a nonprofit organization, to provide trained volunteers to be assigned by judges to advocate for abused and neglected children in the court system.		
Output (Volume):		
Total Number of Counties Served by CASA Programs	182	205
Total, Goal C: CRIME VICTIMS' SERVICES	\$ 103,775,659	\$ 107,992,702

D. Goal: REFER MEDICAID CRIMES

To provide an environment free of fraud, physical abuse, and criminal neglect for Medicaid recipients and the Medicaid program.

OFFICE OF THE ATTORNEY GENERAL
(Continued)

Outcome (Results/Impact):			
Amount of Medicaid Over-payments Identified		10,000,000	10,000,000
D.1.1. Strategy: MEDICAID INVESTIGATION	\$ 2,179,216	\$	2,179,216
Conduct a statewide program of investigation and refer for prosecution all violations of laws pertaining to fraud in the administration of the Texas Medicaid Program, the provision of medical assistance, and the activities of providers of medical assistance under the State Medicaid Plan. Review complaints alleging abuse or neglect of patients in health care facilities receiving payments under the State Medicaid Plan.			
Output (Volume):			
Number of Investigations Concluded		250	250
E. Goal: ADMINISTRATIVE SUPPORT FOR SORM			
Provide administrative support to the State Office of Risk Management in administering state employees workers' compensation.			
E.1.1. Strategy: ADMINISTRATIVE SUPPORT FOR SORM	\$ 651,653	\$	651,653
Provide administrative support to the State Office of Risk Management.			
Grand Total, OFFICE OF THE ATTORNEY GENERAL			
	\$ 413,321,371	\$	410,756,698
Method of Financing:			
<u>General Revenue Fund</u>			
Child Support Retained Collection Account	\$ 59,393,503	\$	57,851,950
Attorney General Debt Collection Receipts	8,300,000		8,300,000
General Revenue Fund	50,368,531		44,901,300
General Revenue - Insurance Companies Maintenance Tax and Insurance Department Fees	2,937,771		2,937,771
Subtotal, General Revenue Fund	\$ 120,999,805	\$	113,991,021
<u>General Revenue Fund - Dedicated</u>			
AG Law Enforcement Account No. 5006	443,125		443,125
Sexual Assault Program Account No. 5010	204,904		204,904
Attorney General Volunteer Advocate Program Account No. 5036	144,900		152,145
Compensation to Victims of Crime Account No. 469	83,583,495		84,575,930
Subtotal, General Revenue Fund - Dedicated	\$ 84,376,424	\$	85,376,104
Federal Funds	188,630,950		192,139,872
<u>Other Funds</u>			
Appropriated Receipts	8,608,532		8,544,041
Interagency Contracts	5,070,388		5,070,388
State Highway Fund No. 006	5,635,272		5,635,272
Subtotal, Other Funds	\$ 19,314,192	\$	19,249,701
Total, Method of Financing	\$ 413,321,371	\$	410,756,698
Number of Full-Time-Equivalent Positions (FTE):	3,910.0		3,914.0
Schedule of Exempt Positions:			
Attorney General, Group 4	\$92,217		\$92,217
Supplemental Appropriations Made in Riders:	\$ 2,658,000	\$	3,992,000

OFFICE OF THE ATTORNEY GENERAL
(Continued)

Object-of-Expense Informational Listing:

Salaries and Wages	\$ 156,070,447	\$ 156,147,732
Other Personnel Costs	3,779,117	3,779,117
Operating Costs	2,658,000	3,992,000
Professional Fees and Services	11,532,407	5,534,107
Fuels and Lubricants	30,483	30,483
Consumable Supplies	2,235,149	2,143,161
Utilities	7,956,290	8,386,850
Travel	5,120,630	5,171,370
Rent - Building	10,728,641	10,933,789
Rent - Machine and Other	2,764,157	3,036,677
Other Operating Expense	166,538,430	167,808,678
Grants	45,095,620	45,635,734
Capital Expenditures	<u>1,470,000</u>	<u>2,149,000</u>
Total, Object-of-Expense Informational Listing	<u>\$ 415,979,371</u>	<u>\$ 414,748,698</u>

1. **Capital Budget.** Funds appropriated above may be expended for capital budget items listed below. The amounts identified for each item may be adjusted or may be expended on other non-capital expenditures within the strategy to which the funds were appropriated. However, any amounts spent on capital items are subject to the aggregate dollar restrictions on capital budget expenditures provided in the General Provisions of this Act.

	<u>2004</u>	<u>2005</u>
a. Acquisition of Information Resource Technologies		
(1) Child Support Hardware/Software Enhancements	\$ 1,520,000	\$ 2,929,000
(2) A & L Printer Refresh Project	21,500	0
(3) Other PC Refresh Project	14,360	14,632
Total, Acquisition of Information Resource Technologies	<u>\$ 1,555,860</u>	<u>\$ 2,943,632</u>
Total, Capital Budget	<u>\$ 1,555,860</u>	<u>\$ 2,943,632</u>

Method of Financing (Capital Budget):

Child Support Retained Collection Account	\$ 582,800	\$ 1,286,260
GR Dedicated - Compensation to Victims of Crime Account No. 469	35,860	14,632
Federal Funds	937,200	1,642,740
Total, Method of Financing	<u>\$ 1,555,860</u>	<u>\$ 2,943,632</u>

2. **Cost Allocation, Reporting Requirement.** The Attorney General's Office is directed to continue an accounting and billing system by which the costs of legal services provided to each agency may be determined. This cost information shall be provided to the Legislative Budget Board and the Governor within 60 days after the close of the fiscal year.
3. **Child Support Collections.**
- a. The Attorney General shall deposit Child Support Retained Collections in a special account in the Comptroller's Office. The account shall be called the Child Support Retained Collections Account. Child Support Retained Collections shall include the state share of funds collected by the Office of the Attorney General which were previously paid by the

OFFICE OF THE ATTORNEY GENERAL
(Continued)

State as Aid to Families with Dependent Children (AFDC) or Temporary Assistance for Needy Families (TANF) or foster care payments, all child support enforcement incentive payments received from the federal government, and all revenues specifically established by statute on a fee or service-provided basis and pertaining to the Child Support Enforcement Program.

- b. Amounts earned as interest on, and allocated by the Comptroller of Public Accounts to, the Child Support Trust Fund No. 994, in excess of \$808,289 in fiscal year 2004 and \$808,289 in fiscal year 2005, shall be transferred monthly by the Comptroller of Public Accounts to such funds from the General Revenue Fund, and all amounts so transferred are hereby appropriated to the Attorney General for use during the 2004-05 biennium, in addition to the amounts otherwise appropriated herein. Amounts transferred pursuant to this provision shall be shown as a separate, individual entry in the Method of Finance in all standard reports regularly utilizing a method of finance which are submitted to the Governor's Office or the Legislative Budget Board.
 - c. The Attorney General is directed to accrue and leave unexpended amounts in the Child Support Retained Collections Account sufficient to be used as the initial state funding necessary for operation of the Child Support Enforcement program during fiscal year 2006. It is the intent of the Legislature that this program be self sufficient through funding from the Child Support Retained Collections Account and related Title IV-D grant funds.
 - d. The Attorney General, in cooperation with the Comptroller of Public Accounts, shall develop and maintain such cost centers and/or subaccounts within the Child Support Trust Fund No. 994 and/or the Child Support Retained Collections Account as may be determined necessary or appropriate to separately account for, and allocate the interest earned on, the various sources for receipts deposited to, and types of expenditures made from such funds. The Comptroller of Public Accounts shall separately allocate interest earned by the State to each such cost center and/or subaccount, or to such groupings thereof as may be designated by the Attorney General for purposes of reporting interest earned to the federal government.
 - e. The Comptroller of Public Accounts is directed to transfer and carry forward all the balances of funds in the Child Support Trust Fund No. 994 and the Child Support Retained Collections Account as of August 31, 2003, in such funds to be available for use in fiscal year 2004. Any balances in the Child Support Trust Fund No. 994 and the Child Support Retained Collections Account on hand as of August 31, 2004, shall be carried forward in such funds as funding sources for the appropriation for fiscal year 2005. It is the intent of the Legislature that the remaining balances in the Child Support Trust Fund No. 994 and the Child Support Retained Collections Account as of August 31, 2005, be carried forward into fiscal year 2006 and be appropriated for fiscal year 2006 for the child support enforcement program.
 - f. In addition to the amounts otherwise appropriated for Strategy B.1.1, Child Support Enforcement, all funds received from the federal government as reimbursement for the costs and fees paid to counties, district or county clerks, sheriffs or constables pursuant to the provisions of Chapter 231 of the Texas Family Code are hereby appropriated to the Office of the Attorney General for use during the 2004-05 biennium.
4. **Disposition, Earned Federal Funds.** Earned Federal Funds received in connection with child support enforcement, in excess of the amounts included in the Comptroller's Biennial Revenue Estimate for earned federal funds received by the Office of the Attorney General, plus federal matching funds, are appropriated to the Office of the Attorney General for use in Strategy B.1.1, Child Support Enforcement.

OFFICE OF THE ATTORNEY GENERAL
(Continued)

5. **Reporting Requirement.** The Attorney General's Office is directed to develop and maintain separate accounting information and records on receipts and distribution of funds from the Child Support Trust Fund No. 994 and the Child Support Retained Collections Account. Such information must at a minimum identify all deposits, allocations and expenditures by type of revenues. The Comptroller of Public Accounts shall prescribe rules and procedures to assure compliance with this section and all transactions and balances shall be reconciled monthly against the records of the Comptroller. In addition to the requirements for annual financial reports required by the General Provisions of this Act, the Attorney General shall include a separate section detailing all such balances, receipts and distributions of money in Fund No. 994 and the Child Support Retained Collections Account. The report must specifically show balances held for transfer to operating appropriations of the Attorney General's Office and any other agency. In addition, any balances which are unclaimed and subject to escheat under other laws must be identified as to amount and age.
6. **Debt Collections.**
- a. The Office of the Attorney General shall attempt to collect all delinquent judgments owed the State of Texas. A portion of those debts collected, as outlined below, shall be eligible for retention by the Office of the Attorney General and may be used as a source of funding for agency operations as specified in and limited by the method of financing of the Office. One hundred percent of the debts collected by the Office of the Attorney General and eligible for retention by the Office shall be applied toward the amounts shown above for Attorney General Debt Collection Receipts in the method of financing for agency operations. Regardless of the total amount collected by the Attorney General, in no event shall this provision be construed as an appropriation in addition to the amount appropriated above as specified in the method of financing, of any of the funds collected by the Office of the Attorney General.
- b. To be eligible for retention by the Office of the Attorney General the debt collected must be from a qualifying judgment. Qualifying judgments, as used in this rider, are judgments that are at least one-year old from the date of entry of the court order and also include debts not reduced to judgment where there are collections on the debt by the Collections Division of the Attorney General's Office if the debt is delinquent by more than one year or has been certified for collection to the Collections Division of the Attorney General's Office. In no event shall more than \$5.0 million from collections stemming from a common nucleus of operative fact be eligible for retention by the Office of the Attorney General.
- c. It is the intent of the Legislature that the following not be allowed as a credit toward the percentage set forth in Rider 6.a. above: judgments collected by state agencies; judgments less than one year old; or judgments collected without direct action by the Attorney General's Collection Division.
- d. The Attorney General shall maintain a centralized recordkeeping system for accounting for various departmental and agency certification of delinquent taxes, judgments, and other debts owed the state. The accounting should distinguish by type of tax, judgment, or other debt, and provide for: when the debt was certified by an agency or department for collection by the Attorney General; when it was collected or disposed of, and such other information as the Legislative Budget Board, Governor, or the Comptroller of Public Accounts may require. The Attorney General shall submit semi-annual reports to the Governor and the Legislative Budget Board detailing by agency or department the amount of each debt, when the debt was certified and when, and in what amount, it was collected or disposed of.
7. **River Compact Lawlult Contingency.** Out of the amounts appropriated above for Strategy A.1.1, Legal Services, \$205,000 shall be set aside to purchase professional services to force

OFFICE OF THE ATTORNEY GENERAL
(Continued)

compliance with the Texas river compacts by member states and/or agencies of the United States and defend the State in any legal proceeding involving the compacts.

8. **Client Representation.** In making a determination whether to initiate or settle litigation referred by a state agency, the Attorney General shall follow the written recommendation of the executive director of the referring state agency, or his designee, unless the Attorney General determines that good cause exists to disregard such recommendation. In that event, the Attorney General shall provide the client agency with a written explanation of the reasons for such determination.
9. **Appropriation of Receipts, Court Costs.** Out of the funds appropriated above as Appropriated Receipts, \$7,500,000 in each year of the biennium represents the annual appropriation of court costs, attorneys' fees and investigative costs recovered by the Office of the Attorney General. Court costs, attorneys' fees and investigative costs recovered by the Office of the Attorney General in excess of those specifically appropriated and shown in the agency's method of financing are appropriated to the Office of the Attorney General, in an amount not to exceed \$10,000,000 each year and shall be used for Child Support Enforcement. At least semi-annually, beginning within 60 days after the close of each fiscal year, or more often upon request of the Legislative Budget Board, the Office of the Attorney General shall submit to the Legislative Budget Board, the Senate Finance Committee, the House Appropriations Committee, and the Governor a report that lists each case in which an award of court costs, attorneys' fees, or investigative fees was made, the date of the award, the amount of court costs that were awarded, the amount of investigative costs that were awarded, the amount of attorneys' fees that were awarded, and the strategy or strategies to which the above receipts were allocated, in addition to any other information that may be requested by the Legislative Budget Board.
10. **Interagency Contracts for Legal Services.** The Office of the Attorney General shall not be appropriated any state funds from interagency contracts, notwithstanding the provisions of the section entitled Reimbursements and Payments, in Article IX, General Provisions of this Act unless the Attorney General gives prior written notice to the Legislative Budget Board and the Governor, accompanied by written permission by the affected agency. Any such interagency contract for legal services between the Attorney General's Office and state agencies shall not jeopardize the ability of the agencies to carry out their legislative mandates, shall not affect their budget such that employees must be terminated in order to pay the requested amount and shall not exceed reasonable attorney fees for similar legal services in the private sector. The Office of the Attorney General is hereby appropriated funds received from interagency contracts for non-legal services rendered by the Office of the Attorney General.
11. **Unexpended Balances: Between Fiscal Years.** Any unexpended balances as of August 31, 2004, in appropriations made to the Office of the Attorney General are hereby appropriated for the same purpose for the fiscal year beginning September 1, 2004. It is the intent of the Legislature that any unexpended balances in Strategy B.1.1, Child Support Enforcement, shall be used only to enforce child support laws and regulations.
12. **Transfer Authority.** Notwithstanding limitations on appropriation transfers contained in the General Provisions of this Act, the Attorney General is hereby authorized to direct agency resources and transfer such amounts appropriated above between appropriation line items.
13. **Victims Assistance Grants.** Funds appropriated above in C.1.2, Victims Assistance, shall be spent as follows:

OFFICE OF THE ATTORNEY GENERAL
(Continued)

<u>Program</u>	<u>FY 2004</u>	<u>FY 2005</u>
(1) Victims Assistance Coordinators and Victims Liaisons	\$ 2,394,243	\$ 2,394,243
(2) Court Appointed Special Advocates	3,144,900	3,152,145
(3) Sexual Assault Prevention and Crisis Services Program	10,742,519	10,742,519
(4) Sexual Assault Services Program Grants	375,000	375,000
(5) Children's Advocacy Centers	3,999,003	3,999,003
(6) Legal Services Grants	2,500,000	2,500,000
(7) Other Victim Assistance Grants	10,362,250	10,362,250
(8) Statewide Victim Notification System	<u>3,574,845</u>	<u>3,574,845</u>
Total	<u>\$ 37,092,760</u>	<u>\$ 37,100,005</u>

Method of Financing:

Compensation to Victims of Crime Fund No. 469	\$ 33,170,643	\$ 33,170,643
Sexual Assault Program Account No. 5010	204,904	204,904
Attorney General Volunteer Advocate Program Account No. 5036	144,900	152,145
Federal Funds	<u>3,572,313</u>	<u>3,572,313</u>
Total, Method of Financing	<u>\$ 37,092,760</u>	<u>\$ 37,100,005</u>

The Office of the Attorney General shall adopt rules for the competitive allocation of funds under item number (7) Other Victims Assistance Grants. None of the funds appropriated in Strategy C.1.2, Victims Assistance, may be expended on grants to organizations that make contributions to campaigns for elective office or that endorse candidates.

Within 60 days after the close of each fiscal year, the Office of the Attorney General shall submit a report detailing the expenditure of funds appropriated in Strategy C.1.2, Victims Assistance. The report shall include information on the guidelines used to select programs that receive grants, on the amount of grants awarded in each of the categories listed above, on the amount of expenditures for administration, and on audit and oversight activities conducted relating to the victims assistance grants and the programs receiving such grants. The report shall be submitted to the Legislative Budget Board, the Governor, the Senate Finance Committee, and the House Appropriations Committee.

14. **Appropriation: CASA License Plate Revenues.** Included in amounts appropriated above in Strategy C.1.2, Victims Assistance, is \$144,900 in fiscal year 2004 and \$152,145 in fiscal year 2005 from receipts collected and deposited to the Attorney General Volunteer Advocate Program Account No. 5036 for the purpose of contracting with Texas CASA, Inc. Any additional revenues received on or after September 1, 2003 and deposited into the Attorney General Volunteer Advocate Program Account No. 5036 on or after September 1, 2003 are hereby appropriated to the Office of the Attorney General for the same purpose.
15. **Child Support Contractors.** Full-Time-Equivalent (FTE) positions associated with contracted workers in Strategy B.1.1, Child Support Enforcement, shall be exempt from the provisions in Article IX relating to limiting state agency employment levels.
16. **Elephant Butte Litigation.** The Office of the Attorney General may, if the Attorney General deems necessary, use funds appropriated above in Strategy A.1.1, Legal Services, not to exceed

OFFICE OF THE ATTORNEY GENERAL
(Continued)

a total amount of \$10,153,000, for potential intervention in certain developing ground and surface water disputes with the state of New Mexico along the Rio Grande Project from Elephant Butte Reservoir to Fort Quitman, Texas.

It is the intent of the Legislature that the Office of the Attorney General vigorously represent the State of Texas in all litigation involving water rights disputes with the State of New Mexico, including but not limited to issues relating to the Elephant Butte Reservoir. Before proceeding, the Attorney General shall make every effort to achieve agreement among all involved parties in the State of Texas on the related issues.

17. **Excess Retained Collections.** In addition to funds appropriated above, the Office of the Attorney General is hereby appropriated Child Support Retained Collections receipts in excess of the amounts in the Comptroller's Biennial Revenue Estimate, plus federal matching funds, to be used in Strategy B.1.1, Child Support Enforcement and B.1.2, State Disbursement Unit, during the 2004-05 biennium.
18. **Crime Victims Services Publications.** It is the intent of the Legislature that any information disseminated by the Office of the Attorney General regarding crime victims services be published in both English and Spanish.
19. **Hawkins Field Litigation.** Included in amounts appropriated above in Strategy A.1.1, Legal Services, is \$1,700,000 from the State Highway Fund 6 in fiscal year 2004 for litigation expenses related to the Hawkins Field lawsuit, or other litigation related to the conversion of mineral rights on state property.
20. **Interagency Contract with the Texas Department of Criminal Justice.** Notwithstanding Rider 10 above, Interagency Contracts for Legal Services, the Office of the Attorney General is appropriated any funds transferred from the Texas Department of Criminal Justice (TDCJ) pursuant to an interagency contract for the Office of the Attorney General to provide legal services to the Texas Department of Criminal Justice.
21. **Interagency Contract with the Department of Public Safety.** Notwithstanding Rider 10 above, Interagency Contracts for Legal Services, the Office of the Attorney General is appropriated any funds transferred from the Department of Public Safety pursuant to an interagency contract for the Office of the Attorney General to provide legal services to the Department of Public Safety.
22. **Contingent Appropriation for House Bill 2588: Title IV-D Agency.** Contingent upon the enactment of House Bill 2588 or similar legislation by the Seventy-eighth Legislature, Regular Session, relating to the assessment of application and service fees by the Title IV-D agency:
 - a. general revenue amounts appropriated to the Office of the Attorney General for Strategy B.1.1, Child Support Enforcement, shall be reduced by \$1,958,243 in fiscal year 2004 and \$2,130,890 in fiscal year 2005; and
 - b. the Office of the Attorney General is hereby appropriated all revenue from such application and service fees, estimated to be \$1,958,243 in fiscal year 2004 and \$2,130,890 in fiscal year 2005, for use in Strategy B.1.1, Child Support Enforcement.

BOND REVIEW BOARD

	For the Years Ending	
	August 31,	August 31,
	<u>2004</u>	<u>2005</u>

Out of the General Revenue Fund:

A. Goal: PROTECT TEXAS BOND RATING

Ensure that Texas state bonds attain the highest possible bond rating and that these bonds are issued in a cost-effective manner.

A.1.1. Strategy: REVIEW BOND ISSUES

Review each Texas Bond Review Board project application to ensure proper legal authorization, accurate and adequate disclosure, appropriate use of call provisions, bond insurance and other provisions which affect marketability.

Output (Volume):

Number of State Bond Issues and Lease-purchase Projects Reviewed

\$	108,563	\$	108,563
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A.1.2. Strategy: STATE BOND DEBT

Analyze and report to the Legislature, rating agencies, and other interested parties on Texas' debt burden, credit-worthiness and capital expenditure plan. Analyze and report to the Legislature and other policymakers actions that would raise the state's bond rating and/or lower state borrowing costs.

Output (Volume):

Number of Responses to Debt Information Requests

	42		42
\$	<u>108,563</u>	\$	<u>108,563</u>

Total, Goal A: PROTECT TEXAS BOND RATING

	150		150
\$	<u>217,126</u>	\$	<u>217,126</u>

B. Goal: LOCAL BOND DEBT

Ensure that public officials have access to current information regarding local government debt issuance, finance and debt management.

B.1.1. Strategy: LOCAL BOND DEBT

Collect, maintain and analyze data on the current status of and improvements to local government debt issuance finance and debt management. Report findings to the Legislature, other state officials and local policymakers.

Output (Volume):

Number of Local Government Financings Analyzed

\$	196,448	\$	196,448
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C. Goal: PRIVATE ACTIVITY BONDS

Ensure that the authorization to issue private activity bonds for Texas state and local entities is allocated consistently with legislative mandates, in the most equitable manner possible, and in the best interest of the people of Texas.

C.1.1. Strategy: PRIVATE ACTIVITY BONDS

Administer the private activity bond allocation program efficiently and effectively to ensure the total utilization of the state's annual private activity bond allocation according to federal regulations and compile and analyze the results of each allocation in an annual report.

Output (Volume):

Number of Applications Reviewed

	1,100		1,100
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\$	103,393	\$	103,393
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Grand Total, BOND REVIEW BOARD

	360		375
\$	<u>516,967</u>	\$	<u>516,967</u>

BOND REVIEW BOARD
(Continued)

Number of Full-Time-Equivalent Positions (FTE):	9.5	9.5
Schedule of Exempt Positions:		
Executive Director, Group 3	\$80,000	\$80,000
Object-of-Expense Informational Listing:		
Salaries and Wages	\$ 472,000	\$ 472,000
Other Personnel Costs	6,000	6,000
Professional Fees and Services	1,000	1,000
Consumable Supplies	3,000	3,000
Utilities	500	500
Travel	2,000	2,000
Rent - Machine and Other	3,600	3,600
Other Operating Expense	<u>28,867</u>	<u>28,867</u>
Total, Object-of-Expense Informational Listing	\$ <u>516,967</u>	\$ <u>516,967</u>

1. **Debt Issuance Technical Assistance to School Districts.** It is the intent of the Legislature that the Bond Review Board (BRB) and any other public entities or outside consultants determined by the BRB to be needed, provide technical assistance to school districts entering into bonded indebtedness or lease purchase agreements. This assistance may include, but is not limited to: advising districts of the financial implications of debt and lease purchase agreements; the appropriate criteria districts should consider in debt-related decision making; and options available to districts in the issuance of debt.

BUILDING AND PROCUREMENT COMMISSION

	For the Years Ending	
	August 31,	August 31,
	2004	2005
	<hr/>	<hr/>

A. Goal: PROCUREMENT

Manage a procurement system that ensures the state receives quality, cost-effective goods and services and maximizes competition while facilitating business opportunities for Historically Underutilized Businesses (HUBs).

Outcome (Results/Impact):

Percentage of Awards Made to HUBs Based on State Term and Schedule Contracts	22%	22%
Percent Increase in Dollar Value of Purchases Made through the TBPC Cooperative (Co-op) Program	12%	15%
Percentage of Post-payment Audits Completed	50%	50%

A.1.1. Strategy: STATEWIDE PROCUREMENT

Provide a competitive procurement system that maximizes the state's buying power by providing statewide contracts, technical expertise, and innovative procurement tools to state agencies and cooperative entities.

Output (Volume):

Number of New, Revised, and Renewed Term Contracts Awarded	164	165
A.1.2. Strategy: TRAINING AND COMPLIANCE	\$ 330,147	\$ 330,147

Ensure state purchasers are qualified and follow procurement practices that are cost effective and maximize competition.

BUILDING AND PROCUREMENT COMMISSION
(Continued)

A.1.3. Strategy: STATEWIDE HUBS	\$ 552,508	\$ 552,508
Facilitate statewide use of HUBs through effective promotion of business opportunities and ensure integrity of the program through certification, compliance, and reporting functions.		
A.1.4. Strategy: TRAVEL PROCUREMENT	\$ 190,730	\$ 190,730
Minimize statewide travel costs through effective procurement and management of airline, hotel, and rental car contracts.		
Output (Volume):		
Number of State Travelers Using Travel Contracts	30,000	30,000
Total, Goal A: PROCUREMENT	\$ 3,502,060	\$ 3,502,060
B. Goal: FACILITIES CONSTRUCTION AND LEASING		
Provide office space for state agencies through construction and leasing services.		
Outcome (Results/Impact):		
Square Footage of Office Space Leased Per Full-Time Equivalent	153	153
Cost Savings Achieved through Efficient Use of State-owned Space	2,126,027	2,145,674
Cost Savings Achieved through the Negotiation of Leased Space	5,381,925	5,116,634
Percentage of Completed Construction Projects on Schedule within Budget	90%	90%
Cost Savings Achieved by Moving State Agencies from Leased Space to State-owned Space	100,000	500,000
B.1.1. Strategy: LEASING	\$ 231,361	\$ 231,361
Provide quality leased space for state agencies at the best value for the state.		
Output (Volume):		
Total Number of Leases Awarded, Negotiated, or Renewed	196	204
Percent Reduction of Leased Square Footage of Office and Warehouse Space	20%	20%
Explanatory:		
Number of Emergency Leases Awarded, Negotiated, or Renewed	0	0
Total Square Footage of Office and Warehouse Space Leased	10,509,377	10,081,028
B.1.2. Strategy: FACILITIES PLANNING	\$ 187,256	\$ 187,256
Ensure that the state optimizes the use of leased, purchased, and constructed office space by providing planning and space management services to state agencies.		
B.2.1. Strategy: BUILDING DESIGN AND CONSTRUCTION	\$ 5,023,116	\$ 2,957,863
Provide a comprehensive program to ensure that state facilities are designed and built timely, cost effectively, and are of the highest quality.		
Total, Goal B: FACILITIES CONSTRUCTION AND LEASING	\$ 5,441,733	\$ 3,376,480
C. Goal: PROPERTY MANAGEMENT		
To protect and cost effectively manage and maintain state-owned facilities.		
C.1.1. Strategy: CUSTODIAL	\$ 4,868,108	\$ 4,868,108
Provide cost-effective and efficient custodial services for state facilities.		
Efficiencies:		
Average Cost Per Square Foot of TBPC-provided Custodial Services	.08	.08
Average Cost Per Square Foot of Privatized Custodial Services	.08	.08

BUILDING AND PROCUREMENT COMMISSION
(Continued)

C.2.1. Strategy: FACILITIES OPERATION	\$ 27,458,858	\$ 21,226,376
Provide a comprehensive program to protect the State's investment in facilities by eliminating deferred maintenance needs, providing grounds maintenance and minor construction services, improving the reliability of mechanical systems, and promoting efficient energy consumption and recycling.		
Efficiencies:		
Average Cost Per Square Foot of All Building Maintenance	1.3	1.3
Total, Goal C: PROPERTY MANAGEMENT	\$ 32,326,966	\$ 26,094,484
D. Goal: SUPPORT SERVICES		
To provide support to state agencies including office services, fleet management, and surplus property needs.		
Outcome (Results/Impact):		
Estimated Savings to State Agencies on Purchases from the Central Supply Store		
D.1.1. Strategy: CENTRAL OFFICE SERVICES	\$ 1,000,000	\$ 1,000,000
Provide for the timely and cost-effective delivery of office supplies, mail processing and printing to state agencies.	\$ 4,726,816	\$ 4,701,816
D.1.2. Strategy: FLEET MANAGEMENT	\$ 249,221	\$ 249,221
Develop and maintain a statewide vehicle fleet management system to provide detailed data on fleet use, to identify potential vehicle pooling or alternative fuel use opportunities.		
D.2.1. Strategy: SURPLUS PROPERTY MANAGEMENT	\$ 2,001,909	\$ 2,001,909
To provide timely, appropriate, and cost-effective opportunities for disposal of state and federal surplus property to maximize the value received by the state.		
Output (Volume):		
Dollar Amount of Federal Surplus Property Donated	22,000,000	24,200,000
Total, Goal D: SUPPORT SERVICES	\$ 6,977,946	\$ 6,952,946
E. Goal: INDIRECT ADMINISTRATION		
E.1.1. Strategy: CENTRAL ADMINISTRATION	\$ 2,698,699	\$ 2,698,699
E.1.2. Strategy: INFORMATION RESOURCES	\$ 2,140,545	\$ 2,166,545
E.1.3. Strategy: OTHER SUPPORT SERVICES	\$ 1,066,753	\$ 1,066,753
Total, Goal E: INDIRECT ADMINISTRATION	\$ 5,905,997	\$ 5,931,997
Grand Total, BUILDING AND PROCUREMENT COMMISSION	\$ 54,154,702	\$ 45,857,967
Method of Financing:		
<u>General Revenue Fund</u>		
General Revenue Fund	\$ 31,753,010	\$ 31,540,575
Subtotal, General Revenue Fund	\$ 31,753,010	\$ 31,540,575
<u>General Revenue Fund - Dedicated</u>		
Texas Department of Insurance Operating Fund Account No. 036	1,030,083	1,030,083
Surplus Property Service Charge Fund Account No. 570	1,573,022	1,573,022
Subtotal, General Revenue Fund - Dedicated	\$ 2,603,105	\$ 2,603,105

BUILDING AND PROCUREMENT COMMISSION
(Continued)

<u>Other Funds</u>		
Appropriated Receipts	2,782,447	1,640,159
Interagency Contracts	10,149,128	10,074,128
Bond Proceeds - General Obligation Bonds	6,207,482	0
Bond Proceeds - Revenue Bonds	500,000	0
Capitol Complex Area Fund No. 7	159,530	0
Subtotal, Other Funds	<u>\$ 19,798,587</u>	<u>\$ 11,714,287</u>
Total, Method of Financing	<u>\$ 54,154,702</u>	<u>\$ 45,857,967</u>
Other Direct and Indirect Costs Appropriated Elsewhere in this Act	\$ 219,082	\$ 218,490
Number of Full-Time-Equivalent Positions (FTE):	688.0	688.0
Schedule of Exempt Positions:		
Executive Director, Group 4	\$115,000	\$115,000
Object-of-Expense Informational Listing:		
Salaries and Wages	\$ 16,923,956	\$ 16,923,956
Other Personnel Costs	518,236	518,236
Operating Costs	75,000	0
Professional Fees and Services	1,592,159	1,592,159
Fuels and Lubricants	70,437	70,437
Consumable Supplies	1,368,540	1,368,540
Utilities	12,871,792	12,871,792
Travel	134,660	134,660
Rent - Building	413,580	413,580
Rent - Machine and Other	213,677	213,677
Other Operating Expense	9,482,147	9,482,147
Capital Expenditures	<u>10,490,518</u>	<u>2,268,783</u>
Total, Object-of-Expense Informational Listing	<u>\$ 54,154,702</u>	<u>\$ 45,857,967</u>

1. **Information Listing of Appropriated Funds.** The appropriations made in this and other Articles of this Act to the Texas Building and Procurement Commission for lease payments to the Texas Public Finance Authority, are subject to the following provision. The following amounts shall be used for the purpose indicated.

	For the Fiscal Year Ending August 31, <u>2004</u>	August 31, <u>2005</u>
Strategy C.2.2., Lease Payments	<u>\$ 46,395,405</u>	<u>\$ 46,336,794</u> <u>&UB</u>
Method of Financing:		
General Revenue Fund	\$ 33,907,692	\$ 43,363,384
General Revenue-Dedicated Department of Insurance Companies Operating Fund Account No. 036	2,974,925	2,973,410

BUILDING AND PROCUREMENT COMMISSION
(Continued)

Current Fund Balance	<u>9,512,788</u>	<u>0</u>
Total, Method of Financing, Lease Payments	<u>\$ 46,395,405</u>	<u>\$ 46,336,794</u>

2. **Capital Budget.** None of the funds appropriated above may be expended for capital budget items except as listed below. The amounts shown below shall be expended only for the purposes shown and are not available for expenditure for other purposes. Amounts appropriated above and identified in this provision as appropriations either for "Lease payments to the Master Lease Purchase Program" or for items with an "(MLPP)" notation shall be expended only for the purpose of making lease-purchase payments to the Texas Public Finance Authority pursuant to the provisions of Government Code, § 1232.103.

	<u>2004</u>	<u>2005</u>
a. Construction of Buildings and Facilities		
(1) Construction of Buildings	\$ 2,738,435 & UB	\$ 2,000,000 & UB
b. Repair or Rehabilitation of Buildings and Facilities		
(1) Asbestos Abatement and Building Repair	1,301,818 & UB	UB
(2) Deferred Maintenance	6,207,482 & UB	UB
Total, Repair or Rehabilitation of Buildings and Facilities	<u>\$ 7,509,300</u>	<u>\$ 0</u>
c. Acquisition of Information Resource Technologies		
(1) Computer Equipment	26,000	0
d. Other Lease Payments to the Master Lease Purchase Program (MLPP)		
(1) Print Shop Equipment, 2 Color Offset Press	6,136	0
(2) Print Shop Equipment, Imagesetter	40,156	20,008
(3) Print Shop Equipment, Two Color Press	88,480	88,121
(4) Print Shop Equipment, Three Knife Book Trimmer	23,572	23,464
Total, Other Lease Payments to the Master Lease Purchase Program (MLPP)	<u>\$ 158,344</u>	<u>\$ 131,593</u>
Total, Capital Budget	<u>\$ 10,432,079</u>	<u>\$ 2,131,593</u>

Method of Financing (Capital Budget):

General Revenue Fund	\$ 264,435	\$ 0
Other Funds		
Capitol Complex Area Fund No. 7	159,530	0
Appropriated Receipts	1,142,288	0
Interagency Contracts	2,158,344	2,131,593
Bond Proceeds - General Obligation Bonds	6,207,482	UB
Bond Proceeds - Revenue Bonds	500,000	UB
Subtotal, Other Funds	<u>\$ 10,167,644</u>	<u>\$ 2,131,593</u>
Total, Method of Financing	<u>\$ 10,432,079</u>	<u>\$ 2,131,593</u>

BUILDING AND PROCUREMENT COMMISSION

(Continued)

3. **Unexpended Balances of Bond Proceeds Appropriated and Deferred Maintenance Funds.** Included in amounts appropriated above are unexpended and unobligated balances remaining as of August 31, 2003, (not to exceed \$500,000) for construction projects for the 2004-05 biennium for Strategy B.2.1, Building Design and Construction, in Bond Proceeds-Revenue Bonds provided by the Texas Public Finance Authority.

Included in the amounts appropriated above are unexpended and unobligated balances remaining as of August 31, 2003, (not to exceed \$6,207,482) for deferred maintenance for the 2004-05 biennium to Strategy C.2.1, Facilities Operation, in General Obligation Bonds.

4. **Appropriation of Construction and Planning Fund.** Included in amounts appropriated above are unexpended and unobligated balances in revenues remaining as of August 31, 2003, and revenues accruing pursuant to § 2166.157, Title 10, Government Code from appropriations for engineering, architectural, and other planning expenses necessary to make a construction project analysis for 2004-05 biennium to Strategy B.2.1, Building Design and Construction, not to exceed \$27,241 in General Revenue.
5. **Appropriation of Unexpended Balances In Construction Funds.** Included in amounts appropriated above are unexpended and unobligated balances in revenues remaining as of August 31, 2003 for property acquisition, repairs, and renovations for the abatement to facilities under the Commission's authority to Strategy B.2.1, Building Design and Construction, not to exceed \$1,301,818 (consisting of \$159,530 in Capitol Area Complex Fund No. 007 and \$1,142,288 in Appropriated Receipts). The Commission will notify the Legislative Budget Board and the Governor of all expenditures for emergency repairs.

Any unexpended balances remaining as of August 31, 2004 out of the appropriations herein are hereby appropriated to the Building and Procurement Commission for the fiscal year beginning September 1, 2004 for the same purpose.

6. **Transfer Authority - Utilities.** In order to provide for unanticipated cost increases in purchased utilities during fiscal year 2004, the Texas Building and Procurement Commission may transfer such amounts as may be necessary to cover such increases from appropriations made in fiscal year 2005 for utilities in C.2.1, Facilities Operation, to amounts appropriated in fiscal year 2004 for utilities. Prior to transferring fiscal year 2005 funds into the 2004 fiscal year, notification shall be given to the Comptroller of Public Accounts of the amounts to be transferred and quarterly reports shall be filed with the Legislative Budget Board and the Governor detailing the necessity for such transfers.
7. **Maintenance - Aircraft Pooling Board.** The Texas Building and Procurement Commission shall be responsible for the maintenance of state owned real property and facilities acquired for use by the Aircraft Pooling Board.
8. **Approval of Space Leases and Bid Specifications.** All state office space leases and bid specifications must be approved by the Texas Building and Procurement Commission before signed or published by an agency. Bid specifications and leases will be considered approved if no exception is taken by the commission within 15 working days.
9. **Employee Testing.** Out of the funds appropriated herein, the Texas Building and Procurement Commission is authorized to pay for medical testing for employees or prospective employees that work in high risk environment areas (e.g., asbestos removal, sewage). Funds appropriated above may also be expended for immunizations which are required of employees at risk in the performance of these duties. Testing deemed necessary under this provision must be approved by the Executive Director and obtained for the safety of the employee or the general public.

BUILDING AND PROCUREMENT COMMISSION
(Continued)

10. **Office Notification Policy.** Before relocation of an office, execution of a contract for lease of a state office, or before implementing a change in policy which affects office location, the Legislative members for the respective district must be notified to the extent possible.
11. **Cost Recovery, Reimbursement of General Revenue Funds.** In the event that the Leasing Services Program or any other function funded with general revenue in the above strategies, recovers operational costs through reimbursements from other agencies or entities, the Texas Building and Procurement Commission shall reimburse the General Revenue Fund for the amounts expended. Upon reimbursement, the Comptroller shall transfer these funds to unappropriated general revenue balances.
12. **Texas Building and Procurement Commission's Revolving Account.** It is the intent of the Legislature that the Comptroller of Public Accounts maintain the "Texas Building and Procurement Commission's Revolving Account" to account for the expenditures, revenues, and balances of its full cost-recovery operations of Central Store, Print Shops, Minor Construction, and Project Management. The expenditures, revenues, and balances for each operation shall be maintained separately by the Texas Building and Procurement Commission within its accounting system. Included in funds appropriated above are unexpended and unobligated balances for these operations as of August 31, 2003 (not to exceed \$75,000 in Interagency Contracts) for use during the 2004-05 biennium, along with any revenues received during the biennium. Any unobligated balances as of August 31, 2004, are appropriated for the same use during fiscal year 2005.
13. **Appropriations Limited to Revenue Collections.** It is the intent of the Legislature that fees, fines and other miscellaneous revenues as authorized and generated by the operation of the Federal Surplus Property program cover, at a minimum, the cost of the appropriations made for the Federal Surplus Property Program above for strategy item D.2.1, Surplus Property Management, as well as the "other direct and indirect costs" associated with this program, appropriated elsewhere in this Act. "Other direct and indirect costs" for the Federal Surplus Property Program above for strategy item D.2.1, Surplus Property Management, are estimated to be \$219,082 for fiscal year 2004 and \$218,490 for fiscal year 2005. In the event that the actual and/or projected revenue collections are insufficient to offset the costs identified by this provision, the Legislative Budget Board may direct the Comptroller of Public Accounts to reduce the appropriation authority provided herein to be within the amount of fee revenue expected to be available. Any unexpended balances as of August 31, 2003 (estimated to be \$0), in Surplus Property Service Charge Account Fund 570 are hereby appropriated to the Texas Building and Procurement Commission for costs associated with the operations of the Federal Surplus Property Program during the 2004-05 biennium. Any balances remaining on August 31, 2004, are appropriated for the same use during fiscal year 2005.
14. **Unexpended Balances, Bidders List Fees.** The Texas Building and Procurement Commission is hereby authorized to carry forward unexpended balances received from bidders list fees collected during fiscal year 2004 to fiscal year 2005 for the cost of maintaining a consolidated statewide bidders list.
15. **Electronic Purchasing Costs.** The Texas Building and Procurement Commission (TBPC) is authorized to establish an electronic purchasing service for all state agencies and institutions of higher education that choose to use it. This service may only be provided on a full cost recovery basis, such that agencies and institutions of higher education will pay for their share of the costs of this service. In addition, the TBPC is authorized to charge vendors for their share of the costs related to electronic purchasing. Any such reimbursement amounts are hereby appropriated to the TBPC. As an alternative to charging vendors, TBPC may enter into agreements with vendors so that payments for electronic purchasing costs are made by TBPC and a vendor on a pro rata basis.

BUILDING AND PROCUREMENT COMMISSION
(Continued)

16. **Standby Pay.** It is expressly provided that the Texas Building and Procurement Commission, to the extent permitted by law, may pay compensation for on-call time at the following rates: credit for one hour worked for each day on-call during the normal work week, and two hours worked for each day on-call during weekends and on holidays. This credit shall be in addition to actual hours worked during normal duty hours and actual hours worked during on-call status. For employees subject to the Fair Labor Standards Act (FLSA) an hour of on-call service shall be considered to be an hour worked during the week for purposes of the FLSA only to the extent required by federal law.
17. **Capitol Complex—Utilities.** Notwithstanding any other provision in this Act, the Texas Building and Procurement Commission shall be responsible for the payment of all utility costs out of appropriated funds in Strategy C.2.1, Facilities Operation, for the Capitol, the Capitol Extension, the Historic Capitol Grounds, the 1857 General Land Office Building, and the State History Museum.
18. **County Employee Travel.** Included in amounts appropriated above are fees paid by local Governments to the Texas Building and Procurement Commission (TBPC) for local law enforcement officials and county employees to use TBPC travel service contracts when transporting a state prisoner or traveling on official county business. The funds included above are to be used to recover agency costs to Strategy A.1.4, Travel Procurement, estimated to be \$35,000 in Appropriated Receipts for each fiscal year of the biennium.
19. **State Owned Housing.** A State Cemetery employee is authorized to live in the State Cemetery Caretaker's residence as set forth in Article IX, State Owned Housing - Recover Housing Costs, of this Act. Funds recovered for employee housing are hereby appropriated to the agency to maintain the State Cemetery Caretaker's residence.
20. **Night Shift Differential.** It is expressly provided that the Texas Building and Procurement Commission, to the extent provided by law, is hereby authorized to pay an additional night shift differential to Print Shop, Environmental Services, and Property Management employees.
21. **State-Owned Space.** It is the intent of the Legislature that state agencies be located in state-owned buildings or facilities whenever possible. The Texas Building and Procurement Commission shall prioritize state-owned buildings or space when locating office space for state agencies.
22. **Texas State Cemetery.**
 - a. Out of funds appropriated above, in Strategies C.2.1, Facilities Operation and B.2.1, Building Design and Construction, there is hereby allocated a total of \$495,726 for each year of the biennium beginning September 1, 2003, for the purpose of operation and maintenance, including constructing and furnishing facilities, at the Texas State Cemetery and/or the cemetery annex and for developing and maintaining a master plan for the Texas State Cemetery.
 - b. Any unexpended balances, as of August 31, 2003, remaining from the allocation for the Texas State Cemetery in Rider 27, page I-49, General Appropriations Act (2002-03 Biennium), not to exceed \$211,194 in General Revenue Funds, is included in amounts appropriated above in Strategy B.2.1, Building Design and Construction, for the purposes specified by this section.
23. **State Office Lease Space.** The Leasing Division of the Texas Building and Procurement Commission shall make a good faith effort to provide a state agency, whose central operations are located within Travis County and that is in the process of initiating or renewing a lease agreement for office space, with information on lease availability, terms, and rates in other Texas counties in addition to Travis County. Additionally, if an agency requests initiation or

BUILDING AND PROCUREMENT COMMISSION
(Continued)

renewal of a lease agreement in Travis County, the agency shall provide the Texas Building and Procurement Commission written justification for the reason(s) the proposed lease must be located in Travis County.

24. **Historically Underutilized Business Disparity Study.** Out of amounts appropriated above, but not including Strategy A.1.3, Statewide HUBs, the Building and Procurement Commission shall conduct a Historically Underutilized Business Disparity Study, to obtain information on the procurement of goods and services for targeted markets for state agencies and institutions of higher education. The study should also provide reliable information based on the current economy and the state's use of minority and women-owned businesses.
25. **State and Federal Surplus Property.** Included in amounts appropriated above in Strategy D.2.1, Surplus Property Management, are appropriations not to exceed \$4,003,818 from receipts collected for the biennium beginning September 1, 2003 to be collected pursuant to Chapter 2175, Government Code. The Texas Building and Procurement Commission may not expend, in a given fiscal year, an amount greater than the amount of receipts collected during the biennium pursuant to Chapter 2175, Government Code and appropriated by Article IX, § 8.04 of this Act in that fiscal year.

CANCER COUNCIL

	For the Years Ending	
	August 31, 2004	August 31, 2005
A. Goal: CANCER SERVICES		
To ensure that all Texans have prompt access to quality cancer prevention and control information and services in order to increase the number of Texans surviving or never developing cancer.		
A.1.1. Strategy: ENHANCE CANCER SERVICES	\$ 3,049,039	\$ 3,049,039
Mobilize and assist public, private, and volunteer sector agencies and individuals to enhance the availability and quality of cancer prevention and control services and policies.		
Output (Volume):		
Number of People Directly Served by Council-funded Cancer Prevention and Control Activities	612,400	646,583
Number of Health Care and/or Education Professionals Who Receive Council-funded Training or Materials	354,702	372,438
Number of Private and Public Grants Pursued by the Cancer Council and Local Contractors in an Effort to Increase Funding	62	65
Number of Clock Hours Donated to Local Contractors and the Council for Public Awareness, Professional Education, Early Detection Activities, and Other Activities Implementing the Texas Cancer Plan	259,317	272,283
Efficiencies:		
Average Cost Per Health Care and/or Education Professional Trained	2.98	2.98
Explanatory:		
Annual Age-adjusted Cancer Mortality Rate	193.7	192.2
B. Goal: DIRECT AND INDIRECT ADMINISTRATION		
B.1.1. Strategy: DIRECT AND INDIRECT ADMINISTRATION	\$ 439,500	\$ 439,500
Grand Total, CANCER COUNCIL	\$ 3,488,539	\$ 3,488,539

CANCER COUNCIL
(Continued)

Method of Financing:		
General Revenue Fund	\$ 3,480,539	\$ 3,480,539
GR Dedicated - Texans Conquer Cancer License Plates Account No. 5090	<u>8,000</u>	<u>8,000</u>
Total, Method of Financing	\$ <u>3,488,539</u>	\$ <u>3,488,539</u>
Number of Full-Time-Equivalent Positions (FTE):	8.0	8.0
Schedule of Exempt Positions:		
Executive Director, Group 2	\$57,691	\$57,691
Object-of-Expense Informational Listing:		
Salaries and Wages	\$ 319,543	\$ 319,543
Other Personnel Costs	7,220	8,120
Operating Costs	123,937	123,037
Grants	<u>3,037,839</u>	<u>3,037,839</u>
Total, Object-of-Expense Informational Listing	\$ <u>3,488,539</u>	\$ <u>3,488,539</u>

- Unexpended Balances.** Any unexpended balances in the appropriations for the fiscal year ending August 31, 2004, may be carried forward into fiscal year 2005 and such balances are hereby appropriated.
- Public and Private Grants.** The Cancer Council shall continue to identify any appropriate public or private grants for the purpose of receiving and administering such awards to further the goals of the Texas Cancer Plan. The Cancer Council shall report to the Legislative Budget Board and the Governor by July 1, 2004 on its findings and implementation plan to pursue appropriate grant awards as they become available.
- Appropriation of License Plate Revenue.** Funds appropriated above include \$8,000 in 2004 and \$8,000 in 2005 from revenues deposited in the General Revenue-Dedicated Account No. 5090, Texans Conquer Cancer License Plates, under Transportation Code § 502.2735. Any unexpended balances as of August 31, 2004 from the amounts appropriated may be carried forward into fiscal year 2005.

COMPTROLLER OF PUBLIC ACCOUNTS

	For the Years Ending	
	August 31, <u>2004</u>	August 31, <u>2005</u>
A. Goal: COMPLIANCE WITH TAX LAWS		
To improve voluntary compliance with tax laws.		
Outcomes (Results/Impact):		
Percent Accuracy Rate of Reported Amounts on Original Audits	98%	98%
Average Monthly Delinquent Account Closure Rate per Enforcement Collector	318	318
Percentage of Proposed Decisions by Administrative Law Judges Issued Within 40 Days of the Record Closing	97%	97%
A.1.1. Strategy: ONGOING AUDIT ACTIVITIES		
Maintain an ongoing program of audit and verification activities in support of improved tax compliance.	\$ 58,205,118	\$ 58,205,118

COMPTROLLER OF PUBLIC ACCOUNTS
(Continued)

Output (Volume):			
Number of Audits and Verifications Conducted		14,000	14,000
Efficiencies:			
Average Dollars Assessed to Dollar Cost		21	21
A.2.1. Strategy: TAX LAWS COMPLIANCE	\$	32,116,770	\$ 32,116,770
Improve voluntary compliance with tax laws by maximizing the efficiency of the delinquent taxpayer contact and collection program.			
Efficiencies:			
Delinquent Taxes Collected Per Collection-related Dollar Expended		76	76
A.3.1. Strategy: TAXPAYER INFORMATION	\$	13,728,549	\$ 13,728,549
Provide accurate and timely tax information to taxpayers, tax professionals, state officials, and the citizens of Texas.			
Output (Volume):			
Total Number of Written Responses Issued by the Tax Policy Sections (Excluding Exempt Organizations) and the Information Support Section		11,800	12,840
Efficiencies:			
Percent of Written Responses Issued by the Tax Policy Sections (Excluding Exempt Organizations) and the Information Support Section within 7 Working Days		85%	85%
A.4.1. Strategy: TAX HEARINGS	\$	<u>7,594,347</u>	\$ <u>7,594,347</u>
Provide fair and timely hearings, represent the agency in administrative hearings on tax matters, and provide legal counsel and research to the agency.			
Output (Volume):			
Number of Final Decisions Rendered by Administrative Law Judges		1,300	1,300
Efficiencies:			
Average Length of Time (Work Days) Taken to Issue a Proposed Decision Following Record Closing		10	10
Total, Goal A: COMPLIANCE WITH TAX LAWS	\$	<u>111,644,784</u>	\$ <u>111,644,784</u>

B. Goal: MANAGE FISCAL AFFAIRS

To efficiently manage the state's fiscal affairs.

Outcome (Results/Impact):

Percent of Fund Accounting Customers Who Return an Overall Customer Service Rating of Good or Excellent on Surveys	98%	98%
Percent of Texas School Performance Review Recommendations Implemented	87%	87%
Percentage of Independent School Districts in which PTD Met the Target Margin of Error	95%	95%
Percent of TPR Recommendations Successfully Implemented through Legislation or by State Agencies and Institutions of Higher Education	0%	60%
Increased Interest Earned through Minimization of Float (Banking) (Millions)	2,560,000	2,560,000

B.1.1. Strategy: ACCOUNTING/REPORTING	\$	9,119,606	\$ 9,119,606
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Project the receipts and disbursements of state government under Article III, Sec. 49a, Texas Constitution and complete all state accounting and reporting responsibilities in an efficient and timely manner.

Efficiencies:

Number of Staff Hours Required to Produce the Comprehensive Annual Financial Report		9,500	9,000
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B.1.2. Strategy: CLAIMS AND PAYMENTS	\$	9,737,679	\$ 9,737,679
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Accurately and expeditiously audit and process all claims for payment against the state, issue

COMPTROLLER OF PUBLIC ACCOUNTS
(Continued)

payments (warrants and direct deposit), and provide assistance and training to state agencies.

Output (Volume):

Total Number of Payments Issued	24,919,827	25,061,909
B.2.1. Strategy: TEXAS SCHOOL PERFORMANCE REVIEW		
\$	3,727,714	\$ 3,727,714

Review the efficiency and effectiveness of school district, college or university operations and other education-related entities in order to ensure the highest and best use of taxpayer dollars through the Texas School Performance Review.

Output (Volume):

Number of School Districts, Colleges and Universities Evaluated	20	20
B.4.1. Strategy: PROPERTY TAX PROGRAM		
\$	6,415,288	\$ 6,415,288

Fulfill tax code and education code mandates by conducting an annual property value study; providing technical assistance; and reviewing appraisal methods, standards, and procedures.

Output (Volume):

Number of Properties Included in the Property Value Study	124,000	124,000
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Efficiencies:

Average Direct Cost Per Appraisal District Methods, Standards, and Procedures (MSP) Review	550	550
B.5.1. Strategy: FISCAL RESEARCH & STUDIES		
\$	9,624,697	\$ 9,624,697

Provide the public and private sectors with reliable information resources and analysis to ensure the most effective and efficient use of taxpayer dollars.

Output (Volume):

Number of Requests for Local Government Assistance Completed	20,000	20,000
Number of Financial Management Reviews Conducted	40	40
Number of Texas Performance Reviews Completed	3	3

B.6.1. Strategy: TREASURY OPERATIONS		
\$	4,717,810	\$ 4,717,810

Ensure that the state's assets, cash receipts, and warrants are properly secured, processed, deposited, and accounted for.

Output (Volume):

Number of Integrated Statewide Administrative System (ISAS) Training Hours Provided to State Agency Personnel	4,000	4,000
B.7.1. Strategy: INTEGRATED STATEWIDE ADMIN SYSTEM		
\$	2,453,538	\$ 2,453,538

Develop and maintain a client server integrated financial system that meets agencies' financial, administrative and technological needs through the following modules: general ledger accounting, asset management, purchasing, budget preparation and labor distribution.

Output (Volume):

Number of Integrated Statewide Administrative System (ISAS) Training Hours Provided to State Agency Personnel	4,000	4,000
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Total, Goal B: MANAGE FISCAL AFFAIRS	\$ 45,796,332	\$ 45,796,332
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C. Goal: TAX AND FINANCIAL INFO TECHNOLOGY

To expeditiously manage the receipt and disbursement of state tax revenue.

Outcome (Results/Impact):

Time Taken to Return Tax Allocation to Local Jurisdictions (Days)	21	21
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C.1.1. Strategy: REVENUE & TAX PROCESSING		
\$	37,538,496	\$ 37,538,496

Provide for and improve the processing of tax and voucher data, collection and allocation of

COMPTROLLER OF PUBLIC ACCOUNTS
(Continued)

tax revenue, and the disbursements of tax refunds.

Output (Volume):

Number of Tax Returns Processed	3,500,000	3,500,000
Efficiencies:		
Average Number of Hours to Deposit Priority Receipts	7	7

Grand Total, COMPTROLLER OF PUBLIC ACCOUNTS	\$ 194,979,612	\$ 194,979,612
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Method of Financing:

General Revenue Fund	\$ 194,542,827	\$ 194,539,632
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GR Dedicated - Texas Emissions Reduction Plan Account No. 5071	160,515	163,710
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Other Funds

Appropriated Receipts	101,270	101,270
Interagency Contracts	175,000	175,000

Subtotal, Other Funds	\$ 276,270	\$ 276,270
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Total, Method of Financing	\$ 194,979,612	\$ 194,979,612
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Number of Full-Time-Equivalent Positions (FTE):	2,932.0	2,932.0
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Schedule of Exempt Positions:

Comptroller of Public Accounts, Group 4	\$92,217	\$92,217
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Object-of-Expense Informational Listing:

Salaries and Wages	\$ 143,593,034	\$ 143,593,034
Other Personnel Costs	3,589,475	3,589,475
Professional Fees and Services	9,851,775	9,851,775
Fuels and Lubricants	8,801	8,801
Consumable Supplies	1,224,124	1,224,124
Utilities	4,173,747	4,173,747
Travel	3,694,998	3,694,998
Rent - Building	2,553,689	2,553,689
Rent - Machine and Other	6,766,392	6,766,392
Other Operating Expense	<u>19,523,577</u>	<u>19,523,577</u>

Total, Object-of-Expense Informational Listing	\$ 194,979,612	\$ 194,979,612
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1. **Capital Budget.** Funds appropriated above may be expended for capital budget items listed below. The amounts identified for each item may be adjusted or expended on other capital expenditures, subject to the aggregate dollar restrictions on capital budget expenditures provided in the general provisions of this Act.

	<u>2004</u>	<u>2005</u>
Out of the General Revenue Fund:		
a. Acquisition of Information Resource Technologies		
(1) Daily Operations - Capital	\$ 7,748,377	\$ 7,748,377
(2) Data Center Operations	<u>\$ 955,334</u>	<u>\$ 955,334</u>
Total, Acquisition of Information Resource Technologies	\$ 8,703,711	\$ 8,703,711
Total, Capital Budget	\$ 8,703,711	\$ 8,703,711

COMPTROLLER OF PUBLIC ACCOUNTS
(Continued)

2. **Appropriation of Receipts.** The Comptroller is hereby authorized to transfer appropriated funds and cash from the state agencies' funds and accounts to the Comptroller's Office to reimburse for the cost of mailing warrants and consolidating payments across agency and fund lines, making electronic transfers and data transmissions to financial institutions, vendors and associated activities. These, and all sums received in refund of postage, insurance, and shipping costs for the cigarette stamp program, are hereby appropriated to the Comptroller's Office.
3. **Support to the Board of Tax Professional Examiners.** It is the intent of the Legislature that the Comptroller of Public Accounts provide administrative support to the Board of Tax Professional Examiners, under interagency contract; such support to consist of the same levels of service and approximate costs as was provided to the Board of Tax Professional Examiners by the State Comptroller during the 2002-03 biennium.
4. **Employee Incentive Rider.** In addition to the existing authority and amounts related to employee compensation and benefits, the Comptroller of Public Accounts may expend amounts necessary from funds appropriated for the 2004-05 biennium for the purposes of enhancing compensation, providing incentives, or paying associated expenses for high performing employees within the Comptroller's Office.
5. **Capital Expenditures Authorized.** Notwithstanding the limitations placed on the expenditure of funds for capital budget items contained in this Act, the Comptroller of Public Accounts is hereby authorized to expend funds appropriated to the Comptroller of Public Accounts for the acquisition of capital budget items.
6. **Transfer Authority.** Notwithstanding limitations on appropriation transfers contained in the General Provisions of this Act, the Comptroller of Public Accounts is hereby authorized to direct agency resources, and transfer such amounts appropriated above between appropriation line items.
7. **Unexpended Balances Carried Forward Between Biennia.** All unexpended balances appropriated and/or allocated to the Comptroller of Public Accounts from the 2002-03 biennium due to efficiencies or other cost savings of the Comptroller are hereby appropriated for the 2004-05 biennium. The appropriations herein are for ensuring the continuation of high priority programs within the Comptroller's Office.
8. **Method of Finance, General Revenue.** There is included in the General Revenue appropriation made above to the Comptroller of Public Accounts, those amounts necessary for processing, auditing, enforcement and other purposes associated with the collection of motor fuels taxes. Pursuant to Article 8, § 7-a, of the Texas Constitution, 1 percent of the amounts of motor fuels taxes collected shall be deposited to the credit of the General Revenue Fund for costs incurred by the state in the collection of such taxes.
9. **Appropriation for Statutory Obligations.** The Comptroller of Public Accounts is hereby appropriated from Unclaimed Property Receipts all sums necessary to perform statutory obligations under §§ 74.201, 74.203, 74.601, and 74.602 of the Texas Property Code and to respond to public inquiries generated by the advertising program including, but not limited to, the hiring of temporary employees. Such amounts shall not exceed the amount of money credited to Unclaimed Property Receipts from unclaimed property proceeds.
10. **Uniform Statewide Accounting and Payroll Services and Technology.** There is hereby appropriated to the Comptroller of Public Accounts all revenues received as a result of cost sharing arrangements with other state agencies, other governmental units, or non-government entities for software, technology, licensing arrangements, royalty receipts, or other charges or receipts from the sharing of technological or other information, expertise, services, or

COMPTROLLER OF PUBLIC ACCOUNTS
(Continued)

cooperative agreements of any kind. Such revenues shall be available to the Comptroller for the use of further enhancement of automation and technology services, computer services, and time.

11. **Unexpended Balances Between Fiscal Years Within the Biennium.** Any unexpended balances as of August 31, 2004, in the appropriations made herein to the Comptroller of Public Accounts are hereby appropriated for the same purpose for the fiscal year beginning September 1, 2004.
12. **Texas School Performance Reviews.** In view of the cost savings and efficiency measures accruing to school districts from School Performance Reviews, the Comptroller may enter into interlocal cost sharing agreements with school districts where districts requesting review will be responsible for up to 25 percent of the cost of such performance reviews. The Comptroller of Public Accounts shall be solely responsible for the terms and conditions of the contracts and administration of the program. However, any such cost sharing contracts shall include the school as a third party. The financial responsibility of such schools shall be a direct obligation of the school to pay the vendor upon approval of the work product by the Comptroller.
13. **Comptroller Fiscal Oversight Responsibilities.** In order to clearly differentiate between core Comptroller functions and those functions which are for fiscal oversight or primary benefit to units of government, it is the intent of the Legislature that the Legislative Budget Board and the Governor shall work cooperatively with the Comptroller to determine appropriate activities which should be recorded under Fiscal Programs - Comptroller of Public Accounts for budget and spending purposes. Specific activities include contract activities where outside vendors perform services for the benefit of units of local government. Examples of such programs include School Performance reviews, and reviews of cities, counties, hospital districts, mass transit authorities, community colleges, or other entities where work is directed at reducing the cost of government. All such appropriate costs for the 2004-05 biennium shall be recorded under Fiscal Programs - Comptroller of Public Accounts.

Expenditures for salaries, equipment, or other operating costs for core comptroller functions are not intended to be moved to the Fiscal Programs - Comptroller of Public Accounts through this process. The Legislative Budget Board and the Governor shall have the final determination on the most appropriate budget and method of recording such expenditures and shall prepare the next biennial budget recommendations accordingly.

14. **Texas Information Technology Academy.** A person while enrolled for training in the Texas Information Technology Academy or a similar program operated under the direction of the Comptroller (an "academy student") shall not be counted toward the limit on the number of full-time-equivalent positions (FTEs) allowed to the comptroller during the period of their training and for one year following completion of the training.

A state agency that pays a salary to the student while the student is enrolled in the academy or that otherwise sponsors the student in the academy (the "sponsoring agency") shall include the number of students enrolled in the academy on all reports concerning FTE limits; however, they shall not count the student toward the limit on the number of full-time-equivalent positions allowed to the agency during the period of their training and for one year following completion of the training.

The Comptroller and/or the State Auditor shall include the number of students enrolled in the academy in all reports concerning FTE limits; however, the Comptroller and/or the State Auditor shall report the number of students enrolled in the academy and for one year following completion of the training as a separate total from FTEs.

15. **Reimbursement for Treasury Operations.** In accordance with § 404.071, Government Code, the Comptroller of Public Accounts shall determine the costs incurred in receiving, paying,

COMPTROLLER OF PUBLIC ACCOUNTS
(Continued)

accounting for, and investing money in funds and accounts which are entitled to receive temporary interest. An amount equal to these costs shall be deducted from the interest earned on such funds and accounts and is hereby appropriated for deposit into the General Revenue Fund.

16. **Texas Performance Review.** Included in amounts appropriated above to Strategy B.5.1, Fiscal Research and Studies, out of the General Revenue Fund is an estimated \$2,535,013 in fiscal year 2004 and \$2,535,013 in fiscal year 2005 for review of government operations through the Texas Performance Review.
17. **Performance Reviews of General Academic Teaching Institutions.** Out of the funds appropriated above in Strategy B.2.1, Texas School Performance Review, the Comptroller of Public Accounts, in conjunction with the Higher Education Coordinating Board, may conduct performance reviews of General Academic Teaching Institutions during the 2004-05 biennium. Performance evaluations shall, at a minimum, consist of a review of 1) fiscal and management operations; 2) student services; 3) curriculum; and 4) benchmarks with respect to peer institutions.
18. **Tax Amnesty Program.** It is the intent of the Legislature that the Comptroller of Public Accounts establish, for a limited duration, a tax amnesty program under the authority of Tax Code, § 111.103, designed to encourage delinquent taxpayers to voluntarily report. Such a program should provide for the waiver of penalty or interest, or both, but shall not apply to a tax liability. It is the intent of the Legislature that this effort increase General Revenue Funds by at least \$50 million over the Comptroller's January 2003 Biennial Revenue Estimate.
19. **Increased State Revenue.** Included in the amounts appropriated above is \$46,679,076 for the biennium out of the General Revenue Fund for agency operations. The appropriation is contingent upon the Comptroller's certification of available General Revenue of \$72,458,711 for the biennium above the Biennial Revenue Estimate amounts.
20. **Improve Tax Compliance and Delinquent Revenue Collections.** Included in the amounts appropriated above, is \$4,468,931 for the fiscal year beginning on September 1, 2003 and \$4,468,931 for the fiscal year beginning on September 1, 2004 out of the General Revenue Fund for the purpose of implementing e-Texas recommendation GG-27, Improve Tax Compliance and Delinquent Revenue Collections with Additional Enforcement Coverage.

Included in the "Number of Full-Time-Equivalent Positions (FTE)" amount indicated in the bill pattern for the Comptroller of Public Accounts is 53 FTEs for each fiscal year of the biennium.

The appropriation is contingent upon the Comptroller's certification that increased tax collections estimated to be \$92,353,862 for the biennium would result from additional audit coverage and provide a net gain estimated to be \$83,416,000 in the General Revenue Fund.

21. **Increase Tax Compliance and State Revenue Through Additional Audit Coverage.** Included in amounts appropriated above is \$3,500,000 for the fiscal year beginning on September 1, 2003 and \$3,500,000 for the fiscal year beginning on September 1, 2004 out of the General Revenue Fund for the purpose of implementing e-Texas recommendation GG-29, Increase Tax Compliance and State Revenue Through Additional Audit Coverage.

Included in the "Number of Full-Time-Equivalent Positions (FTE)" amount indicated in the bill pattern for the Comptroller of Public Accounts is 50 FTEs for each fiscal year of the biennium.

The appropriation is contingent upon the Comptroller's certification that increased tax collections estimated to be \$30,000,000 for the biennium would result from additional audit coverage and provide a net gain estimated to be \$23,000,000 in the General Revenue Fund.

FISCAL PROGRAMS - COMPTROLLER OF PUBLIC ACCOUNTS

	For the Years Ending	
	August 31, 2004	August 31, 2005
A. Goal: CPA - FISCAL PROGRAMS		
Comptroller of Public Accounts - Fiscal Programs.		
A.1.1. Strategy: VOTER REGISTRATION	\$ 3,000,000	\$ 500,000
For payment to each county for the total number of voters registered in the county as shown by certified statement submitted by the Registrar to the Secretary of State, as required by Election Code, Section 19.002. For payment to counties for voter registration. Estimated.		
A.1.2. Strategy: MISCELLANEOUS CLAIMS	\$ 1,470,000	\$ 1,470,000
To complete the payment of state funds allocated for the Small Claims Program and for individuals wrongfully imprisoned by the State of Texas to entitled recipients in a timely manner pursuant to Government Code, Section 403.074.		
A.1.3. Strategy: REIMBURSEMENT- COMMITMENT HEARINGS	\$ 4,000	\$ UB
For reimbursement of counties for the cost of commitment hearings required by the Persons with Mental Retardation Act, Chapters 591 et. seq., Health and Safety Code.		
A.1.4. Strategy: REIMBURSE - BEVERAGE TAX	\$ 83,238,999	\$ 83,989,000
For reimbursement of taxes received as authorized by Tax Code, Section 183.051(b). Payments to each eligible county and incorporated municipality shall be equal to 10.7143 percent of receipts from permittees within the county or incorporated municipality during the quarter. Estimated.		
A.1.5. Strategy: TORT CLAIMS & FED. COURT JUDGMENTS	\$ 3,000,000	\$ - UB
(1) Payments for settlements and judgments for claims against state agencies payable under Chapters 101 and 104, Civil Practice and Remedies Code, including indemnification for criminal prosecutions and Federal Court judgments and settlements shall be paid from special or local funds of the agency or institution to the extent available, and then from General Revenue. The Comptroller shall maintain records of General Revenue paid and require reimbursement from agencies as special or local funds become available. (2) Payments shall be made for eligible medical malpractice claims in conformance with Chapter 59, Education Code. (3) All claims shall be prepared, verified and signed by the Office of the Attorney General.		
A.1.6. Strategy: COUNTY TAXES - UNIVERSITY LANDS	\$ 1,250,000	\$ 1,250,000
For payment of taxes, for county purposes only, to counties in which are located endowment lands set aside to The University of Texas by the Constitution and the Act of 1883. Estimated.		

FISCAL PROGRAMS - COMPTROLLER OF PUBLIC ACCOUNTS
(Continued)

A.1.7. Strategy: LATERAL ROAD FUND DISTRICT	\$	7,300,000	\$	7,300,000
For allocation of payment to each county for construction and maintenance of county roads.				
A.1.8. Strategy: UNCLAIMED PROPERTY	\$	60,000,000	\$	60,000,000
To pay all legitimate claims for previously unclaimed property held by the state.				
Estimated.				
A.1.8. Strategy: UNDERAGE TOBACCO PROGRAM	\$	1,500,000	\$	1,500,000
For allocation of grants to local law enforcement agencies for enforcing provisions of Health and Safety Code, Chapter 161, related to reducing minor access to and consumption of tobacco products.				
A.1.10. Strategy: RANGER PENSIONS	\$	4,640	\$	4,640
To complete the payment of state funds allocated for the Ranger Pension Program to entitled recipients in a timely manner. The Comptroller is authorized to transfer sufficient cash into the Confederate Pension Fund from General Revenue to allow these payments.				
A.1.11. Strategy: LOCAL CONTINUING EDUCATION GRANTS	\$	6,000,000	\$	6,000,000
Allocate funds credited to the Law Enforcement Officer Standards and Education Account for grants to local law enforcement agencies to provide continuing education for licensed peace officers, as required by Section 1701.157, Occupation Code.				
A.1.12. Strategy: ADVANCED TAX COMPLIANCE	\$	7,659,775	\$	7,659,775
Developing, enhancing, maintaining, or expanding advanced database technology.				
A.1.13. Strategy: EMISSIONS REDUCTION PLAN	\$	2,140,200	\$	2,182,800
A.1.14. Strategy: SUBSEQUENT CVC CLAIMS	\$	30,000	\$	0
To pay victims of crime who have not made a claim for restitution during the prescribed five year period pursuant to Government Code, Section 76.013(d).				
Total, Goal A: CPA - FISCAL PROGRAMS	\$	<u>176,597,614</u>	\$	<u>171,856,215</u>

B. Goal: ENERGY OFFICE

To develop and administer cost-effective programs that promote energy efficiency, preserve the environment, and protect the public health and safety through grants, loans and public awareness.

Outcome (Results/Impact):

Percent of ISDs Which Participate in SECO Local Government Energy Programs

	17%	20%		
B.1.1. Strategy: ENERGY OFFICE	\$	2,015,683	\$	2,015,683

Promote and manage the LoanSTAR Program, contract services delivery, partnerships for improved energy education and energy efficient housing.

Output (Volume):

Energy Dollars Saved by LoanSTAR Projects (In Millions)	12	15
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FISCAL PROGRAMS - COMPTROLLER OF PUBLIC ACCOUNTS
(Continued)

B.1.2. Strategy: OIL OVERCHARGE SETTLEMENT FUNDS	\$ <u>43,862,103</u>	\$ <u>9,333,279</u>
Total, Goal B: ENERGY OFFICE	\$ <u>45,877,786</u>	\$ <u>11,348,962</u>
Grand Total, FISCAL PROGRAMS - COMPTROLLER OF PUBLIC ACCOUNTS	\$ <u>222,475,400</u>	\$ <u>183,205,177</u>
Method of Financing:		
General Revenue Fund	\$ 168,958,014	\$ 164,204,015
General Revenue Fund - Dedicated		
Law Enforcement Officer Standards and Education Account No. 116	6,000,000	6,000,000
Compensation to Victims of Crime Auxiliary Account No. 494	30,000	0
Oil Overcharge Account No. 5005	44,421,765	9,892,941
Texas Emissions Reduction Plan Account No. 5071	2,140,200	2,182,800
Subtotal, General Revenue Fund - Dedicated	\$ <u>52,591,965</u>	\$ <u>18,075,741</u>
Federal Funds	925,421	925,421
Total, Method of Financing	\$ <u>222,475,400</u>	\$ <u>183,205,177</u>
Number of Full-Time-Equivalent Positions (FTE):	25.0	25.0
Object-of-Expense Informational Listing:		
Salaries and Wages	\$ 1,155,871	\$ 1,155,871
Other Personnel Costs	32,760	32,760
Professional Fees and Services	6,785,515	6,785,515
Utilities	771,355	771,355
Travel	39,017	39,017
Rent - Building	880	880
Rent - Machine and Other	4,981	4,981
Other Operating Expense	64,710,934	61,676,934
Client Services	440,588	440,588
Grants	<u>148,533,499</u>	<u>112,297,276</u>
Total, Object-of-Expense Informational Listing	\$ <u>222,475,400</u>	\$ <u>183,205,177</u>

1. **Appropriation from the Compensation to Victims of Crime Auxiliary Fund.** Included in amounts appropriated above in Strategy A.1.14. Subsequent CVC Claims, are estimated balances on hand and revenues received by the Comptroller from departments under Government Code § 76.013 (estimated to be \$30,000 for the biennium), for crime victims who have not made a claim for restitution during the prescribed five year period and who make a subsequent claim. The Comptroller shall pay a victim making such claim the amount of the original payment, less the collection fee, from the Compensation to Victims of Crime Auxiliary Fund No. 494 pursuant to Government Code § 76.013(d).
2. **Appropriation, Payment of Miscellaneous Claims.** In addition to amounts appropriated above, the Comptroller of Public Accounts is hereby appropriated out of other special funds and accounts as appropriate, amounts necessary to pay small miscellaneous claims in accordance with and subject to the limitations of Strategy A.1.2, Miscellaneous Claims, above.
3. **Appropriation, Payment of Tort Claims.** In addition to amounts appropriated above, the Comptroller of Public Accounts is hereby appropriated out of other special funds and accounts

FISCAL PROGRAMS - COMPTROLLER OF PUBLIC ACCOUNTS
(Continued)

as appropriate, amounts necessary to pay claims, judgments, and settlements in accordance with and subject to the limitations in Parts 1 and 3 of Strategy A.1.5, Tort Claims and Federal Court Judgments, above.

4. **Limitation, Payment of Tort Claims.** The expenditures authorized in Part 1 of Strategy A.1.5, Tort Claims and Federal Court Judgments Claims, are hereby limited to those claims identified in Part 1 where the settlement or judgement amount exceeds the amount authorized by Article IX, Judgments, of this Act to be paid out of appropriations made to the involved agency elsewhere in this Act. The limitation established by this provision shall not apply in those cases where the judgement order of the trial court was entered, or a settlement agreement was executed, prior to September 1, 1995.
5. **International Fuel Tax Agreement.** Out of amounts collected as a result of the administration of Chapter 153, Tax Code, the Comptroller shall determine the amounts due other jurisdictions as reflected by motor fuels reports and other information available pursuant to an International Fuel Tax Agreement or otherwise subject to refund. Such amounts are hereby appropriated and may be segregated as necessary for remittance to other jurisdictions and for refunds as provided by law. Fees and costs associated with an International Fuel Tax Agreement may be paid from the interest earnings on amounts due other jurisdictions or subject to refund. The Comptroller may estimate the amounts due other jurisdictions or subject to refund out of amounts collected as a result of the administration of Chapter 153, Tax Code, and may segregate such funds as necessary for administration of the agreement.
6. **Appropriation of Tax and Revenue Anticipation Note Fund.** There is hereby appropriated to the Comptroller of Public Accounts all money deposited in the tax and revenue anticipation note fund for the purposes of paying principal of, premium (if any), interest on, and costs of issuance relating to tax and revenue anticipation notes issued during the biennium. To the extent that money deposited into the tax and revenue anticipation note fund is insufficient to pay the principal of, premium (if any), interest on, and costs of issuance relating to notes, there is hereby appropriated to the Comptroller of Public Accounts from the General Revenue Fund amounts necessary for the full repayment of all principal of, premium (if any) and interest on any notes issued during the biennium.
7. **Advanced Tax Compliance and Debt Collections.** To the extent that the Comptroller contracts with persons or entities to provide information, services, or technology or expands and/or enhances the technology to aid in the advanced collections of debts, taxes, or other property due to or belonging to the State of Texas pursuant to Government Code, §§ 403.019, 403.0195 or Tax Code § 111.0035 or § 111.0036, all sums necessary to pay contract, maintenance, and other expenses connected with the collections, including any administrative costs of the Comptroller directly associated with the collections program are hereby appropriated to the Comptroller from collection proceeds. The balance of collection proceeds shall be transferred to the General Revenue Fund or to any dedicated or special funds or accounts to which the collection proceeds may belong.

Consistent with the Comptroller's role as the chief fiscal officer and tax collector for the state, it is the intent of the Legislature that all resulting collections and associated expenses be accounted for through the fiscal agency operations of the Comptroller's Office in a manner which reflects both the amounts of enhanced collections as well as the amount of expenses related to the increased deposits.

8. **Investment Fund Management.** Consistent with the Comptroller's responsibility for investing Tobacco Settlement funds and the Higher Education Fund, as much of the investment earnings as necessary up to a maximum of 50 basis points of the average fund balance for funds managed by external fund managers and 20 basis points for internally managed funds are hereby appropriated each year of the biennium to the fiscal agency operation of the Comptroller's

FISCAL PROGRAMS - COMPTROLLER OF PUBLIC ACCOUNTS

(Continued)

Office to pay the expenditures related to these investment activities. The total appropriated amount shall not exceed \$10 million per fiscal year of the biennium. The Comptroller shall prepare an annual report detailing the expenditures made in connection with each fund for investment activities.

9. **Oil Overcharge Settlement Funds.** Included in funds appropriated above to Strategy B.1.2. Oil Overcharge Settlement Funds, out of Oil Overcharge Account Number 5005, all funds allocated to the State of Texas through consent decrees, court decrees and administrative orders involving violation of the mandatory petroleum pricing and allocation regulations, including the interest earned on those used by the State Energy Conservation Office (SECO) for the biennium beginning September 1, 2003 (estimated to be \$18,221,856). Any unexpended balances as of August 31, 2003, of Oil Overcharge Funds are included in Strategy B.1.2, and are to be used by SECO for the biennium beginning September 1, 2003 (estimated to be \$34,973,526).

Of these estimated balances and revenues, the State Energy Conservation Office shall allocate an estimated total of \$1,425,000 over the biennium based on the designations listed below. SECO is granted the discretion to prorate Oil Overcharge funds based on these designations in the event that the total amount estimated by this allocation is not realized. The amounts below are hereby designated for the biennium beginning September 1, 2003, for the following purposes:

State Energy Conservation Office Programs:

	<u>2004</u>	<u>2005</u>
Schools/Local Government Program	\$112,500 & UB	\$125,000 & UB
State Agencies/Higher Education Program	\$112,500 & UB	\$125,000 & UB
Renewable Energy Program	\$112,500 & UB	\$125,000 & UB
Housing Partnership	\$112,500 & UB	\$125,000 & UB
Transportation Energy Program	\$112,500 & UB	\$125,000 & UB
Alternative Fuels Program	\$112,500 & UB	\$125,000 & UB

Funds de-obligated from contracts within the above programs shall remain within the program. State Energy Program Administration funds are appropriated in Strategy B.1.1, Energy Office.

Pursuant to Texas Government Code § 2305.032 (f), funds available to the Loan STAR Revolving Loan Program shall equal or exceed \$95,000,000 at all times. All unexpended LoanSTAR balances (estimated to be \$27,402,313 of total balances noted above) and all revenues, except depository interest earned on LoanSTAR balances, generated by funds in the LoanSTAR Program (estimated to be \$16,796,856 of total revenues noted above), shall remain in the program. It is the intent of the Legislature that if a state agency or institution of higher education is a recipient of a loan under the statewide retrofit demonstration and revolving loan program, the agency or institution shall repay the loan from agency funds budgeted for the energy costs of the agency or institution.

10. **Department of Energy (DOE) Federal Funds.** In addition to funds appropriated above for administration of the State Energy Conservation Office, all funds allocated to the State of Texas by the US Department of Energy to fund Pantex and State energy programs are detailed below for the biennium beginning September 1, 2003.

FISCAL PROGRAMS - COMPTROLLER OF PUBLIC ACCOUNTS
(Continued)

The SECO shall allocate funds based upon the designations listed below:

	<u>FY 2004</u>	<u>FY 2005</u>
<u>Federal Funds: Pantex Programs</u>		
Agreement in Principle (Remedial Clean Up Action)	\$ 1,350,000 & UB	\$ 1,350,000 & UB
Waste Isolation Pilot Plant	\$ 412,000 & UB	\$ 390,000 & UB
<u>Federal Funds: State Energy Program</u>		
State Energy Program (SEP) Grant	\$ 1,959,717 & UB	\$ 1,959,717 & UB

11. **Appropriation of Tax Refunds.** As much of the respective taxes, fees, and charges, including penalties or other financial transactions administered or collected by the Comptroller as may be necessary is hereby appropriated and set aside to pay refunds, interest, and any costs and attorney fees awarded in court cases, as provided by law, subject to the following limitations and conditions:
- a. Unless another law, or section of this Act, provides a period within which a particular refund claim must be made, funds appropriated herein may not be used to pay a refund claim made under this section after four years from the latest date on which the amount collected or received by the State was due, if the amount was required to be paid on or before a particular date. If the amount was not required to be paid on or before a particular date, a refund claim may not be made after four years from the date the amount was collected or received. A person who fails to make a refund claim within the period provided by law, or this provision, shall not be eligible to receive payment of a refund under this provision.
 - b. As a specific limitation to the amount of refunds paid from funds appropriated in this Act during the 2004-05 biennium, the Comptroller shall not approve claims or issue warrants for refunds in excess of the amount of revenue estimated to be available from the tax, fee, or other revenue source during the biennium according to the Biennial Revenue Estimate of the Comptroller of Public Accounts used for certification of this Act. Any claim or portion of a claim which is in excess of the limitation established by this subsection "b" shall be presented to the next legislature for a specific appropriation in order for payment to be made. The limitation established by this subsection "b" shall not apply to any taxes or fees paid under protest.
 - c. None of the funds appropriated by this provision may be expended to pay a refund claim, a final judgement, or a settlement, including any statutory interest thereon or any costs and attorney fees awarded by court order, that is in excess of \$250,000. Any claim that is in excess of the limitation established by this subsection "c" shall be presented to the legislature for a specific appropriation in order for payment to be made.
 - d. None of the funds appropriated by this provision may be expended to pay a refund claim, a final judgment, or a settlement, including any statutory interest thereon or any costs and attorney fees awarded by court order, that would cause the aggregate amount paid to, or on behalf of, an individual or entity pursuant to this provision during the biennium beginning September 1, 2003, to exceed \$250,000. Any claim that is in excess of the limitation

FISCAL PROGRAMS - COMPTROLLER OF PUBLIC ACCOUNTS
(Continued)

established by this subsection "d" shall be presented to the legislature for a specific appropriation in order for payment to be made.

- e. The limitations established by subsection "c" and subsection "d" do not apply to a payment made:
 - (1) on a final judgment in those cases where the judgment order of the trial court was entered prior to the effective date of this Act,
 - (2) on a settlement agreement executed prior to the effective date of this Act, or
 - (3) on a Comptroller's final decision issued prior to the effective date of this Act.
 - f. For purposes of this provision, "final judgment" means a judgment rendered in a federal court or a court in this state for which an appeal or rehearing, or application therefor, is not pending and for which the time limitations for appeal or rehearing have expired. For the purposes of this provision, a Comptroller's final decision means a decision of the Comptroller which is administratively final and for which limitations has expired for seeking rehearing or filing a lawsuit in court. For the purposes of this provision, a "settlement agreement" must be in writing and signed by the necessary parties. A settlement agreement shall be deemed to be "executed" on the date upon which the last signature of a necessary party is affixed thereon.
 - g. The payment of a settlement or final judgment may be made only with a complete release from any and all related claims and causes against the State, and in the case of a judgment, the payment may be made only in full satisfaction of that judgment.
 - h. Subsection "c" and subsection "d" shall not apply to a refund granted pursuant to an informal review under Section 111.1042 of the Tax Code, if that refund claim is filed with the Comptroller no later than 120 days after the original due date of the report for the period for which the refund is claimed.
 - i. This provision shall not apply to refunds of unclaimed property made pursuant to Title 6 of the Property Code.
 - j. Except pursuant to this provision, none of the funds appropriated by this Act may be expended to pay a refund of any tax, fee, penalty, charge, or other assessment collected or administered by the Comptroller or to pay a judgment, settlement, or administrative hearing decision, including any statutory interest thereon or any costs and attorney fees awarded by court order, relating to a refund of any tax, fee, penalty, charge or other assessment collected or administered by the Comptroller.
12. **Appropriation of Hotel/Motel Taxes.** In addition to amounts appropriated above, the Comptroller of Public Accounts is hereby appropriated out of hotel taxes collected under Chapter 156, Tax Code, amounts necessary to pay percentages to eligible coastal municipalities as calculated pursuant to §156.2511 and § 156.2512, Tax Code.

**INFORMATIONAL LISTING OF FUNDS APPROPRIATED TO THE
COMPTROLLER FOR SOCIAL SECURITY CONTRIBUTIONS
AND BENEFIT REPLACEMENT PAY**

1. **Informational Listing of Appropriated Funds.** The appropriations made in this and other articles of this Act to the Comptroller of Public Accounts - Social Security/Benefit Replacement Pay are subject to the following provisions. The following amounts shall be used for the purposes indicated.

	For the Years Ending	
	August 31, 2004	August 31, 2005
A.Goal: Social Security Contributions/Benefit Replacement Pay		
A.1.1. Strategy: State Match-Employer Provide an employer match for Social Security Contributions. Estimated.	\$ 584,775,451	\$ 592,713,119
A.1.2. Strategy: Benefit Replacement Pay Provide Benefit Replacement Pay to eligible Employees. Estimated.	71,667,689	68,012,636
Total, Goal A: Social Security Contributions/ Benefit Replacement Pay	\$ 656,443,140	\$ 660,725,755
Method of Financing:		
General Revenue, Estimated	\$ 417,499,093	\$ 418,734,085
General Revenue-Dedicated, Estimated	65,803,410	68,552,339
State Highway Fund No. 6, Estimated	73,568,752	73,566,543
Federal Funds, Estimated	90,252,436	90,443,992
Other Special State Funds, Estimated	<u>9,319,449</u>	<u>- 9,428,797</u>
Total, Method of Financing	\$ 656,443,140	\$ 660,725,755

2. **Transfer of Social Security Contributions and Benefit Replacement Pay.** Appropriations made in this and other articles of this Act for Social Security and Benefit Replacement Pay shall be transferred by each agency from the Comptroller of Public Accounts to the agency based on estimated amounts by funding source for each fiscal year. Transfers should be made no later than September 15th of the year in which the payments are to be made. Adjustments and return of excess appropriation authority to the Comptroller's Office shall be completed by October 30th of the subsequent fiscal year.

COMMISSION ON STATE EMERGENCY COMMUNICATIONS

	For the Years Ending	
	August 31, 2004	August 31, 2005
A. Goal: STATEWIDE 9-1-1 SERVICES		
Planning, development, provision and enhancement of the effectiveness of 9-1-1 service.		
Outcome (Results/Impact):		
Percentage of Time Wireline ALI System is Operational		
A.1.1. Strategy: 9-1-1 EMERGENCY COMMUNICATIONS	100%	100%
Contract with regional planning commissions (RPCs) for the efficient operation of the state 9-1-1 emergency telecommunication system.	\$ 43,353,179	\$ 45,177,350
Output (Volume):		
Number of Public Safety Answering Points with Wireless Automatic Number Identification (ANI)	354	354
Number of 9-1-1 Calls Received by State Program Public Safety Answering Points (PSAPs)	4,955,966	5,055,085
B. Goal: POISON CONTROL NETWORK		
Maintain a high quality poison control network in Texas.		
Outcome (Results/Impact):		
Percentage of Time Poison Control Network is Operational		
B.1.1. Strategy: POISON CONTROL NETWORK	100%	100%
Contract with the Department of Information Resources (DIR), Texas Department of Health (TDH), the six designated poison centers, and other service providers for operation and maintenance of the state poison control telecommunications system.	\$ 7,355,198	\$ 7,355,197
Output (Volume):		
Total Number of Poison Control Calls Processed	255,200	255,200
C. Goal: INDIRECT ADMINISTRATION		
C.1.1. Strategy: INDIRECT ADMINISTRATION	\$ 199,828	\$ 199,828
Grand Total, COMMISSION ON STATE EMERGENCY COMMUNICATIONS	\$ 50,908,205	\$ 52,732,375
Method of Financing:		
GR Dedicated - Advisory Commission on Emergency Communications Account No. 5007	\$ 11,344,123	\$ 11,344,122
GR Dedicated - 911 Service Fees Account No. 5050	39,564,082	41,388,253
Total, Method of Financing	\$ 50,908,205	\$ 52,732,375
Number of Full-Time-Equivalent Positions (FTE):	25.0	25.0
Schedule of Exempt Positions:		
Executive Director, Group 2	\$75,000	\$75,000
Per Diem of Commission Members	4,300	4,300
Object-of-Expense Informational Listing:		
Salaries and Wages	\$ 1,229,931	\$ 1,250,840
Other Personnel Costs	17,565	17,565
Professional Fees and Services	281,000	281,000
Consumable Supplies	10,750	10,750
Utilities	292,000	292,000
Travel	49,350	49,350
Rent - Building	4,800	4,800
Rent - Machine and Other	11,000	11,000

COMMISSION ON STATE EMERGENCY COMMUNICATIONS
(Continued)

Other Operating Expense	650,441	650,957
Grants	48,346,368	50,149,113
Capital Expenditures	15,000	15,000
Total, Object-of-Expense Informational Listing	\$ 50,908,205	\$ 52,732,375

1. **Appropriation, 9-1-1 Service Fees Account.** Included in amounts appropriated above to Strategy A.1.1, 9-1-1 Emergency Communications, is \$39,564,082 in fiscal year 2004 and \$41,388,253 in fiscal year 2005 from General Revenue-Dedicated Account No. 5050, 9-1-1 Service Fees for payments to regional councils of government for 9-1-1 service contracts. It is the intent of the Legislature that before the Commission on State Emergency Communications makes a contract payment to a regional council of government from the 9-1-1 Service Fees Account for 9-1-1 service contracts, the Commission ensures that the regional council of government has spent all balances and interest earned from emergency service fees for landline and wireless telecommunication services billed prior to August 31, 1999 and held outside the State Treasury, and any unexpended balances in funds reserved to replace 9-1-1 capital equipment remaining after acquisition of equipment scheduled for replacement during the 2004-05 biennium.

In addition, the Comptroller of Public Accounts shall reduce the amounts appropriated above from the 9-1-1 Service Fees Account No. 5050 by the amount of any available balances in emergency service fees on August 31, 2003, including wireless service fees, held by the regional councils of government outside the State Treasury. The Commission on State Emergency Communications shall provide the Comptroller of Public Accounts with a report on local balances in emergency and wireless service fees, and funds reserved to replace 9-1-1 capital equipment for each regional council of government for fiscal years 2003 and 2004 within 60 days of the close of each fiscal year. The amount of local balances shall be determined using guidelines established by the State Auditor's Office.

2. **Capital Replacement.** None of the funds appropriated above to Strategy A.1.1, 9-1-1 Emergency Communications, may be used to replace or fund a reserve for future replacement of 9-1-1 capital equipment. The Commission on State Emergency Communications shall develop and submit a 10-year capital replacement schedule to the Legislative Budget Board and the Governor's Office not later than November 1, 2003.

3. **Councils of Government.** Included in amounts appropriated above in Strategy A.1.1, 9-1-1 Emergency Communications is \$15,000,000 for the biennium to be distributed to the regional councils of government for administration of the statewide 9-1-1 program. It is the intent of the Legislature that during the 2004-05 biennium no more than \$15,000,000 be allocated to the regional councils of government for administration of the statewide 9-1-1 program. Each regional council of government shall submit a Historically Underutilized Business (HUB) plan, pursuant to Chapter 2161 of the Government Code, with its application.

4. **Acquisition of Poison Control Center Wide Area Network.** It is the intent of the Legislature that the Commission on State Emergency Communications actively seeks federal grant funds to implement a data-based, wide area network linking together the state's six poison control centers in order to share patient exposure and treatment information. Further, it is the intent of the Legislature that acquisition of the wide area network be made in compliance with provisions established by Article IX, § 6.17, Limitation on Expenditures-Capital Budget, and Article IX, § 9.01, Purchases of Information Resource Technologies and Article IX, § 9.02, Quality Assurance Review of Major Information Resource Projects, if applicable.

EMPLOYEES RETIREMENT SYSTEM

	For the Years Ending August 31, <u>2004</u>	August 31, <u>2005</u>
Out of the General Revenue Fund:		
A. Goal: ADMINISTER RETIREMENT PROGRAM		
To administer comprehensive and actuarially sound retirement programs.		
A.1.1. Strategy: RETIREE DEATH BENEFITS	\$ 6,508,651	\$ 6,556,164
Provide lump-sum retiree death benefits under § 814.501, Government Code. Estimated.		
Grand Total, EMPLOYEES RETIREMENT SYSTEM	<u>\$ 6,508,651</u>	<u>\$ 6,556,164</u>
Number of Full-Time-Equivalent Positions (FTE):	305.0	305.0
Object-of-Expense Informational Listing:		
Client Services	<u>\$ 6,508,651</u>	<u>\$ 6,556,164</u>
Total, Object-of-Expense Informational Listing	<u>\$ 6,508,651</u>	<u>\$ 6,556,164</u>

1. **Information Listing of Appropriated Funds.** The appropriations made in this and other articles of this Act to the Employees Retirement System are subject to the following provisions. The following amounts shall be used for the purposes indicated.

	For the Years Ending August 31, <u>2004</u>	August 31, <u>2005</u>
A. Goal: ADMINISTER RETIREMENT PROGRAM		
To administer comprehensive and actuarially sound retirement programs.		
Outcome (Results/Impact):		
Percent of ERS Retirees Expressing Satisfaction with Member Benefit Services	97%	97%
A.1.1. Strategy: ERS RETIREMENT		
Provide an actuarially sound level of retirement funding as defined by state law. Estimated.	\$ 300,103,648	\$ 303,103,260
Output (Volume):		
Number of Member Accounts Maintained	203,354	205,387
Efficiencies:		
Average Number of Days to Provide ERS Retirement Packets	4.5	4.5
A.1.2. Strategy: JUDICIAL RETIREMENT SYSTEM - PLAN 2		
Maintain an actuarially sound retirement program for state judicial officers. Estimated	\$ 8,472,474	\$ 8,797,681
A.1.3. Strategy: JUDICIAL RETIREMENT SYSTEM - PLAN 1		
Provide for the payment of JRS-1 benefits and membership refunds as required by law. Estimated.	\$ 22,638,168	\$ 22,998,459
A.1.4. Strategy: PUBLIC SAFETY BENEFITS		
Administer the payment of benefits to beneficiaries of certain law enforcement officers, firefighters, and emergency medical technicians killed in the line of duty as required by Chapter 615, Government Code. Estimated.	\$ 5,479,902	\$ 5,479,902

EMPLOYEES RETIREMENT SYSTEM
(Continued)

A.1.5. Strategy: RETIREE DEATH BENEFITS

Provide lump-sum death benefits under § 814.501, Government Code. Estimated. \$ 6,508,651 \$ 6,556,164

Total, Goal A: ADMINISTER RETIREMENT PROGRAM \$ 343,202,843 \$ 346,935,466

B. Goal: PROVIDE HEALTH PROGRAM
To provide employees, retirees, and dependents with a comprehensive, quality health program.

Outcome (Results/Impact):

Percent of HealthSelect Participants Satisfied with Network Services 70% 70%

B.1.1. Strategy: UGIP - GENERAL STATE EMPLOYEES

Provide a basic health care and life insurance program for general state employees, retirees, and their dependents. Estimated \$ 853,886,413 \$ 864,946,219

Efficiencies:

Percent of Claims Processed within Thirty Days 98% 98%

Total Cost Paid per HealthSelect Member for Administration and Claims Processing \$ 23.30 \$ 24.00

Grand Total, EMPLOYEES RETIREMENT SYSTEM \$ 1,197,089,256 \$ 1,211,881,685

Method of Financing:

General Revenue Fund, estimated \$ 691,498,494 \$ 699,141,835

General Revenue Fund - Dedicated, estimated 59,758,124 60,303,764

State Highway Fund No. 006, estimated 206,027,962 209,194,978

Federal Funds, estimated 233,369,475 236,771,201

Other Special State Funds, estimated 6,435,201 6,469,907

Total, Method of Financing \$ 1,197,089,256 \$ 1,211,881,685

Number of Full-Time Equivalent Positions (FTE): 305.0 305.0

Schedule of Exempt Positions:

Executive Director \$ 180,000 \$ 180,000

2. **Updated Actuarial Valuation.** The Employees Retirement System shall contract with an actuary to perform a limited actuarial valuation of the assets and liabilities of the Employees Retirement System as of February 28 in those years when the Legislature meets in regular session. The purpose of the valuation shall be to determine the effect of investment, salary, and payroll experience on the unfunded liability, the amortization period, and the state contribution rate which results in a 30-year amortization period of the Retirement System.
3. **State Contribution to Employees Retirement Program.** The amount specified above in A.1.1, ERS - Retirement, is based on a state contribution of 6.0 percent of payroll, including annual membership fees of \$3 for contributing members for each fiscal year.
4. **State Contribution to Judicial Retirement Program (JRS-2).** The amount specified above in A.1.2, Judicial Retirement System - Plan 2, is based on a state contribution of 16.83 percent of payroll for contributing members for each fiscal year.
5. **State Contribution to Group Insurance for General State Employees.** Funds identified above for group insurance are intended to fund:
 - a. the total cost of the basic life and health coverage for all active and retired employees;

EMPLOYEES RETIREMENT SYSTEM

(Continued)

- b. fifty percent of the total cost of health coverage for the spouses and dependent children of all active and retired employees who enroll in coverage categories which include a spouse and/or dependent children; and
- c. the additional cost of providing a premium structure comparable to the Children's Health Insurance Program (CHIP) for dependent children of state employees enrolled in the State Kids Insurance Program (SKIP).

In no event shall the total amount of state contributions allocated to fund coverage in an optional health plan exceed the actuarially determined total amount of state contributions that would be required to fund basic health coverage for those active employees and retirees who have elected to participate in that optional health plan.

During each fiscal year, the state's monthly contribution shall be determined by multiplying (1) the per capita monthly contribution as certified herein by (2) the total number of full-time active and retired employees enrolled for coverage during that month.

Each year, upon adoption of group insurance rates by the Board of Trustees, Employees Retirement System must notify the Comptroller, the Legislative Budget Board, and the Governor of the per capita monthly contribution required in accordance with this rider for each full-time active and retired employee enrolled for coverage during the fiscal year.

It is the intent of the Legislature that the Employees Retirement System control the cost of the group insurance program by not providing rate increases to health care providers participating in HealthSelect during the 2004-05 biennium.

In order to fund the Employees Retirement System (ERS) projected health plan costs for the 2004-05 biennium, the Legislature directs the Employees Retirement System to reduce total health plan costs by \$485.5 million in All Funds and \$296.1 million in General Revenue through benefit design changes made by the Employees Retirement System based on the Legislature's medical cost trend assumption of 9.75 percent per year. Benefit design changes will include an option allowing participants to choose retail pharmacies for maintenance medications with the participant paying the additional cost. It is the intent of the Legislature that the Employees Retirement System achieve this reduction, to the extent possible, with the least impact on participants. If more aggressive provider contracting and other cost-effective management practices result in the actual costs of the program being less than projected for the 2004-05 biennium, the Employees Retirement System should consider restoring health program benefit reductions to the extent possible.

- 6. **Administrative Cost Provision.** Funds identified above in A.1.3, Judicial Retirement System - Plan 1, include \$120,000 in each fiscal year to reimburse the Employees Retirement System for the cost of administering the Judicial Retirement Plan 1.
- 7. **Administrative Cost Provision.** Funds identified above in A.1.4, Public Safety Benefits, include \$28,000 in each fiscal year to reimburse the Employees Retirement System for the cost of administering the death benefits program for public safety personnel.
- 8. **Excess Benefit Arrangement Account.** There is hereby appropriated to the Employees Retirement System all funds transferred or deposited into the Excess Benefit Arrangement Account established in the General Revenue Fund for the purpose of paying benefits as authorized by Government Code § 815.5072.
- 9. **Transfer of Retirement Contributions and Group Insurance.** Appropriations made in this and other articles of this Act for Retirement and Group Insurance contributions shall be transferred by each agency from the Employees Retirement System to the agency based on estimated amounts by

EMPLOYEES RETIREMENT SYSTEM
(Continued)

funding source for each fiscal year. Transfers should be made no later than September 15 of the year in which the payments are to be made. Adjustments and return of excess appropriation authority to the Employees Retirement System shall be completed by October 30 of the subsequent fiscal year.

TEXAS ETHICS COMMISSION

	For the Years Ending	
	August 31, 2004	August 31, 2005
A. Goal: INFORMATION ON GOVERNMENT		
To increase the public's ability to access information about public officials, candidates for public office, and persons attempting to influence public officials and to assist people in understanding their responsibilities under the laws administered by the Commission, thereby enhancing the potential for individual participation in government.		
Outcome (Results/Impact):		
Percent of Advisory Opinion Requests Answered by Commission within 90 Working Days of Receipt		
A.1.1. Strategy: INFORMATION FILING	98%	98%
Serve as the repository for information required to be filed with the Commission and assist persons in accessing that information.	\$ 403,786	\$ 403,786
Output (Volume):		
Number of Reports Logged within Two Working Days of Receipt		
A.1.2. Strategy: ADVISORY OPINIONS	24,000	24,000
Aid the public and those subject to the laws administered and enforced by the Commission in complying with and understanding those laws by responding quickly, accurately, and impartially to advisory opinion requests.	\$ 240,766	\$ 240,766
Efficiencies:		
Average Time (Working Days) to Answer Advisory Opinion Requests		
A.1.3. Strategy: ENFORCEMENT	90	90
Enforce compliance with laws administered by the Ethics Commission by responding quickly and impartially to sworn complaints, by performing investigations where advisable, and by assessing penalties for late reports.	\$ 364,706	\$ 364,706
Output (Volume):		
Number of Sworn Complaints Processed		
	120	120
Efficiencies:		
Average Time (Working Days) to Respond to Sworn Complaints		
A.2.1. Strategy: ETHICS EDUCATION PROGRAM	7	7
To educate the public, state employees and those subject to the laws administered and enforced by the Commission by responding to requests for information about the application of ethics laws, by making public presentations, by prescribing clear reporting forms and guidelines, and by making educational materials broadly available.	\$ 38,404	\$ 38,404
Total, Goal A: INFORMATION ON GOVERNMENT	<u>\$ 1,047,662</u>	<u>\$ 1,047,662</u>

TEXAS ETHICS COMMISSION
(Continued)

B. Goal: INDIRECT ADMINISTRATION		
B.1.1. Strategy: INDIRECT ADMINISTRATION	\$ 722,894	\$ 722,894
Grand Total, TEXAS ETHICS COMMISSION	<u>\$ 1,770,556</u>	<u>\$ 1,770,556</u>
Method of Financing:		
General Revenue Fund	\$ 1,745,556	\$ 1,745,556
Appropriated Receipts	<u>25,000</u>	<u>25,000</u>
Total, Method of Financing	<u>\$ 1,770,556</u>	<u>\$ 1,770,556</u>
Number of Full-Time-Equivalent Positions (FTE):	35.0	35.0
Schedule of Exempt Positions:		
Executive Director, Group 3	\$97,000	\$97,000
General Counsel	88,000	88,000
Object-of-Expense Informational Listing:		
Salaries and Wages	\$ 1,557,596	\$ 1,557,596
Other Personnel Costs	21,600	21,600
Consumable Supplies	10,700	10,700
Utilities	34,000	34,000
Travel	12,000	12,000
Rent - Building	5,300	5,300
Rent - Machine and Other	32,222	32,222
Other Operating Expense	<u>97,138</u>	<u>97,138</u>
Total, Object-of-Expense Informational Listing	<u>\$ 1,770,556</u>	<u>\$ 1,770,556</u>

PUBLIC FINANCE AUTHORITY

	For the Years Ending	
	August 31, 2004	August 31, 2005
	<u> </u>	<u> </u>
A. Goal: FINANCE CAPITAL PROJECTS		
To provide financing for capital projects and equipment, as authorized by the Legislature, for client agencies to assist them in meeting their goals while ensuring those issuances are accomplished cost effectively and the resulting obligations are monitored and managed in the most efficient manner possible.		
A.1.1. Strategy: PROCESS AND REVIEW APPLICATIONS	\$ 382,245	\$ 382,188 & UB
Process and review applications for debt financing submitted by client agencies and maintain cost control for cost-effective issuance.		
Output (Volume):		
Number of Requests for Financing Approved	10	3
A.2.1. Strategy: MANAGE BOND PROCEEDS	<u>\$ 385,698</u>	<u>\$ 385,612</u> & UB
Manage bond proceeds and monitor covenants to ensure compliance.		

PUBLIC FINANCE AUTHORITY
(Continued)

Output (Volume):		
Number of Financial Transactions Including Debt Service Payments	4,000	4,000
Total, Goal A: FINANCE CAPITAL PROJECTS	\$ 767,943	\$ 767,800
Grand Total, PUBLIC FINANCE AUTHORITY	\$ 767,943	\$ 767,800
Method of Financing:		
General Revenue Fund	\$ 505,080	\$ 505,080
Appropriated Receipts	<u>262,863</u>	<u>262,720</u>
Total, Method of Financing	\$ 767,943	\$ 767,800
Number of Full-Time-Equivalent Positions (FTE):	15.0	15.0
Schedule of Exempt Positions:		
Executive Director, Group 4	\$95,000	\$95,000
Object-of-Expense Informational Listing:		
Salaries and Wages	\$ 679,457	\$ 679,456
Other Personnel Costs	12,300	12,500
Professional Fees and Services	28,002	27,752
Consumable Supplies	3,340	3,340
Utilities	130	130
Travel	19,320	19,320
Rent - Building	200	200
Rent - Machine and Other	3,451	3,451
Other Operating Expense	<u>21,743</u>	<u>21,651</u>
Total, Object-of-Expense Informational Listing	\$ 767,943	\$ 767,800

1. **Information Listing of Appropriated Funds.** The appropriations made in this and other Articles of this Act to the Texas Public Finance Authority for General Obligation Bond Debt Service are subject to the following provision. The following amounts shall be used for the purpose indicated.

	For the Years Ending	
	August 31, <u>2004</u>	August 31, <u>2005</u>
Strategy A.2.2.		
Bond Debt Service	\$ 205,276,716	\$ 264,791,255 & UB
Method of Financing:		
General Revenue	\$ 197,993,439	\$ 257,603,296
Federal Funds	2,362,984	2,361,154
Other Funds		
Current Fund Balance	4,466,443	4,372,715
MHMR Patient Collections	232,081	232,290
MHMR Appropriated Receipts	32,767	32,786
MHMR Medicare Receipts	<u>189,002</u>	<u>189,014</u>
Subtotal, Other Funds	4,920,293	4,826,805

PUBLIC FINANCE AUTHORITY

(Continued)

5. **Appropriation and Transfer Authority for Unexpended Balances in Bond Related Funds.** The Texas Public Finance Authority is hereby authorized to transfer all unexpended bond fund balances forward to the following fiscal year. Balances in and revenues accruing in these bond related funds are hereby appropriated to the Texas Public Finance Authority and may be transferred to the current fiscal year or prior fiscal years in order to make bond related payments and transfers in accordance with bond resolutions. Bond funds include but are not limited to: construction (project) funds; acquisition funds; cost of issuance funds; rebate funds; capitalized interest funds; and restoration funds.

6. **Appropriation and Transfer Authority.** Appropriations to all agencies on whose behalf the Texas Public Finance Authority has, or will issue bonds, notes or other obligations are hereby authorized to be transferred to the Texas Public Finance Authority to the funds prescribed by the bond documents for payment of debt service. The monies so transferred are hereby appropriated to the Texas Public Finance Authority for payment of principal and interest on the bonds, notes or other obligations.

7. **Contingency Funding for Agency Operations: Additional Bond Issues.** In the event that the performance measure set forth above, Number of Requests for Financings Approved, is exceeded by 30 percent in either fiscal year 2004 or 2005, the Texas Public Finance Authority is hereby appropriated an additional amount not to exceed 20 percent of that year's appropriation made above to recover costs related to bond issuance for each fiscal year. Any additional appropriations made herein shall be applied equally to Strategy A.1.1, Process and Review Applications, and Strategy A.2.1, Manage Bond Proceeds. All appropriations made herein shall be out of the administrative fees collected from the participants in the Master Lease Purchase Program or reimbursements from state agencies; comply with the provisions of Chapters 1232 and 401 of the Texas Government Code, and any applicable bond covenants; and comply with any restrictions on reimbursements or expenditures contained in Article IX of this Act.

FIRE FIGHTERS' PENSION COMMISSIONER

	For the Years Ending	
	August 31, 2004	August 31, 2005
A. Goal: SOUND PENSION FUNDS		
To ensure that pension funds for emergency services personnel are actuarially sound and that their members receive the benefits to which they are entitled.		
Outcomes (Results/Impact):		
Period to Amortize the Unfunded Actuarial Accrued Liability	40	40
A.1.1. Strategy: ADMINISTER PENSION FUND		
Administer a pension fund for emergency services personnel by receiving contributions from governing entities; investing surplus funds; servicing member database; and providing services and benefit payments to members and their dependents.	\$ 330,543	\$ 337,350
Output (Volume):		
Number of Retirement Payments Distributed	27,202	28,005
Efficiencies:		
Average Annual Administrative Cost Per Pension Plan Member	80	75
A.2.1. Strategy: ASSISTANCE & EDUCATION		
Reconcile annual reports, confirm benefit	\$ 147,286	\$ 147,286

FIRE FIGHTERS' PENSION COMMISSIONER
(Continued)

determinations and refunds of contributions; interpret governing statutes and provide technical assistance; conduct educational seminars for pension board members and fund administrators; and distribute educational materials.

Output (Volume):

Number of Benefit Determinations for Local Funds	250	250
Number of Continuing Education Units Issued	1,000	1,000

Efficiencies:

Average Time (Days) to Respond to Inquiries from Local Board Members	1	1
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Total, Goal A: SOUND PENSION FUNDS	\$ 477,829	\$ 484,636
Grand Total, FIRE FIGHTERS' PENSION COMMISSIONER	\$ 477,829	\$ 484,636

Method of Financing:

General Revenue Fund	\$ 112,286	\$ 112,286
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Other Funds

Appropriated Receipts	35,000	35,000
Statewide Emergency Services Personnel Retirement Trust Fund No. 976	330,543	337,350

Subtotal, Other Funds	\$ 365,543	\$ 372,350
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Total, Method of Financing	\$ 477,829	\$ 484,636
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Number of Full-Time-Equivalent Positions (FTE):	8.5	8.5
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Schedule of Exempt Positions:

Commissioner, Group 1	\$57,000	\$57,000
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Object-of-Expense Informational Listing:

Salaries and Wages	\$ 344,461	\$ 350,127
Other Personnel Costs	4,300	5,000
Professional Fees and Services	56,500	57,500
Consumable Supplies	14,856	13,559
Travel	8,250	8,000
Rent - Machine and Other	22,750	23,250
Other Operating Expense	26,712	27,200

Total, Object-of-Expense Informational Listing	\$ 477,829	\$ 484,636
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OFFICE OF THE GOVERNOR

	For the Years Ending	
	August 31, <u>2004</u>	August 31, <u>2005</u>
A. Goal: GOVERN THE STATE		
Formulation of balanced state policies.		
A.1.1. Strategy: SUPPORT GOVERNOR & STATE Provide support to Governor and state agencies.	\$ 4,593,873	\$ 4,552,071
A.1.2. Strategy: APPOINTMENTS Develop and maintain system of recruiting, screening, and training.	\$ 810,773	\$ 818,774
A.1.3. Strategy: COMMUNICATIONS Maintain open, active and comprehensive communications, scheduling and correspondence functions.	\$ 2,648,356	\$ 2,672,462
A.1.4. Strategy: GOVERNOR'S MANSION Maintain and preserve Governor's Mansion.	<u>\$ 209,692</u>	<u>\$ 219,388</u>
Total, Goal A: GOVERN THE STATE	<u>\$ 8,262,694</u>	<u>\$ 8,262,695</u>
Grand Total, OFFICE OF THE GOVERNOR	<u>\$ 8,262,694</u>	<u>\$ 8,262,695</u>
Method of Financing:		
General Revenue Fund	\$ 7,909,694	\$ 7,909,695
<u>Other Funds</u>		
Appropriated Receipts	5,500	5,500
Interagency Contracts	347,500	347,500
Subtotal, Other Funds	<u>\$ 353,000</u>	<u>\$ 353,000</u>
Total, Method of Financing	<u>\$ 8,262,694</u>	<u>\$ 8,262,695</u>
Number of Full-Time-Equivalent Positions (FTE):	137.4	137.4
Schedule of Exempt Positions:		
Governor, Group 5	\$115,345	\$115,345
Supplemental Appropriations Made in Riders:	\$ 850,000	\$ 0
Object-of-Expense Informational Listing:		
Salaries and Wages	\$ 7,721,000	\$ 7,041,396
Other Personnel Costs	83,493	88,312
Operating Costs	170,000	0
Professional Fees and Services	171,676	170,410
Fuels and Lubricants	380	377
Consumable Supplies	66,846	77,496
Utilities	51,681	51,542
Travel	116,077	97,816
Rent - Building	33,335	33,074
Rent - Machine and Other	115,043	119,773

OFFICE OF THE GOVERNOR
(Continued)

Other Operating Expense	575,553	574,949
Capital Expenditures	<u>7,610</u>	<u>7,550</u>
Total, Object-of-Expense Informational Listing	<u>\$ 9,112,694</u>	<u>\$ 8,262,695</u>

1. **Unexpended Balances Within the Biennium.** Any unexpended balances as of August 31, 2004, in the appropriations made herein to the Office of the Governor are hereby appropriated for the same purposes for the fiscal year beginning September 1, 2004.
2. **Designation of Exempt Positions.** Pursuant to the provisions of this Act and other state and federal legislation, and notwithstanding restrictions in this Act relative to the authority of the Governor to exempt positions from the Position Classification Act of 1961, the Governor may designate the title and compensation rate of exempt positions to be used by the Office of the Governor.
3. **Governor's Salary.** The salary provided by this Act for the Governor is an annual salary and is not reduced during the Governor's absence from the state.
4. **Transfer Authority.** Notwithstanding limitations on appropriation transfers contained in the General Provisions of this Act, the Office of the Governor is hereby authorized to direct agency resources, and transfer such amounts appropriated above between appropriation items. The Governor may transfer appropriations and FTEs within the Office of the Governor and for Trusteed Programs, and may assign appropriations and the corresponding FTEs for Trusteed Programs to other agencies.
5. **Unexpended Balances Between Biennia.** Any unexpended balances as of August 31, 2003 in appropriations made to the Office of the Governor, including appropriations for Trusteed Programs, are appropriated for the same purpose for the biennium beginning September 1, 2003.
6. **Capital Expenditures Authorized.** Notwithstanding the limitations placed on the expenditure of funds for capital budget items contained in this Act, the Office of the Governor is hereby authorized to expend funds appropriated to the Office of the Governor, and the Trusteed Programs within the Office of the Governor for the acquisition of capital budget items.
7. **Development of Spaceport Plan.** It is the intent of the Legislature that the Office of the Governor outline a plan to develop a reusable launch facility or Spaceport. The plan shall be in place by January 1, 2004.

TRUSTEED PROGRAMS WITHIN THE OFFICE OF THE GOVERNOR

	For the Years Ending	
	<u>August 31,</u> <u>2004</u>	<u>August 31,</u> <u>2005</u>
A. Goal: PROGRAMS ASSIGNED		
Administer programs assigned to the Governor.		
Outcome (Results/Impact):		
Percentage of CJD Grants Complying with CJD Guidelines	98%	98%
Estimated Production Budgets of Films and Television Projects Made in Texas (in Millions)	270	270
Percent of Offenders Re-adjudicated/Convicted - Project Spotlight	8%	8%

TRUSTEED PROGRAMS WITHIN THE OFFICE OF THE GOVERNOR
(Continued)

A.1.1. Strategy: AGENCY GRANT ASSISTANCE Provide emergency and deficiency grants to state agencies.	\$ 4,500,000	\$ 2,539,871
A.1.2. Strategy: DISASTER FUNDS Provide disaster funding.	\$ 7,000,000	\$ UB
A.1.3. Strategy: CRIMINAL JUSTICE Research, provide seed money to, and to promote replication of measurably successful programs in criminal justice.	\$ 131,048,295	\$ 130,568,465
Output (Volume): Number of Grants Currently Operating	1,000	1,000
A.1.4. Strategy: FILM AND MUSIC MARKETING Market Texas as a film location and promote the Texas music industry.	\$ 838,253	\$ 838,254
Output (Volume): Number of Individuals and Companies Assisted by Texas Music Office	14,000	14,000
A.1.5. Strategy: DISABILITY ISSUES Inform organizations and general public of disabilities issues.	\$ 334,411	\$ 334,409
Output (Volume): Number of Local Volunteer Committees on People with Disabilities and Communities Supported	54	54
A.1.6. Strategy: WOMEN'S GROUPS Network statewide women's groups in Texas.	\$ 85,466	\$ 85,464
A.1.7. Strategy: COUNTY ESSENTIAL SERVICE GRANTS Provide financial assistance to counties for essential public services.	\$ 500,000	\$ 500,000
 Total, Goal A: PROGRAMS ASSIGNED	 <u>\$ 144,306,425</u>	 <u>\$ 134,866,463</u>
 Grand Total, TRUSTEED PROGRAMS WITHIN THE OFFICE OF THE GOVERNOR	 <u>\$ 144,306,425</u>	 <u>\$ 134,866,463</u>
 Method of Financing:		
General Revenue Fund	\$ 14,508,950	\$ 5,548,818
Earned Federal Funds	975,000	975,000
General Revenue Fund - Dedicated		
Crime Stoppers Assistance Account No. 5012	500,000	500,000
Criminal Justice Planning Account No. 421	27,000,000	27,000,000
Subtotal, General Revenue Fund - Dedicated	<u>\$ 27,500,000</u>	<u>\$ 27,500,000</u>
Federal Funds	101,245,475	100,765,645
Appropriated Receipts	77,000	77,000
Total, Method of Financing	<u>\$ 144,306,425</u>	<u>\$ 134,866,463</u>
Number of Full-Time-Equivalent Positions (FTE):	60.6	60.6
Object-of-Expense Informational Listing:		
Salaries and Wages	\$ 2,640,449	\$ 2,644,466
Other Personnel Costs	352,692	352,739
Professional Fees and Services	4,992,641	4,992,842
Fuels and Lubricants	120	122
Consumable Supplies	40,218	40,275
Utilities	26,594	26,628
Travel	153,819	153,361

TRUSTEED PROGRAMS WITHIN THE OFFICE OF THE GOVERNOR
(Continued)

Rent - Building	10,466	10,726
Rent - Machine and Other	83,006	82,884
Other Operating Expense	466,832	462,776
Grants	135,535,951	126,095,992
Capital Expenditures	<u>3,637</u>	<u>3,652</u>
Total, Object-of-Expense Informational Listing	<u>\$ 144,306,425</u>	<u>\$ 134,866,463</u>

1. **Emergency and Deficiency Grants.** Included in amounts appropriated above are any unexpended balances not to exceed \$2,539,871 as of August 31, 2003, in emergency and deficiency grants made in Senate Bill 1, Seventy-seventh Legislature, Regular Session, for the biennium beginning September 1, 2003. The purposes of these appropriations are for payments of claims arising prior to the convening of the next legislature by the Governor in accordance with § 403.075, Government Code, for emergency use in accordance with §§ 401.061-401.065, Government Code, grants-in-aid in case of disasters, and for other purposes needed in the operations of state departments and agencies, including legal defense of officials and employees. Upon certification by the Governor that an emergency exists within the scope of the above-cited provisions in an agency funded out of special funds, there are hereby appropriated amounts necessary from special funds to meet the deficiency, emergency or disaster. The Comptroller of Public Accounts shall transfer from the special fund to the necessary appropriation account the amount certified as necessary to meet the deficiency, emergency or disaster. Transfers made under this provision shall be made only when sufficient balances over appropriated amounts exist in the special fund. The Governor may, according to the terms of the deficiency, emergency or disaster award, require the agency to repay all or part of the award. The repayment may be accomplished by purchase voucher, journal entry, or other procedures established by the Governor's Office with the concurrence of the Comptroller of Public Accounts.
2. **Appropriation of Earned Federal Funds.** Included in the amounts appropriated above in Strategy A.1.3, Criminal Justice, are any unexpended balances remaining as of August 31, 2003, not to exceed \$975,000 per fiscal year, plus any revenues received during the biennium beginning September 1, 2003 identified as earned federal funds for use in the operations of the Office of the Governor.
3. **Transfer Authority for Deficiency and Emergency Grants and Disaster Funds.** In accordance with applicable statutes and to facilitate current accounting and reporting procedures, the Governor may transfer funds and/or budget authority via journal voucher or other similar means as may be prescribed by the Comptroller of Public Accounts from Strategy A.1.1, Agency Grant Assistance and Strategy A.1.2, Disaster Funds to recipient agencies.
4. **Unexpended Balances.** Included in the amounts appropriated above are any unexpended balances as of August 31, 2004 for the Trusteed Programs within the Office of the Governor for the same purpose for the fiscal year beginning September 1, 2004.
5. **Federal Grants.** Funds received from the federal government for grants to the Trusteed Programs within the Office of the Governor that are directed to earn interest for the 2004-05 biennium will be deposited to General Revenue-Dedicated Account No. 224, Governor's Office Federal Projects, and are to be expended as directed by the grant.
6. **Reporting Requirements: Criminal Justice Division.** To ensure that Criminal Justice Planning Funds are spent in accordance with state and federal requirements, the Criminal Justice Division (CJD) shall require grant recipients to report data and documentation, not later than October 1 of each fiscal year, demonstrating compliance with contractual agreements for Criminal Justice Planning grants. At a minimum, reports submitted by grant recipients shall provide data to support all expenditures made with Criminal Justice Planning Funds; provide an

TRUSTEED PROGRAMS WITHIN THE OFFICE OF THE GOVERNOR
(Continued)

inventory of all equipment and capital items purchased with such funds; and provide all information necessary for scheduled and periodic reviews by the CJD.

In addition, the CJD shall establish and consistently adhere to internal guidelines for reviewing and evaluating grant requests, as well as requests for payments and reimbursements submitted by grantees. Not later than December 15 of each year, the CJD shall submit to the Legislative Budget Board and the State Auditor's Office a report detailing its findings regarding compliance by grantees.

7. **Criminal Justice Planning Funds.** Out of amounts appropriated above in Strategy A.1.3, Criminal Justice, the Criminal Justice Division shall transfer \$3,898,843 in fiscal year 2004 and \$3,878,407 in fiscal year 2005 funds from General Revenue-Dedicated Criminal Justice Planning Account No. 421 to the Texas Department of Criminal Justice (TDCJ). The amounts transferred by this provision do not require a grant application and are not restricted to project specific purposes. CJD may require a periodic accounting from TDCJ regarding its expenditures from these funds.
8. **Treatment Alternative to Incarceration Program.** Out of funds appropriated above to provide emergency and deficiency grants to state agencies, \$3,250,000 in fiscal year 2004 and \$3,250,000 in fiscal year 2005 is allocated to the Texas Department of Criminal Justice for the Treatment Alternative to Incarceration Program.
9. **Drug Court Grants.** Out of the amounts appropriated above in Strategy, A.1.3, Criminal Justice, \$750,000 each fiscal year out of the General Revenue Fund may be used to provide grants to drug courts. It is the intent of the Legislature that the presiding judge of a drug court must be an active judge holding elective office or a master. It is the intent of the Legislature that persons eligible for appointment may not be a former or retired judicial officer.
10. **Texas Enterprise Fund.** Contingent upon enactment of Senate Bill 1771, House Bill 3323 or similar legislation by the Seventy-eighth Legislature creating a Texas Enterprise Fund, all unexpended balances of appropriations made to the Fund by House Bill 7 or similar legislation are hereby appropriated for the purpose of economic development initiatives. In addition, Strategy A.1.8, Texas Enterprise Fund, is established in the bill pattern of the Trusteed Programs within the Office of the Governor. Out of this strategy, the Trusteed Programs within the Office of the Governor is appropriated all amounts contained herein out of the Texas Enterprise Fund for the biennium beginning September 1, 2003.
11. **Texas Optical Fiber Network and Grid Computing.** Contingent upon the passage of Senate Bill 1771, the Governor may direct \$5 million in 2004 and \$5 million in 2005 out of the Texas Enterprise Fund to provide an Optical Fiber Network and Grid Computing exclusively for research and education purposes. A total of \$7.5 million for the Optical Fiber Network may be transferred to a consortium of three or more institutions of higher education, located not less than 50 miles apart, operating under an interagency agreement for the exclusive purpose of operating a fiber optic network for research and education for use by and for the benefit of higher education and affiliated entities in the State of Texas. The fiber optic network shall not be used, directly or indirectly, with or without charge, to provide telecommunications or information services to the public in competition with the private sector. A total of \$2.5 million may be transferred to the consortium known as HiPCAT (University of Houston, Texas Tech University, University of Texas at Austin, Rice University, and Texas A&M University) for the purpose of creating the Texas Internet Grid for Research and Education. Any unexpended balances at the end of 2004 are appropriated for the same purpose in 2005. It is the intent of the Legislature that these services be purchased or provided pursuant to a competitive bidding process using best value procurement which shall be awarded based upon specified criteria including, but not limited to, the consideration of cost effectiveness, security, and the efficiency of the provider of such education and research services.

HISTORICAL COMMISSION

	For the Years Ending	
	August 31, 2004	August 31, 2005
A. Goal: HISTORICAL PRESERVATION		
Preserve our state's irreplaceable historic landmarks and artifacts for the enjoyment, education, and benefit of the public, and the enrichment of future generations.		
Outcome (Results/Impact):		
Number of Properties Protected Through Designations Annually		
A.1.1. Strategy: ARCHITECTURAL ASSISTANCE	2,165	2,170
Protect Texas' diverse architectural heritage by providing technical assistance for the responsible rehabilitation and preservation of properties.	\$ 467,206	\$ 459,056
Output (Volume):		
Number of Historic Properties Provided Technical Assistance, Monitoring, and Mandated State and/or Federal Architectural Reviews in Order to Encourage Preservation		
A.1.2. Strategy: PRESERVATION TRUST FUND	2,250	2,500
Provide financial assistance through the Preservation Trust Fund for critical preservation projects.	\$ 1,000,000	\$ 175,000
Output (Volume):		
Number of Preservation Trust Fund Grants Awarded		
A.1.3. Strategy: ARCHEOLOGICAL HERITAGE PROTECTION	35	35
Protect Texas' diverse archeological heritage through state and federally mandated cultural resource reviews, historic property management programs, volunteer efforts, and public outreach.	\$ 1,835,368	\$ 1,013,465
Output (Volume):		
Number of Construction Projects Reviewed for Archeological Impact		
	7,000	7,000
Number of Outreach and Technical Materials Distributed Through Print or Electronic Media		
A.1.4. Strategy: EVALUATE/INTERPRET RESOURCES	210,000	210,000
Provide information, programs, and services to private, public, and nonprofit constituents for the identification, evaluation, preservation, and interpretation of historic resources.	\$ 2,738,758	\$ 1,109,672
Output (Volume):		
Number of Public Presentations and Workshops Given		
	70	70
Number of Sites, Properties, and Other Historical Resources Evaluated		
A.1.5. Strategy: COURTHOUSE PRESERVATION	4,400	4,500
Provide financial and technical assistance through the Texas Historic Courthouse Preservation Program for critical courthouse preservation projects.	\$ 25,000,000	\$ 20,000,000
A.2.1. Strategy: DEVELOPMENT ASSISTANCE	<u>2,672,602</u>	<u>2,081,911</u>
Provide technical assistance to public, private, and nonprofit entities to encourage the process of preservation, development, and revitalization of Main Street cities, promotion and development of heritage tourism, Certified Local Governments, Visionaries in Preservation and other local and regional heritage initiatives.		

HISTORICAL COMMISSION
(Continued)

Output (Volume):		
Number of Properties and Sites Assisted	1,300	1,325
Total, Goal A: HISTORICAL PRESERVATION	\$ 33,713,941	\$ 24,839,104
B. Goal: INDIRECT ADMINISTRATION		
B.1.1. Strategy: INDIRECT ADMINISTRATION	\$ 1,114,254	\$ 1,088,408
Grand Total, HISTORICAL COMMISSION	\$ 34,828,195	\$ 25,927,512
Method of Financing:		
General Revenue Fund	\$ 6,059,170	\$ 3,205,313
GR Dedicated - Texas Preservation Trust Fund Account No. 664	500,000	175,000
Federal Funds	839,171	838,237
Other Funds		
Appropriated Receipts	318,720	318,720
Interagency Contracts	2,111,134	1,390,242
Bond Proceeds - General Obligation Bonds	25,000,000	20,000,000
Subtotal, Other Funds	\$ 27,429,854	\$ 21,708,962
Total, Method of Financing	\$ 34,828,195	\$ 25,927,512
Number of Full-Time-Equivalent Positions (FTE):	110.0	108.0
Schedule of Exempt Positions:		
Executive Director, Group 3	\$85,000	\$85,000
Object-of-Expense Informational Listing:		
Salaries and Wages	\$ 3,789,807	\$ 3,658,841
Other Personnel Costs	64,689	64,688
Professional Fees and Services	11,800	11,800
Fuels and Lubricants	8,708	8,708
Consumable Supplies	59,134	59,134
Utilities	60,706	60,706
Travel	265,597	267,932
Rent - Building	5,550	5,570
Rent - Machine and Other	25,559	25,559
Other Operating Expense	3,356,169	1,291,751
Grants	26,648,476	20,472,823
Capital Expenditures	<u>532,000</u>	<u>0</u>
Total, Object-of-Expense Informational Listing	\$ 34,828,195	\$ 25,927,512

1. **Capital Budget.** None of the funds appropriated above may be expended for capital budget items except as listed below. The amounts shown below shall be expended only for the purposes shown and are not available for expenditure for other purposes. Amounts appropriated above and identified in this provision as appropriations either for "Lease Payments to the Master Lease Purchase Program" or for items with an "(MLPP)" notation shall be expended only for the purpose of making lease-purchase payments to the Texas Public Finance Authority pursuant to the provisions of Government Code § 1232.103.

HISTORICAL COMMISSION
(Continued)

	2004	2005
Out of the Interagency Contracts:		
a. Acquisition of Information Resource Technologies		
(1) Texas Historic Sites Atlas Enhancement	\$ 32,000	\$ 0
Total, Capital Budget	\$ 32,000	\$ 0

2. **Sam Rayburn House Caretaker.** A designated employee of the Texas Historical Commission is authorized to live on the grounds of the Sam Rayburn House Museum in Bonham, Texas at a rate to be determined by the Commission as set forth in Article IX, § 11.09, State Owned Housing-Recovery Housing Costs.
3. **Cost Recovery of Historical Markers.** It is the intent of the Legislature that the Historical Commission recover the full costs of historical markers, estimated to be \$155,339 in Appropriated Receipts for each fiscal year of the biennium and included above.
4. **Promotional Materials.** The Texas Historical Commission is hereby authorized to purchase promotional educational materials for resale or donation purposes during the biennium beginning September 1, 2003. All receipts received from the sale of these materials are hereby appropriated to the Commission for the administration and operation of agency programs. Any unexpended balances on hand as of August 31, 2004, from the sale of these materials are appropriated for the fiscal year beginning September 1, 2004.
5. **Registration of Historic Cemeteries.** The Texas Historical Commission is hereby authorized to collect funds for the registration of historic cemeteries. All fees collected pursuant to registration of historic cemeteries (estimated at \$1,900 in Appropriated Receipts in each fiscal year and included above) are appropriated to the Texas Historical Commission for the purpose of administering the Historic Cemetery Program for the biennium beginning September 1, 2003.
6. **Preservation Trust Fund.** Out of the amounts appropriated above in Strategy A.1.2, Preservation Trust Fund, \$500,000 in general revenue funds may be transferred to the Preservation Trust Fund dedicated account in the General Revenue Fund and is hereby appropriated to the Preservation Trust Fund dedicated account. Included in the amounts appropriated above in Strategy A.1.2, Preservation Trust Fund from the Preservation Trust Fund dedicated account are \$500,000 in fiscal year 2004 and \$175,000 in fiscal year 2005 as estimated interest earnings, as well as any gifts and donations deposited in the Preservation Trust Fund dedicated account on or after September 1, 2003.
7. **Tourism: Promotion of Historical Sites.** Out of amounts included above in Strategy A.2.1, Development Assistance, the Texas Historical Commission, pursuant to Government Code, Chapter 481.172 and Chapter 442.005(s), shall expend \$300,000 during the biennium beginning September 1, 2003, transferred from the Texas Department of Economic Development, and \$1 million during the biennium beginning September 1, 2003, transferred from the Texas Department of Transportation through interagency contract, to showcase historical sites in order to promote tourism and to encourage travel to the states historical attractions.
8. **Cultural Diversity Scholarships.** Gifts and donations received by the Historical Commission, not to exceed \$5,000 in each year of the biennium, may be expended for scholarships of up to \$500 per recipient for travel expenses, including meals and lodging, in order to encourage diversity among participants at agency sponsored conferences, seminars, and workshops.

HISTORICAL COMMISSION
(Continued)

9. **Military Sites Program.** Included in amounts appropriated above in Strategy A.1.4, Evaluate/Interpret Resources, is \$22,500 in general revenue funds in each year of the biennium for the purpose of continuing and further developing a military sites program and restoring Texas military monuments in and outside the state. Appropriation of these amounts is contingent upon receipt by the Historical Commission, or by the Friends of the Texas Historical Commission, of private contributions, gifts, and donations, for the same purpose, in the amount of \$45,000 over the biennium. In the event that private contributions, gifts, and donations received total less than \$45,000 over the biennium, the appropriation is reduced to an amount which equals the total contributions, gifts, and donations received. Any unexpended balances of these funds remaining as of August 31, 2004, are hereby appropriated to the Historical Commission for the fiscal year beginning September 1, 2004, for the same purpose.

10. **La Salle Artifacts.** Included in amounts appropriated above in Strategy A.1.3, Archeological Heritage Protection, is \$250,000 in general revenue funds for the biennium for the conservation, analysis, interpretation and display of artifacts from the Belle Shipwreck, Fort St. Louis archeological site and other La Salle sites. Of this amount, \$125,000 is contingent upon receipt of matching funds by the Historical Commission in private contributions, gifts, and donations, for the same purpose. In the event that private contributions, gifts, and donations received by the Historical Commission total less than \$125,000 over the biennium, the matching general revenue appropriation is reduced to an amount which equals the total contributions, gifts, and donations received.

Any unexpended balances of these funds remaining as of August 31, 2004, are hereby appropriated to the Historical Commission for the fiscal year beginning September 1, 2004, for the same purpose.

11. **Appropriation of Receipts.** All fees that the Texas Historical Commission is authorized by statute to collect are hereby appropriated for the specific purpose named in the statute for the biennium beginning September 1, 2003.

12. **Unexpended Balances: Acquisition of Historical Artifacts.** Any unexpended balances remaining as of August 31, 2003, from the appropriation made by the Seventy-seventh Legislature for the acquisition of historic artifacts, (estimated to be \$0) are hereby appropriated to the Historical Commission for the biennium beginning September 1, 2003, for the same purpose. The Historical Commission shall develop a plan and process for the purchase and acquisition of documents, records, and/or other historical artifacts relating to Texas history prior to the purchase or acquisition of any such items, and shall coordinate with the State Preservation Board and the Texas State Library and Archives Commission. In addition, the commission shall coordinate the purchase or acquisition of the historical artifacts with institutions involved in historic preservation programs reflective of racial, ethnic, and cultural diversity throughout the state. The Historical Commission must also report on the status of acquisitions to the Governor and the Legislative Budget Board within 30 days of such acquisition.

13. **Advertisements in Agency Publications.** The Texas Historical Commission is hereby authorized to accept advertisements at prescribed rates in selected agency newsletters and publications (both print and electronic) to offset production costs. All amounts collected by the Historical Commission pursuant to acceptance of advertisements are hereby appropriated to the Historical Commission for the purpose of offsetting costs associated with production of agency newsletters and publications.

14. **Unexpended Balances: Courthouse Preservation Program.** Any unexpended balances remaining as of August 31, 2003, from the appropriation made to Strategy A.1.5, Courthouse Preservation, by the Seventy-seventh Legislature, Regular Session, (estimated to be \$0) are

HISTORICAL COMMISSION
(Continued)

hereby appropriated to the Historical Commission for the biennium beginning September 1, 2003, for the same purpose.

Any unexpended balances of these funds remaining as of August 31, 2004, are hereby appropriated to the Historical Commission for the fiscal year beginning September 1, 2004, for the same purpose.

15. **Historical Preservation Program.** Out of funds appropriated above the Historical Commission shall develop a program to assist schools and community colleges with historical preservation. It is the intent of the Legislature that the commission evaluate and award grants based on merit. Grants awarded by the Historical Commission for the proposing school or community college are contingent upon receipt of a matching amount of funds by the school or community college.
16. **Texas Emancipation Juneteenth Cultural and Historical Commission.** Out of the amounts appropriated above in Strategy A.1.4, Evaluate and Interpret Resources is an amount not to exceed \$300,000 in General Revenue funds for fiscal year 2004 for the purpose of funding the activities and operations of the Texas Emancipation Juneteenth Cultural and Historical Commission.

Also included above in Strategy A.1.4, Evaluate and Interpret Resources are any unexpended balances of funds for the Juneteenth Commission on hand as of August 31, 2003, (not to exceed \$950,000) and August 31, 2004, for the fiscal years beginning September 1, 2003 and September 1, 2004, respectively, for the same purpose. Included above in the "Number of Full-time Equivalent Positions" is 1.5 FTEs in each year of the biennium to assist in carrying out the duties and responsibilities of the Texas Emancipation Juneteenth Cultural and Historical Commission such as the coordination of state and local activities relating to the cultural and historical celebration of Juneteenth. Any amounts appropriated to the Texas Emancipation Juneteenth Cultural and Historical Commission may be used for capital budget purposes for the acquisition of monuments. Such amounts are hereby exempted from the capital budget provisions contained in Article IX of this Act.

It is the intent of the Legislature that construction of the Juneteenth Memorial Monument be completed by the end of the 2004-05 biennium, and that appropriations to the Commission be limited to a total of \$100,000 for ongoing operating expenses in future biennia.

COMMISSION ON HUMAN RIGHTS

	For the Years Ending	
	August 31, 2004	August 31, 2005
A. Goal: ANTIDISCRIMINATION LAWS		
To provide leadership in the development and effective administration of policies and laws designed to prohibit and reduce discrimination in Texas.		
Outcome (Results/Impact):		
Percent of Investigations Complying with the Commission's Quality Control Standards and the US EEOC's Substantial Weight Review Standards	99%	99%
Percent of Investigations Complying with the Commission's Quality Control Standards and HUD's Standards	100%	100%
A.1.1. Strategy: EMPLOYMENT INVESTIGATIONS		
Conduct all employment investigations in accordance with the commission's quality control standards and the US EEOC substantial	\$ 1,207,561	\$ 1,207,561

COMMISSION ON HUMAN RIGHTS
(Continued)

weight review standards and increase effective utilization of the alternative dispute resolution process.

Output (Volume):

Number of Employment Complaints Resolved	1,285	1,285
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Efficiencies:

Average Cost Per Employment Complaint Resolved	695	690
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A.1.2. Strategy: HOUSING INVESTIGATIONS

Conduct all housing investigations in accordance with the Commission's quality control standards and HUD standards.

Output (Volume):

Number of Housing Complaints Resolved	250	250
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Efficiencies:

Average Cost Per Housing Complaint Resolved	1,216	1,175
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Total, Goal A: ANTIDISCRIMINATION LAWS

	<u>\$ 1,572,112</u>	<u>\$ 1,572,112</u>
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B. Goal: TRAINING AND ASSISTANCE

To provide comprehensive training and technical assistance to reduce employment and housing discrimination, conduct reviews of personnel policies of state agencies and institutions of higher education and review tests administered by fire departments.

Outcome (Results/Impact):

Percent Change Per Year in Employment Discrimination Complaints Filed with the Commission Against State Agencies and Institutions of Higher Education Receiving Training

B.1.1. Strategy: TRAINING

Provide technical assistance and comprehensive training on compliance with laws prohibiting discrimination.

Output (Volume):

Number of EEO Training Sessions Conducted	200	200
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Efficiencies:

Average Cost to Commission on Human Rights Per EEO Training Session Conducted

	650	650
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B.1.2. Strategy: MONITOR PERSONNEL POLICY

Conduct personnel policy reviews of state agencies and institutions of higher education and reviews of tests by fire departments to ensure compliance with the Commission on Human Rights Act.

Output (Volume):

Number of On-site Personnel Policy Reviews Conducted	34	35
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Number of Fire Department Tests Reviewed	15	15
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Efficiencies:

Average Cost Per Review of Fire Department Tests	2,717	2,717
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Total, Goal B: TRAINING AND ASSISTANCE

	<u>\$ 609,604</u>	<u>\$ 609,604</u>
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Grand Total, COMMISSION ON HUMAN RIGHTS

	<u>\$ 2,181,716</u>	<u>\$ 2,181,716</u>
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Method of Financing:

General Revenue Fund	\$ 722,464	\$ 722,463
Federal Funds	1,212,576	1,212,577

COMMISSION ON HUMAN RIGHTS

(Continued)

<u>Other Funds</u>		
Appropriated Receipts	114,611	114,611
Interagency Contracts	132,065	132,065
 Subtotal, Other Funds	<u>\$ 246,676</u>	<u>\$ 246,676</u>
 Total, Method of Financing	<u>\$ 2,181,716</u>	<u>\$ 2,181,716</u>
 Number of Full-Time-Equivalent Positions (FTE):	49.0	49.0
 Schedule of Exempt Positions:		
Executive Director, Group 2	\$62,000	\$62,000
 Object-of-Expense Informational Listing:		
Salaries and Wages	\$ 1,614,990	\$ 1,618,991
Other Personnel Costs	70,180	70,180
Professional Fees and Services	28,500	28,500
Consumable Supplies	20,000	20,000
Utilities	44,360	44,360
Travel	65,000	65,000
Rent - Building	167,611	167,611
Rent - Machine and Other	12,000	12,000
Other Operating Expense	<u>159,075</u>	<u>155,074</u>
 Total, Object-of-Expense Informational Listing	<u>\$ 2,181,716</u>	<u>\$ 2,181,716</u>

1. Cash Flow Contingency.

- a. Contingent upon the receipt of federal funds allocated under the annual fixed cost performance based contracts and special projects with the US Equal Employment Opportunity Commission and the US Department of Housing and Urban Development, and upon the submission of monthly reports on all funds transfers and performance on all key measures to the Legislative Budget Board, Governor, and Comptroller of Public Accounts, the Commission may temporarily utilize additional General Revenue Funds, pending the receipt of federal reimbursement, in an amount not to exceed 75 percent of the amount as specified in the notification letter of federal award to be received in each year of the biennium. The General Revenue amounts utilized above the General Revenue method of finance must be repaid upon receipt of federal reimbursement and shall be utilized only for the purpose of temporary cash flow needs. These transfers and repayments shall be credited to the fiscal year being reimbursed and shall be in accordance with procedures established by the Comptroller. All transfers of the method of finance shall be reported by the Commission to the Legislative Budget Board.
- b. The Commission on Human Rights may temporarily utilize additional General Revenue Funds pending reimbursement through interagency contracts in an amount not to exceed 50 percent of the estimated interagency contract receipts to be received each year of the biennium to be adjusted by actual contract amounts. The General Revenue amounts utilized above the General Revenue method of finance must be repaid upon receipt of interagency contract reimbursement and shall be utilized only for the purpose of temporary cash flow needs. These transfers and repayments shall be in accordance with procedures established by the Comptroller. Any contract balance at the end of the first fiscal year of the biennium is hereby appropriated to the second fiscal year of the biennium.

2. **Travel Expenditures.** The Commission on Human Rights is authorized to spend out of funds appropriated by this Act up to \$1,500 per employee or Commissioner for each year of the

COMMISSION ON HUMAN RIGHTS
(Continued)

biennium for out-of-state travel. This limitation shall not apply to out-of-state travel required by the US Equal Employment Opportunity Commission or the US Department of Housing and Urban Development if the cost of such travel is reimbursed by the federal government.

3. **Limitation on Texas Fair Housing Act Investigations or Prosecutions.** No funds appropriated by this Act may be used to investigate or prosecute under the Texas Fair Housing Act any otherwise lawful activity, engaged in by one or more persons, that is engaged solely for the purpose of preventing action by a government official or court of competent jurisdiction.

TEXAS INCENTIVE AND PRODUCTIVITY COMMISSION

	For the Years Ending	
	August 31, 2004	August 31, 2005
A. Goal: ENCOURAGE PARTICIPATION		
To encourage the development of productive and innovative state agencies and employees and to recognize employees for their efforts to save money, increase revenues, and improve services. Government Code, 2108.022.		
Outcome (Results/Impact):		
Actual Total Savings/Revenues from Approved Suggestions	1,734,400	1,300,800
A.1.1. Strategy: EDUCATION AND PROMOTION	\$ 147,893	\$ 130,893
Educate employees and program coordinators/contacts and conduct program promotional activities.		
Output (Volume):		
Number of Training and Promotion Hours	3,972	3,972
Efficiencies:		
Average Cost Per Training Hour	26.78	26.78
A.2.1. Strategy: REVIEW AND APPROVAL	\$ 80,340	\$ 80,340
Conduct staff review and commission consideration of employee suggestions within 90 days.		
Efficiencies:		
Average Cost to Process SEIP Suggestions	37.2	35.35
Total, Goal A: ENCOURAGE PARTICIPATION	\$ 228,233	\$ 211,233
Grand Total, TEXAS INCENTIVE AND PRODUCTIVITY COMMISSION	\$ 228,233	\$ 211,233
Method of Financing:		
Appropriated Receipts	\$ 17,000	\$ 0
Interagency Contracts	211,233	211,233
Total, Method of Financing	\$ 228,233	\$ 211,233
Number of Full-Time-Equivalent Positions (FTE):	5.0	5.0
Schedule of Exempt Positions:		
Executive Director, Group 1	\$49,500	\$49,500
Object-of-Expense Informational Listing:		
Salaries and Wages	\$ 188,016	\$ 188,016
Other Personnel Costs	2,880	2,880

TEXAS INCENTIVE AND PRODUCTIVITY COMMISSION
(Continued)

Professional Fees and Services	144	144
Consumable Supplies	3,000	3,000
Utilities	581	581
Travel	500	500
Rent - Machine and Other	3,000	3,000
Other Operating Expense	<u>30,112</u>	<u>13,112</u>
Total, Object-of-Expense Informational Listing	\$ <u>228,233</u>	\$ <u>211,233</u>

1. **Appropriation, Employee Recognition Awards.** Included in amounts appropriated above in Strategy A.1.1, Education and Promotion, is \$7,500 in Interagency Contracts for the sole purpose of granting recognition awards of \$50 each as provided for in Government Code §2108.0235. In the event that the Commission grants fewer awards than projected, the Commission shall lapse the remaining balance to the General Revenue Fund.
2. **Awards for Statewide Suggestions Approved Under the State Employee Incentive Program.** In the event that an employee suggestion approved under the State Employee Incentive Program results in savings or revenue increases in funds that are not appropriated to the agency that implemented the employee suggestion, the Comptroller shall transfer 10 percent of the savings or revenue increases from the fund or account that realized the savings or revenue increases to the Texas Incentive and Productivity Commission to pay employee awards under Government Code § 2108.037. These funds are hereby appropriated to the Texas Incentive and Productivity Commission for such use.

DEPARTMENT OF INFORMATION RESOURCES

	For the Years Ending	
	August 31, <u>2004</u>	August 31, <u>2005</u>
A. Goal: PROMOTE EFFICIENT IR SYSTEMS		
Promote a statewide environment which encourages efficient use and management of information resources and assist the state leadership in achieving its goals by offering advice on information resources issues.		-
A.1.1. Strategy: STATEWIDE PLANNING	\$ 1,323,034	\$ 1,241,016
Produce the Biennial Statewide Information Resources Strategic Plan and related performance reports and analyses, issue statewide recommendations, secure statewide assets, and participate in interagency task forces.		
Output (Volume):		
Number of Project Briefs/Issue Papers Produced	7	7
A.1.2. Strategy: TEXAS ONLINE	\$ 917,635	\$ 917,447
Manage contract for Texas Online, the State of Texas e-government portal.		
A.2.1. Strategy: STANDARDS AND EDUCATION	<u>\$ 1,007,570</u>	<u>\$ 925,552</u>
Develop technical standards, policies and reports on new technologies and procedures and provide educational programs to state agency personnel, including information resource managers.		
Output (Volume):		
Number of Technical and Industry Standards Reviewed	100	100

DEPARTMENT OF INFORMATION RESOURCES
(Continued)

Efficiencies:		
Average Cost Per Policy, Guideline and Standard Produced	299	349
Total, Goal A: PROMOTE EFFICIENT IR SYSTEMS	\$ 3,248,239	\$ 3,084,015
B. Goal: COST EFFECTIVE IR ACQUISITION		
Assist state agencies and other governmental entities in the most cost-effective acquisition of their information resources.		
Outcome (Results/Impact):		
Cooperative Services Dollar Saved/Avoided Per Dollar of Program Operating Cost	33	33
B.1.1. Strategy: CONTRACT ADMINISTRATION	\$ 2,155,924	\$ 2,155,924
Assist state agencies and other governmental entities in the most cost effective acquisition of their information resources by negotiating, managing, and administering contracts with the major information technology providers.		
Output (Volume):		
Total Savings and Cost Avoidance through Utilization of Cooperative Services	60,000,000	60,000,000
C. Goal: TELECOMMUNICATIONS		
Assist governmental entities in cost-effective usage of network services.		
Outcome (Results/Impact):		
Percent Customer Satisfaction with CCTS Attained	98%	98%
Percent of Customer Satisfaction with TEX-AN Services Attained	92%	95%
C.1.1. Strategy: CAPITOL COMPLEX TELEPHONE	\$ 6,712,146	\$ 7,037,419
Maintain and increase the capabilities of the Capitol Complex Telephone Systems.		
Efficiencies:		
Average Response Time for Trouble Tickets (in Hours)	3	3
C.2.1. Strategy: TEX-AN NETWORK SERVICES	\$ 69,591,671	\$ 71,401,545
Maintain TEX-AN network services.		
Efficiencies:		
Average Price Per Intrastate Minute on TEX-AN	.07	.07
Average Price Per Toll-free Minute on TEX-AN	.07	.07
Total, Goal C: TELECOMMUNICATIONS	\$ 76,303,817	\$ 78,438,964
D. Goal: INDIRECT ADMINISTRATION		
D.1.1. Strategy: CENTRAL ADMINISTRATION	\$ 1,039,280	\$ 1,039,280
D.1.2. Strategy: INFORMATION RESOURCES	\$ 913,084	\$ 913,144
D.1.3. Strategy: OTHER SUPPORT SERVICES	\$ 389,092	\$ 389,092
Total, Goal D: INDIRECT ADMINISTRATION	\$ 2,341,456	\$ 2,341,516
Grand Total, DEPARTMENT OF INFORMATION RESOURCES	\$ 84,049,436	\$ 86,020,419
Method of Financing:		
General Revenue Fund	\$ 2,581,432	\$ 2,581,878
Other Funds		
Appropriated Receipts	10,984,436	11,233,468
Interagency Contracts	70,483,568	72,205,073
Subtotal, Other Funds	\$ 81,468,004	\$ 83,438,541
Total, Method of Financing	\$ 84,049,436	\$ 86,020,419

DEPARTMENT OF INFORMATION RESOURCES
(Continued)

Number of Full-Time-Equivalent Positions (FTE):	200.5	200.5
Schedule of Exempt Positions:		
Executive Director, Group 5	\$120,000	\$120,000
Object-of-Expense Informational Listing:		
Salaries and Wages	\$ 9,939,897	\$ 9,962,176
Other Personnel Costs	125,151	125,551
Professional Fees and Services	997,096	813,994
Fuels and Lubricants	7,900	7,900
Consumable Supplies	65,066	65,066
Utilities	236,453	234,473
Travel	150,045	150,045
Rent - Building	55,798	55,798
Other Operating Expense	70,963,438	73,125,629
Capital Expenditures	<u>1,508,592</u>	<u>1,479,787</u>
Total, Object-of-Expense Informational Listing	<u>\$ 84,049,436</u>	<u>\$ 86,020,419</u>

1. **Capital Budget.** None of the funds appropriated above may be expended for capital budget items except as listed below. The amounts shown below shall be expended only for the purposes shown and are not available for expenditure for other purposes. Amounts appropriated above and identified in this provision as appropriations either for "Lease Payments to the Master Lease Purchase Program" or for items with an "(MLPP)" notation shall be expended only for the purpose of making lease-purchase payments to the Texas Public Finance Authority pursuant to the provisions of Government Code § 1232.103.

	<u>2004</u>	<u>2005</u>
a. Acquisition of Information Resource Technologies		
(1) Telemanagement IR Upgrade	\$ 17,000	\$ 14,000
(2) Computer Hardware	<u>\$ 53,680</u>	<u>\$ 53,240</u>
Total, Acquisition of Information Resource Technologies	<u>\$ 70,680</u>	<u>\$ 67,240</u>
b. Transportation Items		
(1) Vehicles	\$ 45,000	\$ 25,000
c. Other Lease Payments to the Master Lease Purchase Program (MLPP)		
(1) Lease Payments, 2002-03	\$ 1,392,912	\$ 1,387,547
Total, Capital Budget	<u>\$ 1,508,592</u>	<u>\$ 1,479,787</u>
Method of Financing (Capital Budget):		
General Revenue Fund	\$ 7,320	\$ 7,260
Other Funds		
Appropriated Receipts	64,150	60,450
Interagency Contracts	1,437,122	1,412,077
Subtotal, Other Funds	<u>\$ 1,501,272</u>	<u>\$ 1,472,527</u>
Total, Method of Financing	<u>\$ 1,508,592</u>	<u>\$ 1,479,787</u>

DEPARTMENT OF INFORMATION RESOURCES
(Continued)

2. **DIR Clearing Fund Account.** The Comptroller shall establish in the state treasury the Department of Information Resources clearing account for the administration of cost recovery activities pursuant to authority granted under Chapters 771, 791, 2054, 2055, and 2177 Government Code. The account shall be used:
- a. As a depository for funds received as payments from state agencies and units of local government for services provided;
 - b. As a source of funds for the department to purchase, lease, or acquire in any other manner services, supplies, software products, and equipment necessary for carrying out the department's duties relating to services provided to state agencies and units of local government for which the department receives payment from state agencies and local governmental units; and
 - c. To pay salaries, wages, and other costs directly attributable to the services provided to state agencies and units of local government for which the department receives payment from those agencies and governmental units. However, the maximum amount of Indirect Cost Allocation for administrative costs to be applied to state agency receipts and local government receipts shall not exceed 2.0 percent per receipt. The Department of Information Resources shall report the amount of administrative costs allocated to each agency and unit of local government annually to the Legislative Budget Board.

The balance of the account shall not exceed more than 10 percent of the total revenue processed through the account. All balances as of August 31, 2003, and revenues accruing during the 2004-05 biennium to the Department of Information Resources clearing fund account are hereby appropriated for the 2004-05 biennium. As part of its Comprehensive Annual Financial Report showing the use of appropriated funds, the Department of Information Resources shall include information showing the costs avoided and/or savings obtained through its cooperative activities and a list of the agencies or units of local government for which the clearing fund account was used.

3. **Capital Purchases on Behalf of Other Government Entities.** Any capital items related to information resources and telecommunications technologies purchased by the Department of Information Resources for use by other state agencies and governmental entities for which the department is reimbursed do not apply to the department for the purpose of the capital budget rider limitations specified in Article IX, Limitation on Expenditures - Capital Budget, of the General Provisions of this Act.
4. **Cash Flow Contingency.** Contingent upon receipt of reimbursements from state agencies, other governmental entities, and vendors for direct services provided and procurements of goods or services made through the Program Management Office, Cooperative Contracts, and Telecommunications Services programs, the department may temporarily utilize additional general revenue funds in an amount not to exceed 10 percent of projected annual sales or \$4.0 million, whichever is greater. These funds shall be utilized only for the purpose of temporary cash flow needs. The transfer and reimbursement of funds shall be made under procedures established by the Comptroller of Public Accounts to ensure all borrowed funds are reimbursed to the Treasury on or before August 31, 2005.
5. **TexasOnline Project.** Included in the amounts appropriated above in Strategy A.1.2, TexasOnline, is \$500,000 out of Appropriated Receipts generated by the TexasOnline Project for the 2004-05 biennium for the continued operation and expansion of the TexasOnline Project.

DEPARTMENT OF INFORMATION RESOURCES
(Continued)

6. **Development of a Statewide Licensing Agreement.** Out of funds appropriated above, the Department of Information Resources shall plan, develop request for information and proposals, and contract negotiations for statewide licensing agreements, as required, for off-the-shelf licensing software. The Department of Information Resources shall assist agencies in the procurement and implementation of the licensing software.
7. **Reduce the State Reporting Burden on Texas Cities and Counties.** In coordination with a working group comprised of representatives of the Comptroller's Office, other state agencies, and local governments, DIR should compile a list of recommendations for the Legislature for streamlining and reducing reporting requirements on cities and counties. DIR should establish and update an inventory of required reports. Other purposes of these recommendations should be to improve data accuracy, electronic infrastructure, and access to data by the public and elected officials at all levels of government for better decision-making. It is the intent of this Legislature that state agencies cooperate with this working group, review existing reporting requirements, and wherever possible, place a moratorium on additional requirements, unless they are specifically required by law or essential to agency missions. Finally, the working group should examine the state-funded telecommunications networks that connect with county courthouses to determine the costs and benefits of consolidating these systems.

In addition, DIR in coordination with the Comptroller's Office, local governments, state and federal agencies, the Conference of Urban Counties, the Texas Association of Counties, and the Texas Municipal League should develop and implement functional specifications for a statewide electronic data clearinghouse. During the fiscal 2004-05 biennium, DIR should develop policies, procedures, data standards, training materials, and perform other duties to prepare for the establishment of the clearinghouse in fiscal year 2004. DIR should develop options for funding the ongoing maintenance, or expansion of the clearinghouse such as using resources from participating agencies to recoup the cost. Each option should address the potential impact on participation.

8. **Telecommunications Capital Budget Purchases.** The Department of Information Resources is hereby authorized to expend funds appropriated elsewhere in this Act to acquire equipment that may be necessary to facilitate cost savings or technical advancements associated with the Capital Complex Telephone System (CCTS) or TEX-AN Statewide Telecommunications System. The Department of Information Resources shall coordinate any equipment acquisitions associated with the TEX-AN Statewide Telecommunications System with the Telecommunications Planning and Oversight Council. The Department of Information Resources shall notify the Legislative Budget Board and the Governor prior to such acquisition.
9. **Telecommunications Revolving Account.** All moneys paid into the Telecommunication Revolving Fund Account in accordance with the provisions of Chapter 2170, Government Code, are included in the amounts appropriated above (estimated to be \$80,182,009 in 2004 and \$82,155,682 in 2005 in Appropriated Receipts and Interagency Contracts) and may be expended for the same purposes set out in Chapter 2170, Government Code. This includes services such as planning, development of requests for information and proposals, and contract negotiations.
10. **Electronic Government Program Management Office.** Included in the amounts appropriated above is \$1.8 million in Interagency Contracts for the Department of Information Resources to direct and facilitate the implementation of electronic government projects pursuant to Chapter 2055, Texas Government Code.
11. **TexasOnline Authority.** Included in the amounts appropriated above in Strategy A.1.2, Texas Online, is \$667,635 in 2004 and \$667,447 in 2005 out of General Revenue Funds (\$1,335,082) for the TexasOnline Authority to implement and administer electronic services.

LIBRARY & ARCHIVES COMMISSION

	For the Years Ending	
	August 31, 2004	August 31, 2005
A. Goal: DELIVERY OF SERVICES		
To improve the availability and delivery of library and information services for all Texans.		
Outcome (Results/Impact):		
Percent of the Population Living Outside of the Service Areas of Public Libraries	7.3%	7.3%
Percent of Eligible Population Registered for Talking Book Program Services	7.85%	7.8%
A.1.1. Strategy: LIBRARY RESOURCE SHARING SERVICES		
Share library resources among libraries statewide through the Library of Texas, interlibrary loan, TexShare, and other projects.	\$ 7,957,845	\$ 7,836,345
Output (Volume):		
Number of Persons Provided Project-sponsored Services by Shared Resources	3,620,000	3,472,000
A.1.2. Strategy: AID TO LOCAL LIBRARIES		
Provide services and grants to aid in the development of local libraries, including Loan Star Libraries grants, continuing education and consulting services, the Texas Reading Club, funding regional cooperative programs, and other grants.	\$ 12,170,240	\$ 12,362,362
Output (Volume):		
Number of Persons Provided Local Library Project-sponsored Services	1,830,000	1,850,000
A.2.1. Strategy: DISABLED SERVICES		
Provide direct library service by mail to Texas citizens with disabilities from a centralized collection of large-print, braille, and recorded books.	\$ 1,685,000	\$ 1,705,600
Output (Volume):		
Number of Persons Served	21,000	21,000
Total, Goal A: DELIVERY OF SERVICES	\$ 21,813,085	\$ 21,904,307
B. Goal: PUBLIC ACCESS TO GOVT INFORMATION		
To improve the availability and delivery of information services to state government and to persons seeking current and historical information from state government.		
Outcome (Results/Impact):		
Percent of Customers Satisfied with State Library Reference and Information Services	95%	95%
B.1.1. Strategy: PROVIDE ACCESS TO INFO & ARCHIVES		
Provide legislators, staff, and the general public with ready access to needed government information from publications, documents, records, and other library resources.	\$ 1,408,087	\$ 1,408,088
Output (Volume):		
Number of Assists with Information Resources	126,000	127,000
C. Goal: MANAGE STATE-LOCAL RECORDS		
To provide for the cost-effective management of all state and local government records.		
C.1.1. Strategy: MANAGE STATE-LOCAL RECORDS		
Provide records management training, consulting, and storage services to state agencies and local government officials.	\$ 2,261,406	\$ 2,182,878

LIBRARY & ARCHIVES COMMISSION
(Continued)

Output (Volume):		
Number of Cubic Feet Stored/Maintained	351,000	363,000
D. Goal: INDIRECT ADMINISTRATION		
D.1.1. Strategy: INDIRECT ADMINISTRATION	\$ 1,916,335	\$ 1,918,335
Grand Total, LIBRARY & ARCHIVES COMMISSION	<u>\$ 27,398,913</u>	<u>\$ 27,413,608</u>
Method of Financing:		
<u>General Revenue Fund</u>		
General Revenue Fund	\$ 11,842,666	\$ 11,877,509
Earned Federal Funds	110,630	110,630
Subtotal, General Revenue Fund	<u>\$ 11,953,296</u>	<u>\$ 11,988,139</u>
<u>General Revenue Fund - Dedicated</u>		
New Millennium Reading Account No. 5042	7,500	7,500
Telecommunications Infrastructure Fund No. 345	3,025,000	3,025,000
Subtotal, General Revenue Fund - Dedicated	<u>\$ 3,032,500</u>	<u>\$ 3,032,500</u>
<u>Federal Funds</u>		
Federal Public Library Service Fund No. 118	10,004,700	10,104,200
Federal Funds	5,000	5,000
Subtotal, Federal Funds	<u>\$ 10,009,700</u>	<u>\$ 10,109,200</u>
<u>Other Funds</u>		
Appropriated Receipts	643,220	679,850
Interagency Contracts	1,760,197	1,603,919
Subtotal, Other Funds	<u>\$ 2,403,417</u>	<u>\$ 2,283,769</u>
Total, Method of Financing	<u>\$ 27,398,913</u>	<u>\$ 27,413,608</u>
Number of Full-Time-Equivalent Positions (FTE):	210.5	210.5
Schedule of Exempt Positions:		
Director-Librarian, Group 3	\$85,000	\$85,000
Per Diem of Commissioners	1,080	1,080
Object-of-Expense Informational Listing:		
Salaries and Wages	\$ 6,667,045	\$ 6,667,045
Other Personnel Costs	256,793	262,393
Professional Fees and Services	271,664	250,519
Fuels and Lubricants	7,130	7,630
Consumable Supplies	173,209	179,157
Utilities	239,555	239,565
Travel	67,479	69,222
Rent - Building	11,975	12,075
Rent - Machine and Other	30,250	30,250
Other Operating Expense	6,252,140	6,476,353
Grants	13,003,500	12,925,225
Capital Expenditures	<u>418,173</u>	<u>294,174</u>
Total, Object-of-Expense Informational Listing	<u>\$ 27,398,913</u>	<u>\$ 27,413,608</u>

1. **Capital Budget.** None of the funds appropriated above may be expended for capital budget items except as listed below. The amounts shown below shall be expended only for the

LIBRARY & ARCHIVES COMMISSION
(Continued)

purposes shown and are not available for expenditure for other purposes. Amounts appropriated above and identified in this provision as appropriations either for "Lease Payments to the Master Lease Purchase Program" or for items with an "(MLPP)" notation shall be expended only for the purpose of making lease-purchase payments to the Texas Public Finance Authority pursuant to the provisions of Government Code § 1232.103.

	<u>2004</u>	<u>2005</u>
a. Repair or Rehabilitation of Buildings and Facilities		
(1) Replacement of Air Conditioning Equipment for Agency Computer Room	\$ 25,000	\$ UB
(2) Replacement of HVAC Digital Controls	28,200	UB
Total, Repair or Rehabilitation of Buildings and Facilities	\$ 53,200	\$ UB
b. Acquisition of Information Resource Technologies		
(1) Acquisition of New or Replacement Computer Resources for Desktop Workstations and Maintenance of the Agency Network	145,200	120,000
(2) Provide Public Access to Information Resources (Content Databases and E-books)	4,475,000	4,474,370
(3) Grant Management Document System	37,500	UB
Total, Acquisition of Information Resource Technologies	\$ 4,657,700	\$ 4,594,370
c. Transportation Items		
(1) Acquisition of Mission-Critical Delivery Vehicles for the State Records Management Program	18,000	18,000
d. Acquisition of Capital Equipment and Items		
(1) Acquisition of Microfilm or Imaging Equipment for the State and Local Records Management Division	61,800	52,150
(2) Materials to be Added to the Collections of the Texas State Library	88,523	88,524
Total, Acquisition of Capital Equipment and Items	\$ 150,323	\$ 140,674
e. Other Lease Payments to the Master Lease Purchase Program (MLPP)		
(1) Lease Payments (MLPP) for 02/03 Acquisition	9,950	9,500
Total, Capital Budget	\$ 4,889,173	\$ 4,762,544

LIBRARY & ARCHIVES COMMISSION
(Continued)

Method of Financing (Capital Budget):

General Revenue Fund	\$ 113,073	\$ 100,124
GR Dedicated - Telecommunications Infrastructure Fund No. 345	3,025,000	3,025,000
Federal Public Library Service Fund No. 118	991,000	965,370
Other Funds		
Appropriated Receipts	325,100	325,100
Interagency Contracts	435,000	346,950
Subtotal, Other Funds	<u>\$ 760,100</u>	<u>\$ 672,050</u>
 Total, Method of Financing	 <u>\$ 4,889,173</u>	 <u>\$ 4,762,544</u>

2. **Disbursement of Library Development Funds.** The Texas State Library and Archives Commission is hereby authorized to disburse to public libraries, major resource systems and regional library systems those general revenue funds appropriated in Strategy A.1.2, Aid to Local Libraries, in a manner consistent with Government Code § 441.138 in order to satisfy the requirements of the federal maintenance of effort provisions in the Museum and Library Services Act of 1996, and federal regulations developed pursuant to that Act. The Commission is also authorized to promulgate rules necessary to administer these disbursements.

3. **Unexpended Balances: Imaging and Storage Fees.** Any unexpended balances on hand as of August 31, 2004, from fees collected by the Texas State Library and Archives Commission for the purpose of cost recovery of imaging state and local government records on film and/or electronic storage media, and from state agencies for the storage of state records, as authorized by Government Code § 441.182, are hereby appropriated to the Texas State Library and Archives Commission for the fiscal year beginning September 1, 2004.

4. **Appropriation of Receipts and Unexpended Balances of TexShare Membership Fees and Reimbursements.** The Library and Archives Commission is hereby authorized to collect fees from the members of the TexShare Library Resource Sharing consortium (estimated to be \$500,000 each fiscal year and included above in Strategy A.1.1, Library Resource Sharing Services) from revenue generated from the fiscal year beginning September 1, 2003 as authorized by Government Code § 441.224 in order to supplement insufficient funding from the Telecommunications Infrastructure Fund Board for costs associated with the TexShare program.

Any unexpended balances on hand as of August 31, 2003 (estimated to be \$150,000 and included above) in amounts collected from TexShare members for TexShare services or programs are hereby appropriated for the same purpose for the biennium beginning September 1, 2003.

5. **Cash Flow Contingency.** Contingent upon reimbursements from state agencies and other governmental, and private entities for imaging and records storage services, the agency may temporarily utilize general revenue funds, not to exceed \$200,000. These funds shall be utilized only for the purpose of temporary cash flow needs. The transfer and reimbursements of funds shall be made under procedures established by the Comptroller of Public Accounts to ensure all borrowed funds are reimbursed to the Treasury on or before August 31, 2005.

6. **New Millennium/Texas Reads License Plates.** Included in the amounts appropriated above in Strategy A.1.2, Aid to Local Libraries are all balances collected prior to the effective date of this Act and revenue collected on or after September 1, 2003, (not to exceed \$7,500 in each fiscal year) for the sale of license plates as provided by Transportation Code § 502.2663.

LIBRARY & ARCHIVES COMMISSION
(Continued)

Any unexpended balances as of August 31, 2004, out of the appropriations made herein are hereby appropriated to the State Library and Archives Commission for the fiscal year beginning September 1, 2004.

PENSION REVIEW BOARD

	For the Years Ending	
	August 31, 2004	August 31, 2005
	<u> </u>	<u> </u>
Out of the General Revenue Fund:		
A. Goal: SOUND RETIREMENT SYSTEMS		
Ensure that Texas Public Retirement Systems are actuarially sound and well managed in their administration and investments so that members receive their entitled benefits with a minimum expenditure of taxpayer dollars.		
Outcome (Results/Impact):		
Percent of Texas Public Retirement Systems That Are Actuarially or Financially Sound	95%	95%
Percent of Plan Administrators Satisfied with PRB Educational Services	98%	98%
A.1.1. Strategy: RETIREMENT SYSTEM REVIEWS	\$ 134,851	\$ 134,851
Conduct reviews of Texas public retirement systems.		
Output (Volume):		
Number of Reviews Completed	260	260
A.2.1. Strategy: TECHNICAL ASSISTANCE AND EDUCATION	\$ 148,732	\$ 185,172
Provide technical assistance and educational services to public retirement systems, examine legislation for potential impact on Texas' public retirement systems, and provide electronic access to public pension data.		
Output (Volume):		
Number of Technical Assistance Reports Provided by Staff	200	350
Total, Goal A: SOUND RETIREMENT SYSTEMS	<u>\$ 283,583</u>	<u>\$ 320,023</u>
Grand Total, PENSION REVIEW BOARD	<u>\$ 283,583</u>	<u>\$ 320,023</u>
Number of Full-Time-Equivalent Positions (FTE):	5.0	5.0
Schedule of Exempt Positions:		
Executive Director, Group 1	\$52,000	\$52,000
Per Diem of Board Members	1,400	2,520
Object-of-Expense Informational Listing:		
Salaries and Wages	\$ 229,332	\$ 229,332
Other Personnel Costs	7,600	8,720
Operating Costs	13,881	50,320
Consumable Supplies	2,000	2,000
Utilities	110	110
Travel	3,500	3,500
Rent - Building	400	400

PENSION REVIEW BOARD
(Continued)

Rent - Machine and Other	4,300	4,300
Other Operating Expense	20,460	19,341
Capital Expenditures	<u>2,000</u>	<u>2,000</u>
Total, Object-of-Expense Informational Listing	\$ <u>283,583</u>	\$ <u>320,023</u>

PRESERVATION BOARD

	For the Years Ending	
	August 31, <u>2004</u>	August 31, <u>2005</u>
A. Goal: MANAGE CAPITOL AND OTHER BUILDINGS		
Manage the State Capitol and other designated buildings, their contents and their grounds, and promote Texas history.		
Outcome (Results/Impact):		
Percent of Maintenance Tasks Completed Correctly	99%	99%
A.1.1. Strategy: PRESERVE BUILDINGS AND CONTENTS		
Preserve the State Capitol and other designated buildings, their contents, and their grounds.	\$ 567,040	\$ 567,040
Output (Volume):		
Number of Repairs and Restorations of Historical Items Completed	98	465
A.1.2. Strategy: BUILDING MAINTENANCE		
Maintain the State Capitol and other designated buildings and their grounds through use of agency resources and private contracts.	\$ 3,284,500	\$ 3,284,500
Efficiencies:		
Cost Per Building Square Foot of Custodial Care	2	2
A.2.1. Strategy: MANAGE EDUCATIONAL PROGRAM		
Manage an educational program focusing on Texas history and the historical buildings, their contents, and their grounds.	\$ 638,000	\$ 638,000
Output (Volume):		
Number of School-age Tours Conducted at the Visitors Center	650	650
A.2.2. Strategy: MANAGE STATE HISTORY MUSEUM		
Manage and operate the Bob Bullock Texas State History Museum.	\$ 6,742,570	\$ 6,680,590
Explanatory:		
Number of Visitors to the Museum	506,000	531,000
A.3.1. Strategy: MANAGE ENTERPRISES		
Manage Capitol events, exhibits and activities, and operate profitable gift shops.	\$ <u>38,440</u>	\$ <u>38,440</u>
Explanatory:		
Income from Parking Meters	615,000	625,000
Number of Capitol Gift Shop Sales Transactions	90,000	100,000
Total, Goal A: MANAGE CAPITOL AND OTHER BUILDINGS	\$ <u>11,270,550</u>	\$ <u>11,208,570</u>
B. Goal: INDIRECT ADMINISTRATION		
B.1.1. Strategy: INDIRECT ADMINISTRATION	\$ 779,000	\$ 779,000
Grand Total, PRESERVATION BOARD	\$ <u>12,049,550</u>	\$ <u>11,987,570</u>
Method of Financing:		
General Revenue Fund	\$ 12,018,001	\$ 11,956,021

PRESERVATION BOARD
(Continued)

Other Funds		
Appropriated Receipts	25,000	25,000
Interagency Contracts	6,549	6,549
Subtotal, Other Funds	\$ 31,549	\$ 31,549
Total, Method of Financing	\$ 12,049,550	\$ 11,987,570
Number of Full-Time-Equivalent Positions (FTE)- Appropriated Funds	98.0	98.0
Number of Full-Time-Equivalent Positions (FTE)-Total	218.5	218.5
Schedule of Exempt Positions:		
Executive Director, Group 4	\$115,000	\$115,000
Object-of-Expense Informational Listing:		
Salaries and Wages	\$ 2,984,040	\$ 2,984,040
Other Personnel Costs	97,800	97,800
Professional Fees and Services	104,500	104,500
Fuels and Lubricants	2,500	2,500
Consumable Supplies	162,100	162,100
Utilities	35,000	35,000
Travel	7,000	7,000
Rent - Building	850	850
Rent - Machine and Other	10,000	10,000
Other Operating Expense	8,570,760	8,508,780
Capital Expenditures	75,000	75,000
Total, Object-of-Expense Informational Listing	\$ 12,049,550	\$ 11,987,570

1. **Capitol Fund.** Any funds deposited, including fees and revenue collected or earned, during the biennium beginning September 1, 2003, and any balances remaining as of August 31, 2003, in the Capitol Fund, a fund held outside the Treasury, are to be used for the benefit of the Capitol and associated programs of the agency in accordance with the intentions of the donors and the Legislature.
2. **Maintaining Paved Surfaces of Capitol Grounds.** It is the intent of the Legislature that the Texas Department of Transportation shall maintain paved surfaces on the State Capitol Grounds according to the Historic Capitol Grounds Master Plan adopted by the State Preservation Board.
3. **Unexpended Balances: Between Fiscal Years.** Any unexpended balances as of August 31, 2004, from the appropriations made above are hereby appropriated to the State Preservation Board for the same purpose for the fiscal year beginning September 1, 2004.
4. **Appropriation: Debt Service for Construction of State History Museum.** Included in the amounts appropriated above out of the General Revenue Fund for Strategy A.2.2, Manage State History Museum, the amounts of \$6,692,570 for fiscal year 2004 and \$6,630,590 for fiscal year 2005 are to be used for lease payments to the Texas Public Finance Authority for debt service payments on the revenue bonds or other revenue obligations issued to construct the State History Museum, and the amounts of \$50,000 each fiscal year of the 2004-05 biennium are to be used for insurance payments as required by the Texas Public Finance Authority.

STATE OFFICE OF RISK MANAGEMENT

	For the Years Ending	
	August 31, 2004	August 31, 2005
A. Goal: MANAGE RISK AND ADMINISTER CLAIMS		
To manage costs for covered state agencies arising from the risk of loss through the delivery of professional risk management and claims administration services that are customized to specific agency needs.		
Outcome (Results/Impact):		
Incident Rate of Injuries and Illnesses Per 100 Covered		
Full-time State Employees	4.9%	4.9%
Cost of Workers' Compensation Per Covered State Employee	440	447
A.1.1. Strategy: RISK MANAGEMENT PROGRAM	\$ 2,109,254	\$ 1,931,354
Establish statewide risk management guidelines, work with agencies to develop programs that meet the guidelines, conduct on-site risk management program reviews, and provide safety evaluations, consultations, and training.		
Output (Volume):		
Number of Written Risk Management Program Reviews Conducted	32	32
Number of On-site Consultations Conducted	250	250
A.2.1. Strategy: PAY WORKERS' COMPENSATION	\$ 5,332,623	\$ 6,052,217
Obtain and review all claims for Workers' Compensation in accordance with state law and administrative regulations, determine eligibility for medical and indemnity benefits and determine the injured employee's weekly wage and indemnity payment rate.		
Output (Volume):		
Number of Medical Bills Processed	198,000	200,000
Number of Indemnity Bills Paid	69,000	69,000
Efficiencies:		
Average Cost to Administer Claim	335	335
Total, Goal A: MANAGE RISK AND ADMINISTER CLAIMS	\$ 7,441,877	\$ 7,983,571
Grand Total, STATE OFFICE OF RISK MANAGEMENT	\$ 7,441,877	\$ 7,983,571
Method of Financing:		
General Revenue Fund	\$ 5,332,623	\$ 3,461,603
Interagency Contracts	<u>2,109,254</u>	<u>4,521,968</u>
Total, Method of Financing	\$ 7,441,877	\$ 7,983,571
Number of Full-Time-Equivalent Positions (FTE):	124.0	124.0
Schedule of Exempt Positions:		
Executive Director, Group 3	\$85,000	\$85,000
Object-of-Expense Informational Listing:		
Salaries and Wages	\$ 4,446,682	\$ 4,446,682
Other Personnel Costs	92,090	92,090
Professional Fees and Services	1,957,020	2,676,614
Consumable Supplies	54,161	54,161
Utilities	31,018	23,018
Travel	118,651	118,651
Rent - Building	10,072	10,072
Rent - Machine and Other	35,013	35,013

STATE OFFICE OF RISK MANAGEMENT
(Continued)

Other Operating Expense	537,770	527,270
Capital Expenditures	<u>159,400</u>	<u>0</u>
Total, Object-of-Expense Informational Listing	\$ <u>7,441,877</u>	\$ <u>7,983,571</u>

1. **Capital Budget.** None of the funds appropriated above may be expended for capital budget items except as listed below. The amounts shown below shall be expended only for the purposes shown and are not available for expenditure for other purposes.

	<u>2004</u>	<u>2005</u>
Out of the Interagency Contracts:		
a. Acquisition of Information Resource Technologies		
(1) Risk Management Information System	\$ 177,900	\$ 0
Total, Capital Budget	\$ <u>177,900</u>	\$ <u>0</u>

2. **Risk Management Guide for State Agencies.** The State Office of Risk Management shall maintain a risk management guide for all state agencies.
3. **Appropriation of Unexpended Balances for Cost Containment.** Any unexpended balances remaining as of August 31, 2004, out of appropriations made to Strategy A.2.1, Pay Workers' Compensation, are hereby appropriated to the State Office of Risk Management for the fiscal year beginning September 1, 2004. It is the intent of the Legislature that these unexpended balances, estimated to be no less than \$531,020 in General Revenue Funds, be applied toward assessments charged to state agencies for the cost containment vendor contract.

WORKERS' COMPENSATION PAYMENTS

	For the Years Ending -	
	<u>August 31,</u> <u>2004</u>	<u>August 31,</u> <u>2005</u>
A. Goal: WORKERS' COMPENSATION PAYMENTS		
A.1.1. Strategy: WORKERS' COMPENSATION PAYMENTS	\$ 83,300,000	\$ 83,300,000 & UB
Grand Total, WORKERS' COMPENSATION PAYMENTS	\$ <u>83,300,000</u>	\$ <u>83,300,000</u>
Method of Financing:		
Subrogation Receipts	\$ 550,000	\$ 550,000
Interagency Contracts	<u>82,750,000</u>	<u>82,750,000</u>
Total, Method of Financing	\$ <u>83,300,000</u>	\$ <u>83,300,000</u>
Object-of-Expense Informational Listing:		
Operating Costs	\$ <u>83,300,000</u>	\$ <u>83,300,000</u>
Total, Object-of-Expense Informational Listing	\$ <u>83,300,000</u>	\$ <u>83,300,000</u>

WORKERS' COMPENSATION PAYMENTS
(Continued)

1. **Appropriation - Subrogation Receipts.** All sums of money recovered by the State Office of Risk Management from third parties by way of subrogation are hereby appropriated to the State Office of Risk Management during the biennium of receipt to be used for the payment of workers' compensation benefits to state employees.
2. **Cost Containment.** The State Office of Risk Management shall submit a report detailing the effectiveness of various cost containment measures undertaken and proposing additional measures to reduce workers' compensation costs. This report shall be submitted to the legislative and executive budget offices, in the form those offices require, within 45 days after the close of each fiscal year.
3. **Reporting of Workers' Compensation Claims.** For the purpose of reporting expenditures to the Uniform Statewide Accounting System (USAS), it is the intent of the Legislature that the State Office of Risk Management (SORM) account for payments of workers' compensation claims based on the date on which the bill for services is presented for payment to SORM.

In addition, not later than November 1 of each year, the State Office of Risk Management shall submit a report to the Comptroller of Public Accounts, the Governor's Office, and the Legislative Budget Board which accounts for workers' compensation expenditures for the preceding appropriation year based on the date on which the injury occurred and the medical or related service was performed.

SECRETARY OF STATE

	For the Years Ending	
	August 31, 2004	August 31, 2005
A. Goal: INFORMATION MANAGEMENT		
Provide accurate, reliable, and timely access to information; maximize the efficiency of document processing; and take actions to ensure compliance with laws and rules.		
Outcomes (Results/Impact):		
Percent of Business, Commercial, and Public Filings and Information Requests Completed in Three Days		
	75%	75%
A.1.1. Strategy: DOCUMENT FILING	\$ 8,347,172	\$ 8,511,722
File or reject business entity, uniform commercial code, notary public and other statutory filings and maintain and disseminate information derived from those filings.		
Output (Volume):		
Number of Business, Commercial, and Public Filings		
Transactions Processed	1,170,000	1,170,000
Number of Processed Requests for Information on Business, Commercial, and Public Filings	1,260,000	1,260,000
Efficiencies:		
Average Cost Per Business, Commercial, and Public Filings Transaction and Public Information Request		
	3.47	3.54
A.2.1. Strategy: DOCUMENT PUBLISHING	\$ 1,149,395	\$ 922,788
		& UB
Publish the Texas Register, the Texas Administrative Code, and session laws.		

SECRETARY OF STATE
(Continued)

Efficiencies:		
Average Cost per Texas Register and Administrative Code Published	18,042	17,528
Total, Goal A: INFORMATION MANAGEMENT	\$ 9,496,567	\$ 9,434,510
B. Goal: ADMINISTER ELECTION LAWS		
Maintain uniformity and integrity in the conduct of elections statewide while overseeing the election process in the state.		
B.1.1. Strategy: ELECTIONS ADMINISTRATION	\$ 2,790,212	\$ 2,790,213
Provide statewide elections administration.		
Output (Volume):		
Number of Election Officials Assisted or Advised	65,856	41,160
Efficiencies:		
Average Cost per Election Authority Assisted or Advised	25.3	40.6
B.1.2. Strategy: ELECTION/VOTER REGISTRATION FUNDS	\$ 11,429,435	\$ 528,292 & UB
Administer primary election funds and reimburse voter registration postage payable to counties.		
B.1.3. Strategy: CONSTITUTIONAL AMENDMENTS	\$ 1,155,412	\$ 51,281 & UB
Publish and interpret constitutional amendments.		
Output (Volume):		
Number of Constitutional Amendment Translations Mailed	1,900,000	0
Total, Goal B: ADMINISTER ELECTION LAWS	\$ 15,375,059	\$ 3,369,786
C. Goal: INTERNATIONAL PROTOCOL		
Provide protocol services; encourage cooperation on issues relating to Mexico and the border; and coordinate activities related to improving physical living conditions in colonias.		
C.1.1. Strategy: PROTOCOL/BORDER AFFAIRS	\$ 341,655	\$ 347,192
Provide protocol services, and represent the Governor and the state at meetings, events and conferences with diplomatic corps, government officials and business leaders.		
C.1.2. Strategy: COLONIAS INITIATIVES	\$ 560,276	\$ 569,381
Coordinate state agency activities and secure funding to improve physical living conditions in colonias and advocate the needs of colonias residents.		
Output (Volume):		
Count of Collaborative Meetings Coordinated	110	110
Total, Goal C: INTERNATIONAL PROTOCOL	\$ 901,931	\$ 916,573
Grand Total, SECRETARY OF STATE	\$ 25,773,557	\$ 13,720,869
Method of Financing:		
General Revenue Fund	\$ 21,729,535	\$ 9,702,066
Appropriated Receipts	4,044,022	4,018,803
Total, Method of Financing	\$ 25,773,557	\$ 13,720,869
Number of Full-Time-Equivalent Positions (FTE):	248.5	248.5
Number of FTEs in Riders:	6.0	6.0
Schedule of Exempt Positions:		
Secretary of State, Group 4	\$117,516	\$117,516

SECRETARY OF STATE
(Continued)

Supplemental Appropriations Made in Riders:	\$	81,000,000	\$	0
Object-of-Expense Informational Listing:				
Salaries and Wages	\$	10,426,527	\$	9,716,655
Other Personnel Costs		376,733		276,734
Professional Fees and Services		704,451		204,450
Fuels and Lubricants		150		141
Consumable Supplies		186,174		186,174
Utilities		48,920		48,920
Travel		213,814		183,816
Rent - Machine and Other		141,070		141,070
Other Operating Expense		4,770,104		2,551,253
Grants		88,493,957		0
Capital Expenditures		<u>1,411,657</u>		<u>411,656</u>
Total, Object-of-Expense Informational Listing	\$	<u>106,773,557</u>	\$	<u>13,720,869</u>

1. **Capital Budget.** None of the funds appropriated above may be expended for capital budget items except as listed below. The amounts shown below shall be expended only for the purposes shown and are not available for expenditure for other purposes. Amounts appropriated above and identified in this provision as appropriations either for "Lease Payments to the Master Lease Purchase Program" or for items with an "(MLPP)" notation shall be expended only for the purpose of making lease-purchase payments to the Texas Public Finance Authority pursuant to the provisions of Government Code § 1232.103.

	<u>2004</u>	<u>2005</u>
Out of the Appropriated Receipts:		
a. Acquisition of Information Resource Technologies		
(1) Information Technology Purchases	\$ 250,000	\$ 250,000
(2) Workstation Upgrades	\$ <u>140,000</u>	\$ <u>140,000</u>
Total, Acquisition of Information Resource Technologies	\$ <u>390,000</u>	\$ <u>390,000</u>
Total, Capital Budget	\$ <u>390,000</u>	\$ <u>390,000</u>

2. **Contingency Appropriation for Constitutional Amendments.** The amounts appropriated above in Strategy B.1.3, Constitutional Amendments, are intended to cover the costs of fulfilling the requirements of Election Code, Chapter 274, Subchapter B, and Article 17 § 1 of the Texas Constitution for 20 proposed constitutional amendments or referendum items. In the event that the number of proposed constitutional amendments or referendum items exceeds 20, or if the actual costs exceed the amounts appropriated herein, the Secretary of State is hereby appropriated from General Revenue the additional funds necessary to fulfill the aforementioned requirements.
3. **Travel Expenditures.** The Secretary of State is hereby authorized to expend funds from the above appropriations to reimburse state inspectors for travel expenses pursuant to Election Code, § 34.003.
4. **Limitation, Primary Finances.** Of the funds appropriated in Strategy B.1.2, Election/Voter Registration Funds, not more than \$250,000 may be distributed to the executive committees of the state parties for the operation of the primary and runoff elections. Funds distributed to the executive committees shall be distributed to the respective parties in the ratio of the total number of primary and runoff voters in the 2004 elections.

SECRETARY OF STATE
(Continued)

5. **Distribution of Session Laws.** None of the funds appropriated above may be expended for the printing or distribution of session laws except for the following: (1) one copy to the Governor, (2) one copy to the Lieutenant Governor, (3) one copy to the Speaker of the House, (4) one copy to each Court of Appeals, (5) one copy to each County Law Library, (6) 10 copies to the Texas Legislative Council, (7) 15 copies to the Legislative Reference Library, (8) 30 copies to the State Law Library, (9) 60 copies to the Texas State Library, (10) one copy to each member of the Legislature upon request, and (11) one copy to the Legislative Budget Board.
6. **Use of Excess Registration Fees Authorization.** Any registration fee collected by the Office of the Secretary of State to pay the expenses of a conference, seminar or meeting in excess of the actual costs of such conference, seminar or meeting may be used to pay the expenses of any other conference, seminar or meeting for which no registration fees were collected or for which registration fees collected were insufficient to cover the total expenses.
7. **Border Affairs Coordinator.** Out of funds appropriated above, the Secretary of State shall provide funding for a Border Affairs Coordinator to advocate for infrastructure needs, to coordinate activities related to colonias, and to promote economic development along the Texas border. In addition, the Coordinator shall encourage cooperation between the state, federal and Mexican governments in addressing issues related to the border between Texas and Mexico.
8. **Contingency Appropriation.** In the event the appropriations above for B.1.1, Elections Administration are insufficient for the State to qualify for federal funding under the Help America Vote Act, the Secretary of State is authorized to transfer other appropriated funds into the Elections Administration strategy in amounts sufficient to obtain federal funds. Any restrictions found elsewhere in this Act do not apply to these appropriation transfers.
9. **Contingency for House Bill 1549.** Contingent upon the passage of House Bill 1549 or similar legislation creating the Election Improvement Fund, by the Seventy-eighth Legislature, Regular Session, there is hereby appropriated \$81 million in Federal Funds consisting of \$58 million in Help America Vote Act (HAVA) Title III funds and \$23 million in HAVA Title I funds for elections administration and improvement. Such funds shall be deposited to the credit of the newly created GR-Dedicated - Election Improvement Fund. In addition, Strategy B.1.4, Elections Improvement is established in the bill pattern of the Secretary of State. Out of this strategy the Secretary of State is appropriated all amounts contained herein out of the GR-Dedicated - Election Improvement Fund for the biennium beginning September 1, 2003.

Contingent upon the receipt of Federal Funds for elections administration and improvement, the Secretary of State is hereby authorized to increase its number of FTEs to the extent that federal funds are available for elections improvement. The "Number of Full-Time-Equivalent Positions (FTE)" cap is hereby increased by six FTEs each fiscal year.

Contingent upon the receipt of Federal Funds for elections administration and improvement, the Secretary of State's out-of-state travel limitation pursuant to Article IX, § 5.09, Limitation on Travel Expenditures is hereby increased by \$15,000 for each fiscal year.

OFFICE OF STATE-FEDERAL RELATIONS

	For the Years Ending	
	August 31, 2004	August 31, 2005
A. Goal: INFLUENCE FEDERAL ACTION		
Increase the influence of the Governor and the Legislature over federal action that has a direct or indirect economic, fiscal, or regulatory impact on the state.		
Outcome (Results/Impact):		
Texas' Proportionate Share of Federal Funding	6.52%	6.52%
Percent of Customers Satisfied with OSFR Services	87%	90%
A.1.1. Strategy: ACTION PLANS	\$ 355,912	\$ 355,913
Monitor federal funding and regulatory issues; identify issues and recommend action; and develop and implement action plans.		
A.1.2. Strategy: REGULAR REPORTS	\$ 293,673	\$ 293,673
Distribute timely information on state-federal issues including action alerts, weekly summations of congressional actions, reports, briefings, and substantial responses to information requests from state and federal executive and legislative officials, while using the most current information, communication technologies and customer response data.		
Efficiencies:		
Percentage of Responses within Two Business Days	98%	98%
Total, Goal A: INFLUENCE FEDERAL ACTION	\$ 649,585	\$ 649,586
B. Goal: INDIRECT ADMINISTRATION		
B.1.1. Strategy: INDIRECT ADMINISTRATION	\$ 342,921	\$ 342,921
Grand Total, OFFICE OF STATE-FEDERAL RELATIONS	\$ 992,506	\$ 992,507
 Method of Financing:		
General Revenue Fund	\$ 908,506	\$ 908,507
Interagency Contracts	<u>84,000</u>	<u>84,000</u>
Total, Method of Financing	\$ 992,506	\$ 992,507
Number of Full-Time-Equivalent Positions (FTE):	7.0	7.0
Schedule of Exempt Positions:		
Executive Director, Group 3	\$98,625	\$98,625
Object-of-Expense Informational Listing:		
Salaries and Wages	\$ 387,847	\$ 387,848
Other Personnel Costs	3,840	3,840
Consumable Supplies	8,000	8,000
Utilities	22,000	22,000
Travel	12,000	12,000
Rent - Building	198,605	198,605
Rent - Machine and Other	15,000	15,000
Other Operating Expense	338,214	338,214
Capital Expenditures	<u>7,000</u>	<u>7,000</u>
Total, Object-of-Expense Informational Listing	\$ 992,506	\$ 992,507

OFFICE OF STATE-FEDERAL RELATIONS
(Continued)

1. **Cost of Living Salary Supplement.** The Office of State-Federal Relations (OSFR) is hereby authorized to pay a salary supplement, not to exceed \$1,200 per month, to each OSFR employee whose duty station is located in Washington, DC. This salary supplement shall be in addition to the salary rate authorized for that position by this Act.

Any state agency or any institution which assigns an employee to work in the Washington, DC office of the OSFR on a permanent basis and which also designates that employee's duty station as Washington, DC, is hereby authorized to pay such an employee a salary supplement not to exceed \$1,200 per month. This salary supplement shall be in addition to the salary rate authorized by this Act.

In the event that an employee so assigned works on a less than full-time basis, the maximum salary supplement shall be set in a proportionate basis.

2. **Information and Assistance Requirements.** It is the intent of the Legislature that funds appropriated above be expended in a manner which provides information and assistance to both the legislative and executive branches of Texas State Government and that the funds be used to operate the office in a manner which is politically non-partisan.
3. **Reports on Increasing Federal Funds.** It is the intent of the Legislature that the Office of State-Federal Relations work with state agencies to identify and report to the Legislature on possible changes in state laws which could increase the amount of federal funds received by the state, and on changes to federal laws which could impact state funding of federal programs, or the state's receipt of federal funds.
4. **Interagency Contracts.** Consistent with the method of financing for the Office of State-Federal Relations (OSFR), state agencies and institutions of higher education that are represented by their employees in the Washington, DC office of the OSFR shall be charged for their portion of operating expenses, rent, and administrative staff costs, not to exceed \$1,000 per month, per agency.
5. **Unexpended Balances: Between Fiscal Years.** Any unexpended balances as of August 31, 2004, in the appropriations made herein to the Office of State-Federal Relations are hereby appropriated for the same purposes for the fiscal year beginning September 1, 2004.
6. **Contingency Rider for Senate Bill 1952.** Contingent upon enactment of Senate Bill 1952, or similar legislation by the Seventy-eighth Legislature, Regular Session, which transfers the duties and functions of the Office of State-Federal Relations to the Office of the Governor, all appropriations and FTEs made to the Office of State-Federal Relations shall be transferred to the Office of the Governor. In addition, Strategy A.1.5, State-Federal Relations, is established in the bill pattern of the Office of the Governor. Out of this strategy the Office of the Governor is appropriated amounts contained herein for each fiscal year of the biennium.

VETERANS COMMISSION

For the Years Ending
August 31, August 31,
2004 2005

Out of the General Revenue Fund:

A. Goal: ASSIST IN VETERANS' CLAIMS

Through effective training, marketing and advocacy, provide effective representation and assistance on issues and claims to veterans, their dependents, and their survivors on obtaining veterans' benefits to which they are entitled.

Outcome (Results/Impact):

Amount of VA Monetary Awards (in Millions of Dollars) Paid Because of Commission Advocacy in Claims Representation of Veterans with Service Connected Disabilities	735	770
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Amount of VA Monetary Awards (in Millions of Dollars) Paid Because of Commission Advocacy in Claims Representation for Widows or Orphans of Veterans	185	190
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A.1.1. Strategy: CLAIMS ASSISTANCE

	\$ 3,457,866	\$ 3,457,866
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Provide outreach services and advocacy in claims by veterans, their widows, and their orphans by Texas Veterans Commission personnel and through Veterans County Service Officers.

Output (Volume):

Number of Claims for Veterans Benefits Filed and Developed on Behalf of Veterans with Service-connected Disabilities	48,000	48,000
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Number of Active Veterans Benefits Cases for Veterans, Their Widows, or Their Orphans Represented by the Texas Veterans Commission	116,000	117,000
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Number of Appeals of Unfavorable Veterans Affairs Decisions Filed on Behalf of Veterans, Their Widows, or Their Orphans	8,500	8,500
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Grand Total, VETERANS COMMISSION	\$ 3,457,866	\$ 3,457,866
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Number of Full-Time-Equivalent Positions (FTE):	93.0	93.0
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Schedule of Exempt Positions:

Executive Director, Group 2	\$74,000	\$74,000
Per Diem of Commission Members	3,000	3,000

Object-of-Expense Informational Listing:

Salaries and Wages	\$ 3,104,365	\$ 3,104,365
Other Personnel Costs	53,760	53,760
Professional Fees and Services	22,500	22,500
Consumable Supplies	20,750	20,750
Utilities	2,625	2,625
Travel	115,000	115,000
Rent - Machine and Other	6,000	6,000
Other Operating Expense	<u>132,866</u>	<u>132,866</u>

Total, Object-of-Expense Informational Listing	\$ 3,457,866	\$ 3,457,866
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RETIREMENT AND GROUP INSURANCE

	For the Years Ending	
	August 31, 2004	August 31, 2005
A. Goal: EMPLOYEES RETIREMENT SYSTEM		
A.1.1. Strategy: RETIREMENT CONTRIBUTIONS	\$ 22,007,264	\$ 22,227,433
Provide an actuarially sound level of funding as defined by state law. Estimated.		
A.1.2. Strategy: GROUP INSURANCE	\$ 45,342,137	\$ 45,754,913
Provide a basic health care and life insurance program for general state employees. Estimated.		
Total, Goal A: EMPLOYEES RETIREMENT SYSTEM	<u>\$ 67,349,401</u>	<u>\$ 67,982,346</u>
Grand Total, RETIREMENT AND GROUP INSURANCE	<u>\$ 67,349,401</u>	<u>\$ 67,982,346</u>
Method of Financing:		
General Revenue Fund, estimated	\$ 51,896,961	\$ 52,331,562
General Revenue Dedicated Accounts, estimated	2,184,563	2,205,059
State Highway Fund No. 006, estimated	558,892	564,024
Federal Funds, estimated	12,116,425	12,286,924
Other Special State Funds, estimated	<u>592,560</u>	<u>594,777</u>
Total, Method of Financing	<u>\$ 67,349,401</u>	<u>\$ 67,982,346</u>

SOCIAL SECURITY AND BENEFIT REPLACEMENT PAY

	For the Years Ending	
	August 31, 2004	August 31, 2005
A. Goal: SOCIAL SECURITY/BENEFIT REPLACEMENT		
To provide funding to the Comptroller of Public Accounts for Social Security Contributions and Benefit Replacement Pay.		
A.1.1. Strategy: STATE MATCH - EMPLOYER	\$ 27,634,410	\$ 27,910,876
Provide an employer match for Social Security contributions. Estimated.		
A.1.2. Strategy: BENEFIT REPLACEMENT PAY	\$ 4,621,866	\$ 4,386,151
Provide Benefit Replacement Pay to eligible employees. Estimated.		
Total, Goal A: SOCIAL SECURITY/BENEFIT REPLACEMENT	<u>\$ 32,256,276</u>	<u>\$ 32,297,027</u>
Grand Total, SOCIAL SECURITY AND BENEFIT REPLACEMENT PAY	<u>\$ 32,256,276</u>	<u>\$ 32,297,027</u>
Method of Financing:		
General Revenue Fund, estimated	\$ 26,230,031	\$ 26,252,354
General Revenue Dedicated Accounts, estimated	758,254	759,037
State Highway Fund No. 006, estimated	293,277	294,350
Federal Funds, estimated	4,690,424	4,704,955
Other Special State Funds, estimated	<u>284,290</u>	<u>286,331</u>
Total, Method of Financing	<u>\$ 32,256,276</u>	<u>\$ 32,297,027</u>

BOND DEBT SERVICE PAYMENTS

	For the Years Ending	
	August 31, 2004	August 31, 2005
Out of the General Revenue Fund:		
A. Goal: FINANCE CAPITAL PROJECTS		
To provide funding to the Texas Public Finance Authority for the payment of general obligation bond debt service requirements.		
A.1.1. Strategy: BOND DEBT SERVICE	\$ 1,876,795	\$ 2,882,157 & UB
Make general obligation bond debt service payments in compliance with bond covenants.		
Grand Total, BOND DEBT SERVICE PAYMENTS	\$ 1,876,795	\$ 2,882,157

LEASE PAYMENTS

	For the Years Ending	
	August 31, 2004	August 31, 2005
A. Goal: FINANCE CAPITAL PROJECTS		
To provide funding to the Building and Procurement Commission for payment to the Texas Public Finance Authority for the payment of revenue bond debt service requirements.		
A.1.1. Strategy: LEASE PAYMENTS	\$ 19,615,678	\$ 19,541,711 & UB
Make lease payments to the Texas Public Finance Authority on facilities financed through the Texas Public Finance Authority.		
Grand Total, LEASE PAYMENTS	\$ 19,615,678	\$ 19,541,711
Method of Financing:		
General Revenue Fund	\$ 10,102,890	\$ 19,541,711
Current Fund Balance	9,512,788	0
Total, Method of Financing	\$ 19,615,678	\$ 19,541,711

**RECAPITULATION - ARTICLE I
GENERAL GOVERNMENT
(General Revenue)**

	For the Years Ending	
	August 31, 2004	August 31, 2005
Commission on the Arts	\$ 2,900,253	\$ 2,700,252
Office of the Attorney General	120,999,805	113,991,021
Rider Appropriations	(1,958,243)	(2,130,890)
Total	<u>119,041,562</u>	<u>111,860,131</u>
Bond Review Board	516,967	516,967
Building and Procurement Commission	31,753,010	31,540,575
Cancer Council	3,480,539	3,480,539
Comptroller of Public Accounts	194,542,827	194,539,632
Fiscal Programs - Comptroller of Public Accounts	168,958,014	164,204,015
Employees Retirement System	6,508,651	6,556,164
Texas Ethics Commission	1,745,556	1,745,556
Public Finance Authority	505,080	505,080
Fire Fighters' Pension Commissioner	112,286	112,286
Office of the Governor	7,909,694	7,909,695
Rider Appropriations	850,000	0
Total	<u>8,759,694</u>	<u>7,909,695</u>
Trusted Programs Within the Office of the Governor	15,483,950	6,523,818
Historical Commission	6,059,170	3,205,313
Commission on Human Rights	722,464	722,463
Department of Information Resources	2,581,432	2,581,878
Library & Archives Commission	11,953,296	11,988,139
Pension Review Board	283,583	320,023
Preservation Board	12,018,001	11,956,021
State Office of Risk Management	5,332,623	3,461,603
Secretary of State	21,729,535	9,702,066
Office of State-Federal Relations	908,506	908,507
Veterans Commission	<u>3,457,866</u>	<u>3,457,866</u>
Subtotal, General Government	<u>\$ 619,354,865</u>	<u>\$ 580,498,589</u>
Retirement and Group Insurance	51,896,961	52,331,562
Social Security and Benefit Replacement Pay	<u>26,230,031</u>	<u>26,252,354</u>
Subtotal, Employee Benefits	<u>\$ 78,126,992</u>	<u>\$ 78,583,916</u>
Bond Debt Service Payments	1,876,795	2,882,157
Lease Payments	<u>10,102,890</u>	<u>19,541,711</u>
Subtotal, Debt Service	<u>\$ 11,979,685</u>	<u>\$ 22,423,868</u>
TOTAL, ARTICLE I - GENERAL GOVERNMENT	<u>\$ 709,461,542</u>	<u>\$ 681,506,373</u>

**RECAPITULATION - ARTICLE I
GENERAL GOVERNMENT
(General Revenue - Dedicated)**

	For the Years Ending	
	August 31, 2004	August 31, 2005
Commission on the Arts	\$ 882,000	\$ 840,000
Office of the Attorney General	84,376,424	85,376,104
Building and Procurement Commission	2,603,105	2,603,105
Cancer Council	8,000	8,000
Comptroller of Public Accounts	160,515	163,710
Fiscal Programs - Comptroller of Public Accounts	52,591,965	18,075,741
Commission on State Emergency Communications	50,908,205	52,732,375
Trusted Programs Within the Office of the Governor	27,500,000	27,500,000
Historical Commission	500,000	175,000
Library & Archives Commission	<u>3,032,500</u>	<u>3,032,500</u>
Subtotal, General Government	\$ <u>222,562,714</u>	\$ <u>190,506,535</u>
Retirement and Group Insurance	2,184,563	2,205,059
Social Security and Benefit Replacement Pay	<u>758,254</u>	<u>759,037</u>
Subtotal, Employee Benefits	\$ <u>2,942,817</u>	\$ <u>2,964,096</u>
TOTAL, ARTICLE I - GENERAL GOVERNMENT	\$ <u>225,505,531</u>	\$ <u>193,470,631</u>

**RECAPITULATION - ARTICLE I
GENERAL GOVERNMENT
(Federal Funds)**

	For the Years Ending	
	August 31, <u>2004</u>	August 31, <u>2005</u>
Commission on the Arts	\$ 760,000	\$ 760,000
Office of the Attorney General	188,630,950	192,139,872
Fiscal Programs - Comptroller of Public Accounts	925,421	925,421
Trusteed Programs Within the Office of the Governor	101,245,475	100,765,645
Historical Commission	839,171	838,237
Commission on Human Rights	1,212,576	1,212,577
Library & Archives Commission	10,009,700	10,109,200
Secretary of State, Rider Appropriations	<u>81,000,000</u>	<u>0</u>
 Subtotal, General Government	 <u>\$ 384,623,293</u>	 <u>\$ 306,750,952</u>
 Retirement and Group Insurance	 12,116,425	 12,286,924
Social Security and Benefit Replacement Pay	<u>4,690,424</u>	<u>4,704,955</u>
 Subtotal, Employee Benefits	 <u>\$ 16,806,849</u>	 <u>\$ 16,991,879</u>
 TOTAL, ARTICLE I - GENERAL GOVERNMENT	 <u>\$ 401,430,142</u>	 <u>\$ 323,742,831</u>

**RECAPITULATION - ARTICLE I
GENERAL GOVERNMENT
(Other Funds)**

	For the Years Ending	
	August 31, 2004	August 31, 2005
Aircraft Pooling Board	\$ 3,741,068	\$ 3,660,494
Commission on the Arts	1,314,413	1,414,414
Office of the Attorney General	19,314,192	19,249,701
Rider Appropriations	4,616,243	6,122,890
Total	<u>23,930,435</u>	<u>25,372,591</u>
Building and Procurement Commission	19,798,587	11,714,287
Comptroller of Public Accounts	276,270	276,270
Texas Ethics Commission	25,000	25,000
Public Finance Authority	262,863	262,720
Fire Fighters' Pension Commissioner	365,543	372,350
Office of the Governor	353,000	353,000
Trusteed Programs Within the Office of the Governor	77,000	77,000
Historical Commission	27,429,854	21,708,962
Commission on Human Rights	246,676	246,676
Texas Incentive and Productivity Commission	228,233	211,233
Department of Information Resources	81,468,004	83,438,541
Library & Archives Commission	2,403,417	2,283,769
Preservation Board	31,549	31,549
State Office of Risk Management	2,109,254	4,521,968
Workers' Compensation Payments	83,300,000	83,300,000
Secretary of State	4,044,022	4,018,803
Office of State-Federal Relations	<u>84,000</u>	<u>84,000</u>
Subtotal, General Government	<u>\$ 251,489,188</u>	<u>\$ 243,373,627</u>
Retirement and Group Insurance	1,151,452	1,158,801
Social Security and Benefit Replacement Pay	<u>577,567</u>	<u>580,681</u>
Subtotal, Employee Benefits	<u>\$ 1,729,019</u>	<u>\$ 1,739,482</u>
Lease Payments	<u>9,512,788</u>	<u>0</u>
Subtotal, Debt Service	<u>\$ 9,512,788</u>	<u>\$ 0</u>
Less Interagency Contracts	<u>\$ 177,885,254</u>	<u>\$ 181,067,303</u>
TOTAL, ARTICLE I - GENERAL GOVERNMENT	<u>\$ 84,845,741</u>	<u>\$ 64,045,806</u>

**RECAPITULATION - ARTICLE I
GENERAL GOVERNMENT
(All Funds)**

	For the Years Ending	
	August 31, <u>2004</u>	August 31, <u>2005</u>
Aircraft Pooling Board	\$ 3,741,068	\$ 3,660,494
Commission on the Arts	5,856,666	5,714,666
Office of the Attorney General	413,321,371	410,756,698
Rider Appropriations	<u>2,658,000</u>	<u>3,992,000</u>
Total	415,979,371	414,748,698
Bond Review Board	516,967	516,967
Building and Procurement Commission	54,154,702	45,857,967
Cancer Council	3,488,539	3,488,539
Comptroller of Public Accounts	194,979,612	194,979,612
Fiscal Programs - Comptroller of Public Accounts	222,475,400	183,205,177
Commission on State Emergency Communications	50,908,205	52,732,375
Employees Retirement System	6,508,651	6,556,164
Texas Ethics Commission	1,770,556	1,770,556
Public Finance Authority	767,943	767,800
Fire Fighters' Pension Commissioner	477,829	484,636
Office of the Governor	8,262,694	8,262,695
Rider Appropriations	<u>850,000</u>	<u>0</u>
Total	9,112,694	8,262,695
Trusted Programs Within the Office of the Governor	144,306,425	134,866,463
Historical Commission	34,828,195	25,927,512
Commission on Human Rights	2,181,716	2,181,716
Texas Incentive and Productivity Commission	228,233	211,233
Department of Information Resources	84,049,436	86,020,419
Library & Archives Commission	27,398,913	27,413,608
Pension Review Board	283,583	320,023
Preservation Board	12,049,550	11,987,570
State Office of Risk Management	7,441,877	7,983,571
Workers' Compensation Payments	83,300,000	83,300,000
Secretary of State	25,773,557	13,720,869
Rider Appropriations	<u>81,000,000</u>	<u>0</u>
Total	106,773,557	13,720,869
Office of State-Federal Relations	992,506	992,507
Veterans Commission	<u>3,457,866</u>	<u>3,457,866</u>
Subtotal, General Government	<u>\$ 1,478,030,060</u>	<u>\$ 1,321,129,703</u>
Retirement and Group Insurance	67,349,401	67,982,346
Social Security and Benefit Replacement Pay	<u>32,256,276</u>	<u>32,297,027</u>
Subtotal, Employee Benefits	<u>\$ 99,605,677</u>	<u>\$ 100,279,373</u>

**RECAPITULATION - ARTICLE I
GENERAL GOVERNMENT
(All Funds)
(Continued)**

Bond Debt Service Payments	1,876,795	2,882,157
Lease Payments	<u>19,615,678</u>	<u>19,541,711</u>
Subtotal, Debt Service	<u>\$ 21,492,473</u>	<u>\$ 22,423,868</u>
Less Interagency Contracts	<u>\$ 177,885,254</u>	<u>\$ 181,067,303</u>
TOTAL, ARTICLE I - GENERAL GOVERNMENT	<u>\$ 1,421,242,956</u>	<u>\$ 1,262,765,641</u>
Number of Full-Time-Equivalent Positions (FTE)	9,373.5	9,375.5

ARTICLE II

HEALTH AND HUMAN SERVICES

Sec. 1. The several sums of money herein specified, or so much thereby as may be necessary, are appropriated out of any funds in the State Treasury not otherwise appropriated, or out of special funds as indicated, for the support, maintenance, or improvement of the designated health and human services agencies.

DEPARTMENT ON AGING

	For the Years Ending	
	August 31, 2004	August 31, 2005
A. Goal: SERVICES AND OPPORTUNITIES		
To enable older Texans to live dignified, independent, and productive lives within a safe living environment through an accessible, locally-based, comprehensive and coordinated continuum of services and opportunities.		
Outcome (Results/Impact):		
Percent of Older Population Receiving Services Who Are Moderately to Severely Impaired	25%	25%
Percent of Older Population Receiving Services Who Remained Independent Due to Services	85%	85%
Percent of Nursing Homes with a Certified Ombudsman	90%	92%
A.1.1. Strategy: SERVICES AND OPPORTUNITIES	\$ 71,449,532	\$ 72,511,277
Support a locally based system of services and opportunities that includes assistance in accessing public and private resources as well as the provision of a full range of services designed to promote personal well being, independence, and productivity.		
Output (Volume):		
Number of Certified Ombudsmen	1,123	1,179
Number of Persons Receiving Care Coordination	13,792	14,074
Number of Unlicensed Assisted Living Facilities Identified	140	140
Number of Congregate Meals Served	4,261,038	4,239,991
Number of Home-delivered Meals Served	4,168,605	4,164,191
Number of Persons Receiving Homemaker Services	4,791	4,950
Number of One-way Trips	1,242,207	1,246,525
Efficiencies:		
Statewide Average TDOA Cost Per Certified Ombudsman	2,698	2,621
Statewide Average TDOA Cost Per Care Coordination Client	203	202
Statewide Average TDOA Cost Per Congregate Meal	3.75	3.81
Statewide Average TDOA Cost Per Home-delivered Meal	3.98	4.05
Statewide Average TDOA Cost Per Person Receiving Homemaker Services	401	400
Statewide Average TDOA Cost Per One-way Trip	4.29	4.33
B. Goal: DIRECT AND INDIRECT ADMIN		
Direct and Indirect administrative and support costs.		
B.1.1. Strategy: DIRECT AND INDIRECT ADMIN	\$ 3,057,153	\$ 3,057,153
Direct and indirect administrative and support costs.		
Grand Total, DEPARTMENT ON AGING	\$ 74,506,685	\$ 75,568,430
 Method of Financing:		
<u>General Revenue Fund</u>		
General Revenue Fund	\$ 3,091,583	\$ 3,031,463
Earned Federal Funds	25,000	25,000

DEPARTMENT ON AGING
(Continued)

GR Match for Federal Funds (Department on Aging)	3,672,801	3,732,920
Subtotal, General Revenue Fund	<u>\$ 6,789,384</u>	<u>\$ 6,789,383</u>
Federal Funds	67,717,301	68,779,047
Total, Method of Financing	<u>\$ 74,506,685</u>	<u>\$ 75,568,430</u>
Number of Full-Time-Equivalent Positions (FTE):	35.0	35.0
Schedule of Exempt Positions:		
Executive Director, Group 2	\$70,000	\$70,000
Board Member Per Diem	(9) 4,400	(9) 4,400
Object-of-Expense Informational Listing:		
Salaries and Wages	\$ 1,693,301	\$ 1,794,899
Professional Fees and Services	521,138	521,138
Consumable Supplies	21,764	22,417
Utilities	50,836	50,836
Travel	65,636	65,636
Rent - Building	3,902	3,902
Rent - Machine and Other	13,429	13,429
Other Operating Expense	687,147	584,896
Grants	<u>71,449,532</u>	<u>72,511,277</u>
Total, Object-of-Expense Informational Listing	<u>\$ 74,506,685</u>	<u>\$ 75,568,430</u>

1. **Data on RSVP Matching Funds Required.** It is the intent of the Legislature that the Department on Aging maintain data on the amount of matching funds required for federal grants to local retired senior volunteer programs. By October 1 of each fiscal year, the department shall submit to the Legislative Budget Board and the Governor a report in such detail as the two offices may require.
2. **Unit Cost Reporting Required.** It is the intent of the Legislature that the Department on Aging maintain a reporting system that clearly and accurately identifies the unit cost of each service provided by each Area Agency on Aging for all strategies, except for volunteer services in A.1.1, and that the results of this unit cost reporting be provided to the Legislative Budget Board and the Governor semi-annually and in a form that the two offices may require.
3. **Memorandum of Agreement.** It is the intent of the Legislature that the Department on Aging maintain a Memorandum of Agreement with the Department of Human Services which specifies that there will be no duplication of services to older persons served by the Department on Aging and older persons served by the Department of Human Services.
4. **Appropriation and Unexpended Balances: Affordable Housing for the Elderly.** Funds appropriated above include fees collected pursuant to § 394.902, Local Government Code, and § 101.022, Human Resources Code, as amended, for the purpose of promoting affordable housing for the elderly (\$360,000 for the biennium). The Department on Aging shall submit a report to the Legislative Budget Board and the Governor by October 1 of each year. The report shall identify for the prior fiscal year the amount of fees collected and deposited into the General Revenue Fund, the dollar value of grants issued with such funds, the number of persons or entities receiving grants, and the specific purposes for which grants were issued.

Any unexpended balances in fees collected to promote affordable housing for the elderly for the fiscal year ending August 31, 2004, may be carried forward into fiscal year 2005, and such balances are hereby appropriated.

DEPARTMENT ON AGING
(Continued)

In the event that actual and/or projected revenue collections are insufficient to offset the costs identified by this provision, the Legislative Budget Board may direct that the Comptroller of Public Accounts reduce the appropriation authority provided above to be within the amount of revenue expected to be available.

5. **Area Agencies on Aging.** It is the intent of the Legislature that if the Department on Aging plans to alter local planning and service areas in effect on September 1, 2003, that the department receive approval from the Health and Human Services Commission and that the Governor and the Legislative Budget Board be notified before the adoption of such plans.
6. **Criminal Background Checks.** Out of funds appropriated above, the Department on Aging may contract with the Department of Public Safety to conduct criminal background checks on new staff and volunteer ombudsmen.

COMMISSION ON ALCOHOL AND DRUG ABUSE

	For the Years Ending	
	August 31, 2004	August 31, 2005
A. Goal: SERVICES DISTRIBUTION		
Provide for the delivery of substance abuse prevention, intervention, and treatment services based on need throughout the state.		
Outcomes (Results/Impact):		
Percent of Youth Who Receive Treatment Services and Report No Past Month Substance Use at Follow-up	84%	84%
Percent of Adults Who Receive Treatment Services and Report No Past Month Substance Use at Follow-up	80%	80%
Percent of Unemployed Adults Who Complete Treatment Programs and Report Being Employed or Engaged in Productive Activities at Follow-up	62%	62%
Percent of Youth Who Receive Treatment Services and Report Improvement in School Attendance at Follow-up	71%	71%
A.1.1. Strategy: PREVENTION SERVICES		
Implement community and family based prevention services to increase resilience and reduce the risk of chemical use, abuse and dependency in Texas.	\$ 27,690,615	\$ 26,603,578
Output (Volume):		
Number of Adults Served in Prevention Programs	149,823	143,716
Number of Youth Served in Prevention Programs	437,518	419,685
A.1.2. Strategy: INTERVENTION SERVICES		
Implement community and family based intervention services to interrupt the illegal use of alcohol, tobacco, and other drugs by youth and to break the cycle of harmful use of legal substances and all use of illegal substances by adults.		
Output (Volume):		
Number of Adults Served in Intervention Programs	144,857	143,767
Number of Youth Served in Intervention Programs	104,171	103,387
Efficiencies:		
Average Cost Per Adult for Intervention Services	80.6	80.6
Average Cost Per Youth for Intervention Services	180.53	180.53

COMMISSION ON ALCOHOL AND DRUG ABUSE
(Continued)

A.1.3. Strategy: TREATMENT SERVICES	\$ <u>84,894,772</u>	\$ <u>82,195,350</u>
Implement a continuum of community and family based treatment and related services for chemically dependent persons.		
Output (Volume):		
Number of Adults Served in Treatment Programs	37,258	36,014
Number of Youth Served in Treatment Programs	4,558	4,411
Efficiencies:		
Average Cost Per Adult Served in Treatment Programs	1,706	1,706
Explanatory:		
Percent of Adults Completing Treatment Programs	68%	68%
Percent of Youth Completing Treatment Programs	59%	59%
Total, Goal A: SERVICES DISTRIBUTION	\$ <u>143,066,980</u>	\$ <u>139,051,125</u>
B. Goal: QUALITY ASSURANCE		
Ensure value, safety and accountability of substance abuse prevention, intervention, and treatment services.		
Outcome (Results/Impact):		
Percent of TCADA-funded Programs Meeting Performance Targets	77%	79%
B.1.1. Strategy: COMPLIANCE	\$ 4,918,113	\$ 4,828,948
Verify and enforce compliance with regulatory and funding requirements.		
Output (Volume):		
Number of Field Audits Performed	95	95
Efficiencies:		
Median Time (In Days) for Facility License Issuance	118	118
B.1.2. Strategy: PERFORMANCE MANAGEMENT	\$ <u>3,198,241</u>	\$ <u>3,147,881</u>
Optimize performance quality and cost efficiency through the funding, managing, and monitoring of services.		
Output (Volume):		
Number of Provider Performance Reviews Conducted	1,936	1,936
Total, Goal B: QUALITY ASSURANCE	\$ <u>8,116,354</u>	\$ <u>7,976,829</u>
C. Goal: INDIRECT ADMINISTRATION		
C.1.1. Strategy: CENTRAL ADMINISTRATION	\$ 2,982,881	\$ 2,931,577
C.1.2. Strategy: INFORMATION RESOURCES	\$ 1,041,835	\$ 1,021,722
C.1.3. Strategy: OTHER SUPPORT SERVICES	\$ <u>172,158</u>	\$ <u>160,281</u>
Total, Goal C: INDIRECT ADMINISTRATION	\$ <u>4,196,874</u>	\$ <u>4,113,580</u>
Grand Total, COMMISSION ON ALCOHOL AND DRUG ABUSE	\$ <u>155,380,208</u>	\$ <u>151,141,534</u>
Method of Financing:		
GR for Substance Abuse Prevention and Treatment Block Grant	\$ 17,214,474	\$ 27,214,474
Federal Funds	136,513,896	122,275,222
Other Funds		
Appropriated Receipts	771,750	771,750
Interagency Contracts	880,088	880,088
Subtotal, Other Funds	\$ <u>1,651,838</u>	\$ <u>1,651,838</u>
Total, Method of Financing	\$ <u>155,380,208</u>	\$ <u>151,141,534</u>
Number of Full-Time-Equivalent Positions (FTE):	191.4	187.8

COMMISSION ON ALCOHOL AND DRUG ABUSE
(Continued)

Schedule of Exempt Positions:

Executive Director, Group 4	\$100,000	\$100,000
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Object-of-Expense Informational Listing:

Salaries and Wages	\$ 9,021,398	\$ 8,852,961
Other Personnel Costs	117,598	115,351
Operating Costs	6,832,754	6,585,141
Grants	139,385,266	135,565,324
Capital Expenditures	<u>23,192</u>	<u>22,757</u>
Total, Object-of-Expense Informational Listing	<u>\$ 155,380,208</u>	<u>\$ 151,141,534</u>

1. **Agreements With Native American Population Authorities.** The Texas Commission on Alcohol and Drug Abuse may enter into agreements with Native American population authorities for the provision of substance abuse programs aimed at dealing with the prevention, intervention and treatment of alcoholics and drug abusers among the Native American population.
2. **Priority Populations Defined.** The Legislature designates the following priority populations of the commission:
 - a. youth who currently are at risk of using or abusing, who currently abuse, or have abused, substances including youth in or referred by the juvenile justice system;
 - b. people who have or are at risk of having human immunodeficiency virus infection through substance abusing behavior;
 - c. substance abusers who have now, or who have at one time, entered the criminal justice system;
 - d. substance abusers who are at risk of institutionalization or who currently are served in mental health facilities;
 - e. substance abusers who have had children placed under the conservatorship of the Department of Protective and Regulatory Services;
 - f. youth at-risk of selling controlled substances;
 - g. women with children or women of child bearing years; and
 - h. indigent veterans having received an honorable discharge.
3. **Youth At Risk of Selling Controlled Substances.** Out of funds appropriated above, the commission shall plan, develop, coordinate, evaluate, and implement constructive methods and programs to provide wholesome alternatives for youth at risk of selling controlled substances.
4. **Coordination of Support Services.** Out of the funds appropriated above, the commission is directed to enter into formal agreements with other health and human service agencies to facilitate referral and access for its clients to other needed ancillary services as determined by the client's treatment plan. Each client's treatment plan is to contain complete and appropriate medical, educational and/or vocational objectives that meet the needs of clients. The commission shall provide technical aids and assistance to ensure that clients are provided or are referred to appropriate services. The commission shall monitor its contractors to gauge the performance of its contractors regarding the provision and/or referral of clients to appropriate services. The commission shall evaluate the impact that supportive services may have upon achieving successful treatment outcomes.
5. **Appropriations Limited to Revenue Collections.** It is the intent of the Legislature that fees, fines, and other miscellaneous revenues as authorized and generated by the agency cover, at a minimum, the cost of the appropriations made above for the licensing and regulation of chemical dependency counselors and chemical dependency treatment facilities in strategy item B.1.1, Compliance, as well as the "other direct and indirect costs" associated with this function, appropriated elsewhere in this Act. "Other direct and indirect costs" for the licensing and

COMMISSION ON ALCOHOL AND DRUG ABUSE
(Continued)

regulation of chemical dependency counselors and chemical dependency treatment facilities are estimated to be \$114,583 for fiscal year 2004 and \$106,502 for fiscal year 2005. In the event that actual and/or projected fee revenue collections are insufficient to offset the costs identified by this provision, the Legislative Budget Board may direct that the Comptroller of Public Accounts reduce the appropriation authority provided above to be within the amount of revenue expected to be available.

6. Notification of Intent to Utilize Federal Grant Funds.

a. Use of Funds for Services Previously Funded From Other Sources.

The Commission on Alcohol and Drug Abuse (TCADA) shall notify the Legislative Budget Board and the Governor of its intent to use additional Substance Abuse Prevention and Treatment grant funds in excess of the amounts specifically appropriated in the strategies above to fund services previously funded from other federal sources. This notification shall include the services to be provided, the original source of funding for the program or services, and the amount of the grant funds to be used. The notification shall be submitted at least 30 days prior to allocations made out of funds appropriated above.

b. Use of Additional Federal Funds.

In addition, TCADA shall notify the Legislative Budget Board and the Governor of its intent to use federal funds in excess of the amounts specified above. The notification shall identify the amount of the specific grant to be used, indicating if any portion represents a carry forward of federal authority; address the use of funds, indicating the impact on performance measures and FTE levels; and indicate if services and FTEs are temporary or on-going. Written notification shall be submitted at least 14 days prior to any meeting of the Board of Commissioners on Alcohol and Drug Abuse (or any subset thereof) to budget or expend funds in excess of the amounts identified above. Written notification is also required 14 days prior to any decision or action by any agency personnel to budget or expend funds in excess of the amounts identified above.

7. Advisory Committee Members. Pursuant to Government Code, § 2110.004, Reimbursement of Expenses, funds appropriated above not to exceed \$26,047 per year may be expended to reimburse advisory committee members of the State Incentive Grant Committee.

To the maximum extent possible, the department shall encourage the use of videoconferencing and teleconferencing and shall schedule meetings and locations to facilitate the travel of participants so that they may return the same day and reduce the need to reimburse members for overnight stays.

8. Criminal Justice/Substance Abuse Initiative. Out of funds appropriated above in Strategy A.1.3, Treatment Services, the Commission shall transfer \$3,250,000 in each year of the biennium to the Treatment Alternative to Incarceration Program with the Texas Department of Criminal Justice for the provision of outpatient substance abuse treatment services for probationers. The agencies shall enter into an interagency contract to include data reporting provisions to address performance and other data requirements for state and federal reporting.

9. Client Services. It is the intent of the Legislature that the Texas Commission on Alcohol and Drug Abuse (TCADA) and the Department of Protective and Regulatory Services (PRS) enter into a Memorandum of Understanding for providing outpatient treatment services by TCADA to referred PRS clients. Out of Substance Abuse Prevention and Treatment Federal funding at TCADA a maximum of \$2,070,114 for the biennium may be used for qualified services to PRS clients.

COMMISSION FOR THE BLIND

For the Years Ending
August 31, August 31,
2004 2005

A. Goal: INDEPENDENT LIVING

To assist Texans who are blind or visually impaired to live as independently as possible consistent with their capabilities.

Outcome (Results/Impact):

Percent of Consumers Whose Dependent Living Risk Was Diminished

A.1.1. Strategy: INDEPENDENT LIVING SKILLS
 To provide a program of developing independent living skills.

98% 98%
 \$ 2,356,320 \$ 2,652,390

Output (Volume):

Number of Consumers Served

4,730 4,890

Efficiencies:

Average Cost per Consumer Served

552 600

A.2.1. Strategy: HABILITATIVE SERVICES FOR CHILDREN

\$ 2,579,469 \$ 2,637,629

To provide habilitative services to blind and visually impaired children.

Output (Volume):

Number of Children Receiving Habilitative Services

3,062 2,946

Efficiencies:

Average Cost per Child Served

933 990

A.2.2. Strategy: BLINDNESS EDUCATION

\$ 619,928 \$ 619,928

Blindness Education, Screening and Treatment Program.

Total, Goal A: INDEPENDENT LIVING

\$ 5,555,717 \$ 5,909,947

B. Goal: MAINTAIN EMPLOYMENT

To assist Texans who are blind or visually impaired to secure or maintain employment in careers consistent with their skills, abilities, and interests.

Outcome (Results/Impact):

Percent of Consumers Completing Program Services Who Were Satisfied with Services

B.1.1. Strategy: VOCATIONAL REHABILITATION
 To provide vocational rehabilitation services to persons who are blind or visually impaired.

95% 95%
 \$ 35,506,527 \$ 36,293,015

Output (Volume):

Number of Consumers Served

10,498 10,150

Efficiencies:

Average Cost per Consumer Served

3,795 4,005

B.1.2. Strategy: BUSINESS ENTERPRISES OF TEXAS

\$ 2,163,392 \$ 2,186,160

To provide employment opportunities in the food service industry for persons who are blind and visually impaired.

Output (Volume):

Number of Consumers Employed

116 121

Efficiencies:

Average Program Administration Cost per Consumer

11,108 10,752

B.1.3. Strategy: BUSN ENTERPRISES OF TEX TRUST FUND

\$ 410,000 \$ 410,000

To administer trust funds for retirement and benefits program for individuals licensed to operate vending machines under Business Enterprises of Texas (estimated and nontransferable).

Total, Goal B: MAINTAIN EMPLOYMENT

\$ 38,079,919 \$ 38,889,175

COMMISSION FOR THE BLIND
(Continued)

C. Goal: INDIRECT ADMINISTRATION		
C.1.1. Strategy: CENTRAL ADMINISTRATION	\$ 2,810,564	\$ 2,860,870
C.1.2. Strategy: INFORMATION RESOURCES	\$ 867,602	\$ 864,940
C.1.3. Strategy: OTHER SUPPORT SERVICES	\$ 967,848	\$ 960,633
Total, Goal C: INDIRECT ADMINISTRATION	\$ 4,646,014	\$ 4,686,443
Grand Total, COMMISSION FOR THE BLIND	\$ 48,281,650	\$ 49,485,565
Method of Financing:		
<u>General Revenue Fund</u>		
General Revenue Fund	\$ 2,753,534	\$ 2,750,655
GR Match for Medicaid	169,371	170,997
Earned Federal Funds	541,023	657,046
GR for Vocational Rehabilitation	7,124,465	7,008,445
Subtotal, General Revenue Fund	\$ 10,588,393	\$ 10,587,143
<u>General Revenue Fund - Dedicated</u>		
Business Enterprises of Texas Trust Fund	410,000	410,000
Business Enterprises of Texas Account No. 492	1,462,183	1,462,183
Subtotal, General Revenue Fund - Dedicated	\$ 1,872,183	\$ 1,872,183
Federal Funds	35,546,925	36,752,090
<u>Other Funds</u>		
Appropriated Receipts	82,750	82,750
Blind Commission Endowment Fund No. 493	121,399	121,399
Interagency Contracts	70,000	70,000
Subtotal, Other Funds	\$ 274,149	\$ 274,149
Total, Method of Financing	\$ 48,281,650	\$ 49,485,565
Number of Full-Time-Equivalent Positions (FTE):	617.5	617.5
Schedule of Exempt Positions:		
Executive Director, Group 3	\$80,000	\$80,000
Object-of-Expense Informational Listing:		
Salaries and Wages	\$ 21,807,103	\$ 22,523,181
Other Personnel Costs	576,414	620,177
Professional Fees and Services	1,323,256	1,051,202
Fuels and Lubricants	9,130	9,221
Consumable Supplies	343,659	357,246
Utilities	642,854	649,282
Travel	1,062,876	1,075,080
Rent - Building	1,137,747	1,160,473
Rent - Machine and Other	696,709	629,751
Other Operating Expense	1,681,735	1,793,082
Client Services	17,391,483	18,119,981
Capital Expenditures	1,608,684	1,496,889
Total, Object-of-Expense Informational Listing	\$ 48,281,650	\$ 49,485,565

COMMISSION FOR THE BLIND
(Continued)

1. **Capital Budget.** None of the funds appropriated above may be expended for capital budget items except as listed below. The amounts shown below shall be expended only for the purposes shown and are not available for expenditure for other purposes. Amounts appropriated above and identified in this provision as appropriations either for "Lease Payments to the Master Lease Purchase Program" or for items with an "(MLPP)" notation shall be expended only for the purpose of making lease-purchase payments to the Texas Public Finance Authority pursuant to the provisions of Government Code § 1232.103.

	<u>2004</u>	<u>2005</u>
a. Repair or Rehabilitation of Buildings and Facilities		
(1) Repair and Maintenance of Heating and Cooling Systems	\$ 96,000	\$ 350,000
(2) Repair and Replace Building Fixtures	0	53,376
(3) Security System	\$ 26,949	\$ 0
Total, Repair or Rehabilitation of Buildings and Facilities	\$ 122,949	\$ 403,376
b. Acquisition of Information Resource Technologies		
(1) Desktop Services Lease for Personal Computers	609,959	543,000
(2) Refresh Computer Hardware	98,964	47,696
(3) Refresh Computer Software	329,462	115,317
(4) Telephone Systems	\$ 83,350	\$ 0
Total, Acquisition of Information Resource Technologies	\$ 1,121,735	\$ 706,013
c. Transportation Items		
(1) Vehicles	\$ 24,000	\$ 47,500
d. Acquisition of Capital Equipment and Items		
(1) Establish and Refurbish Food Service Facilities	\$ 340,000	\$ 340,000
Total, Capital Budget	\$ 1,608,684	\$ 1,496,889

Method of Financing (Capital Budget):

General Revenue Fund	\$ 1,679	\$ 1,143
GR Dedicated - Business Enterprise Program Account No. 492	340,000	340,000
Federal Funds	<u>1,267,005</u>	<u>1,155,746</u>
Total, Method of Financing	\$ 1,608,684	\$ 1,496,889

2. **Central Supply Revolving Fund.** The Commission for the Blind may, under such rules and regulations as deemed necessary, maintain and operate on a reimbursable basis a Central Supply Revolving Fund in order to contribute to the efficiency and economy of the commission under its control and management. The Central Supply Revolving Fund may be established and operated from funds appropriated to the commission in such amounts as shall be necessary. All receipts deposited to this Fund are appropriated for the purchase of necessary operating supplies and materials for the biennium ending August 31, 2005. To reimburse the funds from which expenditures are made, the commission may make fund transfers from the appropriations which receive the supplies, or may submit purchase vouchers through the office of the State Comptroller.

COMMISSION FOR THE BLIND
(Continued)

3. **Employee Work Assignments.** Employees assigned to the Criss Cole Rehabilitation Center or to special project facilities operated by the agency may, to the extent required for the effective direct provision of services to clients, be excepted from usual state policies regarding working hours, working days, and holidays. Insofar as possible, the work days and work hours of such employees shall be determined according to a system comparable to that used by other state-operated special schools, hospitals, institutions or other facilities providing residential services to eligible individuals.
4. **Reimbursement of Services.** In order to reimburse equitably the appropriation items hereinabove made from which expenditures are made for services to employees and guests of the Criss Cole Rehabilitation Center or other residential facilities operated by the Commission for the Blind, the Commission for the Blind shall establish such reimbursement rates and rules as might be necessary to assure reimbursement at rates not less than the rates of reimbursement required by institutions, agencies or offices under the jurisdiction of the Board of Health, Board of Mental Health and Mental Retardation and the Texas Youth Commission.
5. **Appropriation of Federal Medicaid Receipts.** The Commission for the Blind shall certify and/or transfer appropriated state funds to the Texas Medicaid Single State Agency so that federal financial participation can be claimed for Medicaid services. Such federal receipts are hereby appropriated to the commission to provide rehabilitative services to blind and visually impaired children.
6. **Reimbursement of Advisory Committee Members.** Pursuant to Government Code § 2110.004, reimbursement of expenses for Advisory Committee Members, out of funds appropriated above not to exceed \$10,540 per year, is limited to the following advisory committees: State Independent Living Council and the Elected Committee of Managers.

To the maximum extent possible, the agency shall encourage the use of videoconferencing and teleconferencing and shall schedule meetings and locations to facilitate the travel of participants so that they may return the same day and reduce the need to reimburse members for overnight stays.

7. **Notification of Federal Funds Distribution.** The Texas Commission for the Blind shall notify the Legislative Budget Board and the Governor of its intent to redirect General Revenue funds to obtain additional federal funds for the Vocational Rehabilitation program. The Texas Commission for the Blind shall notify the Legislative Budget Board and the Governor at least 14 days prior to the expenditure of more than \$31,872,695 in fiscal year 2004 or \$32,736,373 in fiscal year 2005 in federal Vocational Rehabilitation funds (CFDA 84.126) included in the method of finance as Federal Funds above, in either fiscal year 2004 or 2005. Furthermore, it is the intent of the Legislature that no federal funds be drawn and expended by utilizing as matching funds any General Revenue Funds appropriated for the subsequent state fiscal year. The notification shall include the original purpose and item of appropriation for which the General Revenue Funds were appropriated, and the effect on measures and/or full-time equivalent positions for all affected strategies. The notification shall be made at least 30 days prior to requesting additional federal funding for the Vocational Rehabilitation program.
8. **Appropriation of Donations.** Included in the amounts above in Strategy A.2.2. is \$1,239,856 for the biennium for the Blindness Education, Screening, and Treatment (BEST) Program, contingent upon the generation of funds through donations. Revenues received from donations made in fiscal year 2004 and fiscal year 2005, in amounts not to exceed \$1,239,856 as provided by § 521.421 (f) or § 521.422 (b), Transportation Code, are appropriated to the Commission for the Blind for purposes related to the Blindness Education, Screening, and Treatment Program. In the event that actual and/or projected revenue collections are insufficient to offset the costs

COMMISSION FOR THE BLIND
(Continued)

identified by this provision, the Legislative Budget Board may direct that the Comptroller of Public Accounts reduce the appropriation authority provided above to be within the amount of revenue expected to be available.

Contingent on passage of legislation relating to extending BEST program services to include transition services for young, blind Texans eligible for Vocational Rehabilitation services under § 91.052, Human Resources Code, the Commission for the Blind shall use \$200,000 of these donations for the biennium as the state match to provide Vocational Rehabilitation services. Federal Funds will increase by \$738,967 for the 2004-05 biennium.

9. **Business Enterprises of Texas Trust Fund.** Amounts above in Strategy B.1.3, Business Enterprises of Texas Trust Fund, are appropriated to the Texas Commission for the Blind (TCB) for the purpose of establishing and maintaining a retirement and benefits plan for blind or visually impaired vendors as defined in the federal Randolph-Sheppard Act (20 USC, § 107). Any amounts in addition to the amount identified in Strategy B.1.3, Business Enterprises of Texas Trust Fund, necessary to make retirement and benefits payments in conformity with the Randolph-Sheppard Act (20 USC, § 107) and Human Resource Code, § 94.016, are hereby appropriated. None of the funds appropriated in Strategy B.1.3, Business Enterprises of Texas Trust Fund, or through this rider may be transferred to any other strategy. TCB shall report quarterly on deposits into and expenditures out of, including identification of the purpose for the expenditure, to the Legislative Budget Board, the Governor, and the Comptroller of Public Accounts.

In addition, TCB shall submit a written report quarterly to the Legislative Budget Board and Governor on the management of the BET Trust Fund. TCB shall report deposits to the fund, the recommendations of the fund manager regarding investments, performance of investments, and an actuarial analysis of projected disbursements.

10. **Earned Federal Funds.** The method of financing item, Earned Federal Funds, for appropriations made above, includes Earned Federal Funds generated in fiscal years 2004 and 2005. The appropriation of Earned Federal Funds is limited to the sum of fiscal year 2004 and fiscal year 2005 identified above. Unexpended balances in Earned Federal Funds at the close of the fiscal year ending August 31, 2004, are hereby appropriated to the fiscal year beginning September 1, 2004.
11. **General Revenue Dedicated Account No. 492.** Included in amounts above in the Method of Finance "Business Enterprises of Texas Account No. 492" is \$2,180,000 for the biennium from revenue deposited into the account in object codes 3747, 3754, and 3802.
12. **Contingency for Disapproval of Changes to the Children's Program.** Included above in Strategy B.1.1, Vocational Rehabilitation, is \$1,267,310 in General Revenue for the biennium to provide selected youth transition services previously provided in Strategy A.2.1, Habilitative Services for Children. If this program change is not approved by the federal Rehabilitation Services Administration, the Legislative Budget Board may direct the Comptroller of Public Accounts to transfer up to \$1,267,310 in General Revenue from Strategy B.1.1, Vocational Rehabilitation, to Strategy A.2.1, Habilitative Services for Children. In addition, if such a change to the Children's Program is not approved and funds are transferred from Strategy B.1.1 to Strategy A.2.1, FTEs will decrease in Strategy B.1.1, Vocational Rehabilitation, by 26.5, increase in Strategy A.2.1, Habilitative Services for Children, by 10.5, and decrease in Strategy C.1.1, Central Administration, by 2. The Commission for the Blind shall notify the Legislative Budget Board and the Governor's office as soon as the Rehabilitation Services Administration approves or disapproves the agency's request for program restructuring.

COMMISSION FOR THE DEAF AND HARD OF HEARING

	For the Years Ending	
	August 31, 2004	August 31, 2005
A. Goal: SERVICES TO INDIVIDUALS		
To promote and regulate an effective system of services to individuals who are deaf or hard of hearing.		
A.1.1. Strategy: CONTRACT SERVICES	\$ 980,072	\$ 980,072
Develop and implement a statewide program to ensure continuity of services to persons who are deaf or hard of hearing. Ensure more effective coordination and cooperation among public and nonprofit organizations providing social and educational services to individuals who are deaf or hard of hearing.		
Output (Volume):		
Number of Contact Hours of Communication Access Services Provided	13,830	13,830
A.1.2. Strategy: TRAINING AND EDUCATION	\$ 511,500	\$ 511,500
Facilitate communication access activities through training and educational programs to enable individuals who are deaf or hard of hearing to attain equal opportunities to participate in society to their potential and reduce their isolation regardless of location, socioeconomic status, or degree of disability.		
Output (Volume):		
Number of Individuals Trained	1,590	1,590
Efficiencies:		
Average Cost Per Camper	225	225
A.1.3. Strategy: TELEPHONE ASSISTANCE	\$ 593,390	\$ 593,390
Ensure equal access to the telephone system for persons with a disability (estimated and nontransferable).		
Output (Volume):		
Number of Equipment/service Vouchers Issued	12,500	12,500
A.2.1. Strategy: INTERPRETERS CERTIFICATION	\$ 214,837	\$ 214,838
Certify and regulate interpreters.		
Output (Volume):		
Number of Interpreter Certificates Issued	1,682	1,715
Efficiencies:		
Average Time for Ethics Complaint Resolution (Certified Interpreter): Days	90	90
Total, Goal A: SERVICES TO INDIVIDUALS	\$ 2,299,799	\$ 2,299,800
B. Goal: INDIRECT ADMINISTRATION		
B.1.1. Strategy: INDIRECT ADMINISTRATION	\$ 216,911	\$ 216,911
Grand Total, COMMISSION FOR THE DEAF AND HARD OF HEARING	\$ 2,516,710	\$ 2,516,711
Method of Financing:		
General Revenue Fund	\$ 1,051,220	\$ 1,051,221
<u>Other Funds</u>		
Appropriated Receipts	27,100	27,100

COMMISSION FOR THE DEAF AND HARD OF HEARING
(Continued)

Interagency Contracts	845,000	845,000
Universal Services Fund Reimbursements, estimated	593,390	593,390
Subtotal, Other Funds	<u>\$ 1,465,490</u>	<u>\$ 1,465,490</u>
Total, Method of Financing	<u>\$ 2,516,710</u>	<u>\$ 2,516,711</u>
Number of Full-Time-Equivalent Positions (FTE):	17.0	17.0
Schedule of Exempt Positions:		
Executive Director, Group 2	\$70,000	\$70,000
Object-of-Expense Informational Listing:		
Salaries and Wages	\$ 673,794	\$ 673,794
Other Personnel Costs	11,160	11,160
Professional Fees and Services	190,000	160,000
Fuels and Lubricants	350	350
Consumable Supplies	10,030	10,030
Utilities	14,000	14,000
Travel	62,000	65,000
Rent - Machine and Other	1,250	1,350
Other Operating Expense	88,596	115,497
Client Services	<u>1,465,530</u>	<u>1,465,530</u>
Total, Object-of-Expense Informational Listing	<u>\$ 2,516,710</u>	<u>\$ 2,516,711</u>

1. **Fund Transfer.** The Texas Commission for the Deaf and Hard of Hearing (TCDHH) and the Texas Commission for the Blind (TCB) shall develop an interagency contract for the provision of administrative services to the TCDHH by TCB. General Revenue funds in the amount of \$70,000 in fiscal year 2004 and \$70,000 in fiscal year 2005 shall be transferred from TCDHH to TCB in accordance with the interagency contract.

2. **Reimbursement of Advisory Committee Members.** Pursuant to Government Code § 2110.004, reimbursement of expenses for Advisory Committee Members, out of funds appropriated above not to exceed \$4,500 per year, is limited to the Board for Evaluation of Interpreters.

To the maximum extent possible, the agency shall encourage the use of videoconferencing and teleconferencing and shall schedule meetings and locations to facilitate the travel of participants so that they may return the same day and reduce the need to reimburse members for overnight stays.

3. **Appropriation: Unexpended Balances in Summer Camp Program.** Any unexpended and unobligated balances remaining as of August 31, 2003, in the appropriation made to the Commission for the Deaf and Hard of Hearing by Senate Bill 1, Seventy-seventh Legislature, Regular Session, Article IX, General Provisions, Acceptance of Gifts of Money, are hereby appropriated to the Commission, and included in amounts above in Strategy A.1.2, Training and Education, for the biennium beginning September 1, 2003, for the purpose of expenses related to the Commission's Summer Camp Program (estimated to be \$10,000). Unexpended and unobligated balances remaining as of August 31, 2004, in the Summer Camp program are hereby appropriated to the Commission for fiscal year 2005, and included in amounts above in Strategy A.1.2, Training and Education, for use in the Summer Camp Program (estimated to be \$10,000).

COMMISSION FOR THE DEAF AND HARD OF HEARING
(Continued)

4. **Cash Flow Contingency for the Specialized Telecommunications Assistance Program.** Contingent upon the receipt of Universal Services Funds reimbursements, the Commission for the Deaf and Hard of Hearing may temporarily utilize additional General Revenue Funds in an amount not to exceed the anticipated Universal Services Funds reimbursement. The General Revenue Funds accessed under this provision must be repaid within the biennium they are used upon receipt of Universal Services Funds and shall be utilized only for the purpose of temporary cash flow needs. These transfers and repayments shall be credited to the fiscal year being reimbursed and shall be made in accordance with accounting procedures established by the Comptroller of Public Accounts.
5. **Appropriation: Unexpended Balances in Interagency Contracts for Administrative Fees.** Unexpended and unobligated balances remaining as of August 31, 2003; in the appropriation of Interagency Contracts for Administrative Fees made to the Commission for the Deaf and Hard of Hearing by Senate Bill 1, Seventy-seventh Legislature, for the purpose of specialized projects for individuals who are hard of hearing, are hereby appropriated to the Commission, for the biennium beginning September 1, 2003, and any unexpended balances remaining as of August 31, 2004 are appropriated for the same purpose for the fiscal year beginning September 1, 2004 (estimated to be zero).
6. **Unexpended Balances for the Board of Evaluation of Interpreters (BEI) Program.** Unexpended and unobligated balances remaining as of August 31, 2004, in certification fees for Strategy A.2.1, Interpreters Certification, made to the Texas Commission for the Deaf and Hard of Hearing, are hereby appropriated to the Commission, for fiscal year 2005 beginning September 1, 2004, for the purpose of developing evaluation materials, validating interpreter evaluation materials, and expenses related to the Commission's Certification Program (estimated to be zero).
7. **BEI Test License and Marketing.** The Commission for the Deaf and Hard of Hearing is authorized to license any tests that it develops in its Board of Evaluation of Interpreters Program and may sell these tests to other governmental agencies or interested parties. Any revenue generated from these sales is hereby appropriated to the Commission for the Deaf and Hard of Hearing (estimated to be zero).
8. **Appropriations Limited to Revenue Collections.** It is the intent of the Legislature that fees, fines, and other miscellaneous revenues as authorized and generated by TCDHH cover, at a minimum, \$130,000 in general revenue in each year of the biennium to support Strategy 1.2.1, Interpreters Certification, as well as the "other direct and indirect costs" associated with these programs, appropriated elsewhere in this Act. "Other direct and indirect costs" for the certification of interpreters are estimated to be \$17,105 in fiscal year 2004 and \$16,994 in fiscal year 2005. In the event that actual and/or projected revenue collections are insufficient to offset the costs identified by this provision, the Legislative Budget Board may direct that the Comptroller of Public Accounts reduce the appropriation authority provided above to be within the amount of revenue expected to be available.
9. **Appropriation of License Plate Revenue.** Included in funds appropriated above in Strategy A.1.2, Training and Education, is \$70,000 for the biennium in general revenue generated from the sale of specialized Texas Commission for the Deaf and Hard of Hearing license plates. Any additional revenues generated by the sale of specialized Texas Commission for the Deaf and Hard of Hearing license plates above \$70,000 is hereby appropriated to the agency (estimated to be zero). It is the intent of the Legislature that these funds be expended for direct services programs, training, and education.
10. **Specialized Telecommunications Assistance Program (STAP).** Out of funds appropriated above in Strategy A.1.3, Telecommunications Assistance, for Section 56.151 and Section 56.153(a) of the Utilities Code establishing the Specialized Telecommunications Assistance

COMMISSION FOR THE DEAF AND HARD OF HEARING
(Continued)

Program (STAP), the agency shall allow two-way wireless text messaging devices to be included in the list of eligible devices that participants in STAP may choose to purchase with a STAP voucher.

INTERAGENCY COUNCIL ON EARLY CHILDHOOD INTERVENTION

	For the Years Ending	
	August 31, 2004	August 31, 2005
A. Goal: CHILDREN AT RISK OF DELAY		
The Interagency Council on Early Childhood Intervention ensures that all children in Texas below the age of three who have developmental needs or are at risk of developmental delay and their families have the resources and supports they need to reach their Individualized Family Service Plan goals.		
Outcome (Results/Impact):		
Percent of Population Under Age Three Served		
A.1.1. Strategy: ECI ELIGIBILITY AWARENESS	\$ 407,314	\$ 407,314
Conduct statewide activities which ensure that eligible infants, toddlers and their families are identified and families have access to information about the importance of early intervention and how to receive the resources and supports they need to reach their service plan goals.		
A.1.2. Strategy: ADMINISTER SYSTEM OF SERVICES	\$ 116,460,284	\$ 125,609,551
Administer a statewide system of services which ensure that eligible infants, toddlers and their families have access to the resources and supports they need to reach their service plan goals. Provide eligibility determination services to all referred children to determine eligibility for comprehensive and follow along services.		
Output (Volume):		
Number of Children Served in Comprehensive Services	43,304	46,001
Number of Children Receiving Eligibility Services	38,880	41,602
Efficiencies:		
Average Cost Per Child: Comprehensive Services State and Federal Funds	2,005	2,015
A.1.3. Strategy: ENSURE QUALITY SERVICES	\$ 1,490,928	\$ 1,490,928
Ensure the quality of early intervention services by offering training and technical assistance, establishing service and personnel standards, and evaluating consumer satisfaction and program performance.		
Output (Volume):		
Number of Training and Technical Assistance Events Provided	180	180
Total, Goal A: CHILDREN AT RISK OF DELAY	\$ 118,358,526	\$ 127,507,793
B. Goal: RESPITE CARE FOR FAMILIES		
Ensure respite care for families.		
B.1.1. Strategy: RESPITE CARE	\$ 400,000	\$ 400,000
Coordinate respite care resources.		
Output (Volume):		
Number of Families Receiving Respite Services	678	678

INTERAGENCY COUNCIL ON EARLY CHILDHOOD INTERVENTION
(Continued)

C. Goal: INDIRECT ADMINISTRATION		
C.1.1. Strategy: INDIRECT ADMINISTRATION	\$ 1,324,477	\$ 1,324,477
Grand Total, INTERAGENCY COUNCIL ON EARLY CHILDHOOD INTERVENTION	<u>\$ 120,083,003</u>	<u>\$ 129,232,270</u>
Method of Financing:		
<u>General Revenue Fund</u>		
General Revenue Fund	\$ 18,292,966	\$ 17,487,102
GR Match for Medicaid	836,370	905,615
GR Certified as Match for Medicaid	13,302,707	14,039,327
Subtotal, General Revenue Fund	<u>\$ 32,432,043</u>	<u>\$ 32,432,044</u>
Federal Funds	74,641,475	80,202,124
<u>Other Funds</u>		
Appropriated Receipts	100,000	100,000
Interagency Contracts - Transfer from Foundation School Fund No. 193	12,909,485	16,498,102
Subtotal, Other Funds	<u>\$ 13,009,485</u>	<u>\$ 16,598,102</u>
Total, Method of Financing	<u>\$ 120,083,003</u>	<u>\$ 129,232,270</u>
Number of Full-Time-Equivalent Positions (FTE):	66.0	66.0
Schedule of Exempt Positions:		
Executive Director, Group 3	\$68,000	\$68,000
Object-of-Expense Informational Listing:		
Salaries and Wages	\$ 2,613,343	\$ 2,613,343
Other Personnel Costs	40,816	40,816
Operating Costs	736,167	736,167
Professional Fees and Services	216,511	216,511
Consumable Supplies	12,579	12,579
Utilities	43,906	43,906
Travel	88,451	88,451
Rent - Building	2,144	2,144
Rent - Machine and Other	24,655	24,655
Other Operating Expense	552,627	552,628
Client Services	2,371,755	2,566,556
Grants	113,104,806	122,059,271
Capital Expenditures	<u>275,243</u>	<u>275,243</u>
Total, Object-of-Expense Informational Listing	<u>\$ 120,083,003</u>	<u>\$ 129,232,270</u>

1. **Capital Budget.** None of the funds appropriated above may be expended for capital budget items except as listed below. The amounts shown below shall be expended only for the purposes shown and are not available for expenditure for other purposes. Amounts appropriated above and identified in this provision as appropriations either for "Lease Payments to the Master Lease Purchase Program" or for items with an "(MLPP)" notation shall be expended only for the purpose of making lease-purchase payments to the Texas Public Finance Authority pursuant to the provisions of Government Code § 1232.103.

INTERAGENCY COUNCIL ON EARLY CHILDHOOD INTERVENTION
(Continued)

	<u>2004</u>	<u>2005</u>
a. Acquisition of Information Resource Technologies		
(1) Lease of Personal Computers	\$ 68,349	\$ 68,349
(2) ECI Statewide Centralized Data Base	\$ 205,072	\$ 205,072
Total, Acquisition of Information Resource Technologies	<u>\$ 273,421</u>	<u>\$ 273,421</u>
Total, Capital Budget	<u>\$ 273,421</u>	<u>\$ 273,421</u>
 Method of Financing (Capital Budget):		
General Revenue Fund	\$ 34,175	\$ 34,174
Federal Funds	<u>239,246</u>	<u>239,247</u>
Total, Method of Financing	<u>\$ 273,421</u>	<u>\$ 273,421</u>

2. **Reimbursement of Advisory Committee Members.** Pursuant to Government Code § 2110.004, reimbursement of expenses for advisory committee members, out of funds appropriated above, not to exceed \$16,650 per fiscal year, is limited to the following advisory committee: Advisory Committee to the Interagency Council on Early Childhood Intervention.

To the maximum extent possible, the department shall encourage the use of videoconferencing and teleconferencing and shall schedule meetings and locations to facilitate the travel of participants so that they may return the same day and reduce the need to reimburse members for overnight stays.

3. **Reporting and Other Requirements.** The Interagency Council on Early Childhood Intervention, in coordination with the Health and Human Services Commission, shall maintain procedures and monitor contractors for compliance to ensure that third-party resources and Medicaid are billed for eligible services. The agency shall submit quarterly reports to the Legislative Budget Board, the Governor, and the Health and Human Services Commission, that provide information about the number of children served and funded services.

- a. The reports should include,

(1) a copy of the CMS64 Medicaid report. Such reports shall be submitted to the Legislative Budget Board and the Governor no later than the date the report is submitted to the federal government, and

(2) a report detailing the number of children served and the expenditures for services paid in for the preceding quarter. Such reports shall be submitted to the Legislative Budget Board, the Governor, and the Health and Human Services Commission no later than the date the agency Performance Measures are due in ABEST.

4. **Funding for the Interagency Council on Early Childhood Intervention (ECI).**

a. Within the biennium, if it becomes necessary in order to qualify for federal funds, the Executive Director of the Interagency Council on Early Childhood Intervention (ECI) shall certify, by February 1 of each fiscal year of the biennium, to the Commissioner of Health and Human Services that revenues needed to continue to serve all eligible children will exceed available revenue. The Commissioner of Health and Human Services shall evaluate the projected need and make a determination within 30 days as to whether a transfer of funds will be necessary. ECI shall supply the following information to the Legislative Budget Board, the Governor, and the Commissioner of Health and Human Services at the time of any authorization of additional need:

INTERAGENCY COUNCIL ON EARLY CHILDHOOD INTERVENTION
(Continued)

- (1) Caseload and average cost projections showing the additional need;
- (2) An evaluation of other possible available funding sources that ECI has considered, including federal education funding at the Texas Education Agency, other federal funding sources, and any other possible source;
- (3) An evaluation of the availability and continuation of local funding sources to address the funding need: and
- (4) Documentation of the agency's efforts to seek additional funding based on:
 - i. Cost-sharing by clients;
 - ii. Cost control measures;
 - iii. Maximizing coverage under Medicaid and the Children's Health Insurance Program;
 - iv. Third party recovery;
 - v. Examining the developmental delay criteria; and
 - vi. Maximizing local commitments.

All transfers made shall be subject to the prior approval of the Governor and Legislative Budget Board.

- b. Prior to expenditure in fiscal year 2004 of \$12,909,485 and fiscal year 2005 of \$16,498,102 in Other Funds received through interagency contract with the Texas Education Agency, the agency shall notify the Governor and the Legislative Budget Board that agency intends to use the funds for eligibility determination services, comprehensive services and transition services, and report the amount of funds that will be allocated to each local provider and the number of children the each local provider is expected to serve.
 - c. It is the intent of the Legislature that the Interagency Council on Early Childhood Intervention maintain procedures for the selection of providers and renewal of provider contracts based on "best value" practices that maximize the use of federal, private, and local funding.
5. **Respite Care for Families.** It is the intent of the Legislature that any General Revenue Funds appropriated for the biennium for the purpose of providing respite care for families shall not be included in the State's maintenance of effort (MOE) for the federal Individuals with Disabilities Education Act (IDEA), Part C grant.
 6. **Education Funding.** Included in the Method of Financing in Other Funds above is \$12,909,485 in fiscal year 2004 and \$16,498,102 in fiscal year 2005 set aside from the Special Education Allotment and transferred to the Interagency Council on Early Childhood Intervention to support eligibility determination, including the initial determination of eligibility and subsequent eligibility assessments occurring after the initial individualized family service plan.

The Interagency Council on Early Childhood Intervention is hereby required to enter into a Memorandum of Understanding with the Texas Education Agency for the purpose of providing funds to ECI contractors for eligibility determinations services, including the initial determination of eligibility and subsequent eligibility assessments occurring after the initial individualized family service plan, comprehensive services and transitions services, as specified. The Memorandum of Understanding may include other provisions the agencies deem necessary. The Interagency Council shall provide a signed copy of the Memorandum of Understanding to the Legislative Budget Board and the Governor, no later than October 1, 2003.

7. **Medicaid Billing of Developmental Rehabilitation Services.** The Interagency Council shall, in coordination with the Health and Human Services Commission, maintain procedures and monitor contractors for compliance to ensure that local providers bill Medicaid for Developmental Rehabilitation Services (DRS) provided by Early Childhood Intervention

INTERAGENCY COUNCIL ON EARLY CHILDHOOD INTERVENTION
(Continued)

Specialists prior to use of state appropriations and resources and federal Individuals with Disabilities Education Act (IDEA) Part C funds. The agency shall submit quarterly reports to the Legislative Budget Board, Governor and Health and Human Services Commission to include, but not limited to, the number of billings submitted for reimbursement by Medicaid for all early intervention services and in particular developmental services provided by Early Childhood Intervention Specialists, the number of bills approved for Medicaid reimbursement and the amounts received in Medicaid reimbursements by local contractors and any additional information as prescribed by the Legislative Budget Board. The Interagency Council on Early Childhood Intervention shall maintain procedures for reducing allocations to local providers based on projected Medicaid reimbursements of all ECI services that are Medicaid reimbursable including DRS.

To ensure that all DRS provided by local programs are approved for Medicaid reimbursement, the Interagency Council on Early Childhood shall maintain agency policy and procedures requiring that local program staff, including certified teachers, that deliver DRS are certified in the ECI competency demonstration system.

DEPARTMENT OF HEALTH

	For the Years Ending	
	August 31, 2004	August 31, 2005
A. Goal: PUBLIC HEALTH PROMOTION		
Ensure that prevention, promotion and education are integral parts of all public health services. Reduce health hazards, support resistance to health threats and promote disease control. Promote individual and community involvement in improving personal and environmental health.		
Outcomes (Results/Impact):		
Percentage of Inspected Entities in Compliance with Statutes and/or Rules	78.06%	78.1%
Percentage of Eligible WIC Population Served	75%	75%
Percent of AIDS Cases Diagnosed Two Years Ago and Living 24 Months or More	88.6%	89.1%
Vaccination Coverage Levels among Children Aged 19 to 35 Months	79%	82%
A.1.1. Strategy: BORDER HEALTH & COLONIAS	\$ 1,276,346	\$ 1,276,346
Develop and implement programs designed to assist in the reduction of consumer, environmental, occupational and community health hazards along the Texas/Mexico border and in the "colonias" in a binational effort that coordinates with local providers and community leaders.		
A.1.2. Strategy: FOOD (MEAT) & DRUG SAFETY	\$ 18,214,664	\$ 18,214,664
Design and implement uniform and effective programs to ensure the safety of food, drugs, and medical devices.		
Efficiencies:		
Average Cost Per Surveillance Activity	189.27	189.27
A.1.3. Strategy: ENVIRONMENTAL HEALTH	\$ 6,623,069	\$ 6,623,069
Develop and implement comprehensive, uniform and effective risk assessment and risk management programs in the areas of consumer products, occupational and environmental health, and community sanitation.		

DEPARTMENT OF HEALTH
(Continued)

Output (Volume):			
Number of Enforcement Actions Initiated		5,132	5,132
Efficiencies:			
Average Cost Per Surveillance Activity		156	156
A.1.4. Strategy: RADIATION CONTROL	\$	7,749,762	\$ 7,749,763
Develop and implement a comprehensive regulatory program for all sources of radiation using risk assessment and risk management techniques.			
Efficiencies:			
Average Cost Per Surveillance Activity		253.74	253.74
A.2.1. Strategy: WIC FOOD & NUTRITION SERVICES	\$	588,222,037	\$ 587,473,286
To provide nutrition services, including benefits, to eligible low income women, infants and children (WIC) clients, nutrition education and counseling.			
Output (Volume):			
Number of WIC Participants Provided Nutritious Food Supplements Per Month		837,828	858,774
Efficiencies:			
Average Food Costs Per Person Receiving Services		29.93	30.93
Explanatory:			
Incidence (Percent) of Low Birth Weight Babies Born to Women, Infants and Children (WIC) Nutrition Program Mothers		5.9%	5.9%
A.3.1. Strategy: HIV & STD EDUCATION & SERVICES	\$	139,626,285	\$ 131,326,285
Provide HIV and STD education to prevent the spread of infection, identify individuals infected with or exposed to HIV/STD, provide HIV/STD medications, and link infected and exposed individuals to health and social service providers for intervention.			
Output (Volume):			
Number of Persons Served by the HIV Medication Program		14,189	14,189
A.3.2. Strategy: IMMUNIZATIONS	\$	41,761,836	\$ 41,761,836
Implement programs to immunize Texas residents.			
Output (Volume):			
Number of Doses Administered		7,285,520	7,285,520
Explanatory:			
Dollar Value (in Millions) of Vaccine Provided by the Federal Government		90	90
A.3.3. Strategy: PREVENTABLE DISEASES	\$	46,563,667	\$ 46,063,667
Implement programs to reduce the incidence of preventable health conditions such as zoonotic diseases (including tuberculosis) and dental disease, and to improve epidemiological activities to track reductions.			
Output (Volume):			
Number of Diabetes-related Prevention Activities		200,000	200,000
A.3.4. Strategy: CHRONIC DISEASE SERVICES	\$	26,568,912	\$ 26,568,912
Provide prompt service and/or referral of all eligible applicants for chronic disease services.			
Output (Volume):			
Number of Kidney Health Clients Provided Services		25,666	28,232
A.3.5. Strategy: TOBACCO EDUCATION AND PREVENTION	\$	7,380,570	\$ 7,380,570
Develop and implement a statewide program to provide education, prevention and cessation in the use of cigarettes and tobacco products.			

DEPARTMENT OF HEALTH
(Continued)

A.3.6. Strategy: PUBLIC HEALTH PREPAREDNESS	\$	<u>42,240,250</u>	\$	<u>42,240,250</u>
Plan and implement programs to ensure public health preparedness for bioterrorism, natural epidemics, and other public health threats and emergencies.				
Total, Goal A: PUBLIC HEALTH PROMOTION	\$	<u>926,227,398</u>	\$	<u>916,678,648</u>
B. Goal: MEDICAID SERVICES				
Develop a comprehensive approach to integrate certain Medicaid services with other service delivery programs.				
B.1.1. Strategy: MEDICAL TRANSPORTATION	\$	72,225,876	\$	83,814,437
Provide non-ambulance transportation for eligible Medicaid recipients to and from providers of Medicaid services.				
Output (Volume):				
Recipient One-way Trips		3,418,628		3,608,819
B.1.2. Strategy: TEXAS HEALTH STEPS (EPSDT)				
MEDICAL	\$	<u>115,272,645</u>	\$	<u>119,649,674</u>
Provide access to comprehensive diagnostic/treatment services for eligible clients by maximizing the use of primary prevention, early detection and management of health care in accordance with all federal mandates.				
Efficiencies:				
Average Cost Per THSteps (EPSDT) Client Receiving Medical Check-ups in Fee for Service Medicaid		100.28		97.68
B.1.3. Strategy: TEXAS HEALTH STEPS (EPSDT)				
DENTAL	\$	<u>249,750,042</u>	\$	<u>263,613,018</u>
Provide dental care in accordance with all federal mandates.				
Efficiencies:				
Average Cost Per THSteps (EPSDT) Dental Client		220.71		212.76
Total, Goal B: MEDICAID SERVICES	\$	<u>437,248,563</u>	\$	<u>467,077,129</u>
C. Goal: HEALTH CARE STANDARDS				
Assure the highest quality services to all Texans across the care continuum. Respond promptly to the public's needs and concerns about health professionals and health facilities.				
C.1.1. Strategy: HEALTH CARE STANDARDS	\$	10,809,283	\$	10,809,283
Implement programs to ensure timely, accurate issuance of licenses, certifications, permits, documentations and placing on a registry for health care professionals and implement cost-effective, efficient, consistent plan to license/certify and provide technical assistance to health care facilities.				
Output (Volume):				
Number of Health Care Professionals Licensed, Permitted, Certified, Registered, or Documented		110,667		111,608
Number of Complaint Investigations Conducted		2,032		2,145
C.2.1. Strategy: LABORATORY	\$	<u>20,840,258</u>	\$	<u>20,840,258</u>
Operate a state-of-the-art reference laboratory to provide essential support to disease prevention and other TDH associateship programs in the isolation, identification, detection and verification of living/nonliving agents which cause disease and disabilities.				

DEPARTMENT OF HEALTH
(Continued)

Output (Volume):
 Work Time Units Produced 17,400,000 18,100,000
C.2.2. Strategy: LABORATORY-BOND DEBT SERVICE \$ 3,140,680 \$ 3,140,680
 Reference laboratory - bond debt service.

Total, Goal C: HEALTH CARE STANDARDS \$ 34,790,221 \$ 34,790,221

D. Goal: EQUITABLE ACCESS

Work to eliminate disparities in health status among all population groups. Reduce rates of diseases and conditions which disproportionately affect minority populations. Allocate public health resources in a rational and equitable manner. Promote equitable access to quality health care and public health education for all populations through private providers, public clinics, and/or private-public cooperative ventures.

Outcome (Results/Impact):

Number of Infant Deaths Per Thousand Live Births (Infant Mortality Rate) 5.5 5.5
 Percentage of Low Birth Weight Births 7.2% 7.1%
 Number of Pregnant Females Age 13-19 Per Thousand (Adolescent Pregnancy Rate) 63.5 62.4

D.1.1. Strategy: WOMEN AND CHILDREN'S HEALTH SRVS

Provide easily accessible, quality and community-based maternal and child health services to low-income women, infants, children and adolescents.

Output (Volume):

Number of Infants <1 and Children Age 1-20 Years Provided Services by the Maternal and Child Health Program 45,366 45,366
 Number of Women Provided Services by the Maternal and Child Health Program 69,538 69,538

D.1.2. Strategy: FAMILY PLANNING

Increase family planning services throughout Texas for adolescents and women.

Output (Volume):

Number of Adults and Adolescents Receiving Family Planning Services 464,883 444,260

Efficiencies:

Average Annual Cost Per Family Planning Client 179.99 192.6

D.1.3. Strategy: SPECIAL NEEDS CHILDREN

Administer the Children with Special Health Care Needs (CSHCN) Program.

Output (Volume):

Number of Children with Special Health Care Needs - CSHCN - Receiving Case Management Services 31,372 31,372

Explanatory:

Number of Clients Removed from Waiting List and Provided Services 250 250

D.1.4. Strategy: ABSTINENCE EDUCATION

Increase abstinence education programs in Texas.

Output (Volume):

Number of Persons Served in Abstinence Education Programs 288,520 288,520

D.2.1. Strategy: COMMUNITY HEALTH SERVICES

Develop systems of primary and preventive health care delivery to alleviate the lack of health care in underserved areas of Texas; and develop and implement program policies that are sensitive and responsive to minority populations.

Total, Goal D: EQUITABLE ACCESS \$ 187,230,998 \$ 189,645,989

**DEPARTMENT OF HEALTH
(Continued)**

E. Goal: COORDINATED HEALTH SYSTEM

Establish a coordinated and unified statewide system of public health. Promote the development of competent and effective health leadership throughout the state, focusing on local level development. Coordinate public health policy and service delivery with state agencies, local government, public and private sectors, and the public.

Outcome (Results/Impact):

Percentage of Reported Cases of Tuberculosis that Are Treated Appropriately

	100%		100%
E.1.1. Strategy: VITAL STATISTICS SYSTEM	\$ 4,955,277	\$	4,955,277

Provide a cost-effective, timely and secure system for recording, certifying, and disseminating information relating to births, deaths, fetal deaths, marriages, and divorces occurring in this state.

Efficiencies:

Average Number of Days to Certify or Verify Records

	15		15
E.1.2. Strategy: HEALTH DATA & POLICY	\$ 2,028,219	\$	2,028,219

Collect, analyze and distribute data concerning health trends, status, and systems as tools for decision-making policy.

Output (Volume):

Number of Requests for Data and Information Completed

	2,800		2,800
E.1.3. Strategy: HEALTH CARE & OUTCOMES	\$ 1,001,803	\$	1,001,803

Collect, analyze and distribute health care data concerning charges, utilization, provider quality, and outcomes.

E.2.1. Strategy: SUPPORT OF INDIGENT HEALTH SERVICES

	\$ 5,600,000	\$	5,600,000
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Provide support to local governments that provide indigent health care services.

E.2.2. Strategy: EMERGENCY HEALTH CARE SYSTEM

	\$ 5,962,433	\$	5,962,433
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Develop and enhance regionalized emergency health care systems.

Output (Volume):

Number of Emergency Health Care Providers (EMS Firms, Hospitals, RACS) Assisted through EMS/Trauma System Funding Programs

	725		725
E.2.3. Strategy: HEALTH CARE FACILITIES	\$ 45,945,231	\$	18,070,522

Provide for more than one level of care for tuberculosis, infectious diseases and chronic respiratory disease patients, provided in systematic coordination among the two facilities and other health care providers.

Output (Volume):

Number of Inpatient Days, Texas Center for Infectious Disease

	26,000		26,000
Number of Outpatient Visits, South Texas Health Care System	50,000		50,000
E.2.4. Strategy: PUBLIC HEALTH SERVICES	\$ 10,264,190	\$	10,264,190

Coordinate essential public health services at the local level through public health regions and affiliated local health departments, emphasizing community involvement.

E.2.5. Strategy: INDIGENT HEALTH REIMBURSEMENT

	\$ 10,000,000	\$	10,000,000
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Reimburse the provision of indigent health services through the deposit of funds in the State-owned Multicategorical Teaching Hospital Account.

Total, Goal E: COORDINATED HEALTH SYSTEM	\$ 85,757,153	\$	57,882,444
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DEPARTMENT OF HEALTH
(Continued)

F. Goal: INDIRECT ADMINISTRATION		
F.1.1. Strategy: CENTRAL ADMINISTRATION	\$ 14,995,999	\$ 14,995,998
F.1.2. Strategy: INFORMATION RESOURCES	\$ 4,710,424	\$ 4,710,422
F.1.3. Strategy: OTHER SUPPORT SERVICES	\$ 12,454,197	\$ 12,454,196
F.1.4. Strategy: REGIONAL ADMINISTRATION	\$ 8,659,539	\$ 8,659,538
	<u> </u>	<u> </u>
Total, Goal F: INDIRECT ADMINISTRATION	\$ 40,820,159	\$ 40,820,154
	<u> </u>	<u> </u>
Grand Total, DEPARTMENT OF HEALTH	\$ 1,712,074,492	\$ 1,706,894,585
	<u> </u>	<u> </u>

Method of Financing:

General Revenue Fund		
General Revenue Fund	\$ 188,322,626	\$ 180,022,621
Earned Federal Funds	4,718,555	4,718,553
GR for Maternal and Child Health Block Grant	40,208,727	40,208,728
GR for HIV Services	27,138,532	27,138,532
GR Match for Medicaid	179,191,062	186,639,644
Vendor Drug Rebates—Public Health	3,529,000	3,529,000
	<u> </u>	<u> </u>
Subtotal, General Revenue Fund	\$ 443,108,502	\$ 442,257,078
	<u> </u>	<u> </u>

General Revenue Fund - Dedicated

Health Department Laboratory Financing Fees (formerly 3595)	3,140,680	3,140,680
WIC Rebates (formerly 3597)	184,350,000	184,350,000
Permanent Fund Tobacco Education & Enforcement Account No. 5044	7,993,590	7,993,590
Permanent Fund Children & Public Health Account No. 5045	3,997,882	3,997,882
Permanent Fund for EMS & Trauma Care Account No. 5046	3,849,692	3,849,692
Community Hospital Capital Improvement Account No. 5048	1,000,361	1,000,361
State Owned Multicategorical Teaching Hospital Account No. 5049	10,000,000	10,000,000
Animal Friendly Account No. 5032	500,000	0
Advisory Commission on Emergency Communications Account No. 5007	2,001,200	2,001,200
Crippled Children Account No. 5009	130,176	130,176
Asbestos Removal Licensure Account No. 5017	2,142,346	2,142,346
Workplace Chemicals List Account No. 5020	659,463	659,463
Certificate of Mammography Systems Account No. 5021	369,163	369,164
Oyster Sales Account No. 5022	252,000	252,000
Food and Drug Registration Account No. 5024	3,787,700	3,787,700
Vital Statistics Account No. 019	2,760,905	2,760,905
Hospital Licensing Account No. 129	1,042,777	1,042,777
Food and Drug Fee Account No. 341	1,571,366	1,571,366
Bureau of Emergency Management Account No. 512	999,176	999,176
Department of Health Public Health Services Fee Account No. 524	9,078,447	9,078,447
	<u> </u>	<u> </u>
Subtotal, General Revenue Fund - Dedicated	\$ 239,626,924	\$ 239,126,925
	<u> </u>	<u> </u>

Federal Funds	976,792,422	1,000,838,645
	<u> </u>	<u> </u>
Other Funds		
Interagency Contracts	10,360,610	10,360,610
Bond Proceeds - General Obligation Bonds	27,874,707	0
Appropriated Receipts	4,980,842	4,980,842
	<u> </u>	<u> </u>

**DEPARTMENT OF HEALTH
(Continued)**

State Chest Hospital Fees and Receipts	1,704,061	1,704,061
TDH Public Health Medicaid Reimbursements	7,626,424	7,626,424
Subtotal, Other Funds	<u>\$ 52,546,644</u>	<u>\$ 24,671,937</u>
Total, Method of Financing	<u>\$ 1,712,074,492</u>	<u>\$ 1,706,894,585</u>
Number of Full-Time-Equivalent Positions (FTE):	4,858.1	4,858.1
Number of FTEs in Riders:	7.5	7.5
Schedule of Exempt Positions:		
Commissioner of Health, Group 6	\$155,000	\$155,000
Supplemental Appropriations Made in Riders:	\$ 60,247,768	\$ 113,427,798
Object-of-Expense Informational Listing:		
Salaries and Wages	\$ 178,202,542	\$ 178,365,334
Other Personnel Costs	4,011,814	4,011,815
Operating Costs	60,324,832	113,504,862
Professional Fees and Services	38,053,661	38,000,472
Fuels and Lubricants	205,100	205,100
Consumable Supplies	6,032,774	6,032,774
Utilities	6,348,537	6,348,537
Travel	6,330,044	6,330,044
Rent - Building	6,516,019	6,516,019
Rent - Machine and Other	1,227,859	1,227,859
Other Operating Expense	125,743,728	130,209,019
Client Services	15,600,000	15,600,000
Client Services	994,803,861	1,026,765,770
Food for Persons - Wards of State	107,543	107,543
Grants	284,372,502	276,345,605
Capital Expenditures	<u>44,441,444</u>	<u>10,751,630</u>
Total, Object-of-Expense Informational Listing	<u>\$ 1,772,322,260</u>	<u>\$ 1,820,322,383</u>

LIMITATIONS ON EXPENDITURES

- Capital Budget.** None of the funds appropriated above may be expended for capital budget items except as listed below. The amounts shown below shall be expended only for the purposes shown and are not available for expenditure for other purposes. Amounts appropriated above and identified in this provision as appropriations either for "Lease payments to the Master Lease Purchase Program" or for items with an "(MLPP)" notation shall be expended only for the purpose of making lease-purchase payments to the Texas Public Finance Authority pursuant to the provisions of Government Code § 1232.103.

	<u>2004</u>	<u>2005</u>
a. Construction of Buildings and Facilities		
(1) Laboratory - Bond Debt Service	\$ 3,140,680	\$ 3,140,680
(2) Construction of Healthcare Facilities	27,874,507	UB
Total, Construction of Buildings and Facilities	<u>\$ 31,015,187</u>	<u>\$ 3,140,680</u>
b. Acquisition of Information Resource Technologies		
(1) Client Access Systems	5,618,650	60,500
(2) Information Systems Improvement	183,000	0

DEPARTMENT OF HEALTH
(Continued)

(3) Surveillance Systems	1,326,300	843,600
(4) Lab Information Systems	430,000	0
Total, Acquisition of Information Resource Technologies	\$ 7,557,950	\$ 904,100
c. Acquisition of Capital Equipment and Items		
(1) Safety and/or Accessibility Equipment	50,000	0
Total, Acquisition of Capital Equipment and Items	\$ 50,000	\$ 0
Total, Capital Budget	\$ 38,623,137	\$ 4,044,780
 Method of Financing (Capital Budget):		
GR Match for Medicaid	\$ 45,750	\$ 0
GR Dedicated - Health Department Laboratory Financing Fees (formerly 3595)	3,140,680	3,140,680
Federal Funds	7,132,200	904,100
 Other Funds		
Appropriated Receipts	430,000	0
Bond Proceeds - General Obligation Bonds	27,874,507	0
Subtotal, Other Funds	\$ 28,304,507	\$ 0
 Total, Method of Financing	 \$ 38,623,137	 \$ 4,044,780

2. **Limitation: Medicaid Transfer Authority.** Notwithstanding any other provision of this Act, none of the funds appropriated by this Act to the Texas Department of Health for

- a. Medicaid Strategies in Goal B; and
- b. D.1.2. Family Planning

may be transferred to any other item of appropriation or expended for any purpose other than the specific purpose for which the funds are appropriated, however, transfers may be made between Medicaid Strategies in accordance with other provisions in this Act.

3. **Transfer Authority.** Subject to the limitations contained in provisions No. 2, Limitation: Medicaid Transfer Authority and No. 45, Children with Special Health Care Needs and notwithstanding any other provision, appropriations contained in this Act to the Department of Health may be transferred from one appropriation item to another appropriation item in amounts not to exceed 25 percent of All Funds for the fiscal year, at the discretion of the Commissioner of Health. Transfers from one appropriation item to another item that exceed the lesser of \$250,000 or 10 percent in All Funds of the appropriation item from which the transfer is made are subject to the approval of the Board of Health, and are subject to the following reporting requirements.

- a. At least 14 days prior to a meeting of the Board of Health to consider or take action on any transfer of funds between items of appropriation notification shall be made to the Governor and the Legislative Budget Board.

DEPARTMENT OF HEALTH
(Continued)

- b. At least 14 days prior to a meeting of the Board of Health to consider any program expansion, notification shall be made to the Governor and the Legislative Budget Board. Program expansion is defined as any modification of current policy that would result in an increase in services delivered or clients served, including any increase in funds budgeted in the program.
- c. Notifications shall include information regarding the source of funds to be transferred; any changes in Federal Funds related to the proposed transfer; the strategy from which the transfer is to be made and the strategy to which the transfer is to be made; the need which was to be served through the original appropriation and the basis for the decrease in need; the need to be served in the strategy receiving the funds and the basis for such selection and the amounts of funds to be spent on direct client services as opposed to both general and operating support costs. In the event program expansions are under consideration, information shall be forwarded regarding the population to be served; criteria for eligibility; source of funding; and impact on existing programs.

Transfers approved by the Commissioner of Health will be reported to the Board of Health, Legislative Budget Board, and the Governor quarterly.

4. Laboratory Funding.

- a. All receipts generated by the Texas Department of Health from laboratory fees during the 2004-05 biennium are hereby appropriated to the Texas Department of Health for transfer to the Texas Public Finance Authority for the payment of debt services on the project revenue bonds.
- b. Appropriations made out of the General Revenue Fund to the Texas Department of Health in Goal F, Indirect Administration, may be transferred for bond debt service payments only if laboratory fees generated by the laboratory during the biennium are insufficient to support the bond debt service, subject to prior approval of the Governor and the Legislative Budget Board and if no funds appropriated to the Department of Health by this Act have been transferred into Goal F, Indirect Administration.

- 5. Appropriations Limited to Revenue Collections.** The Board of Health shall review all of the fee schedules within its authority on an annual basis. The Department of Health shall provide a copy of the report summarizing this review to the Legislative Budget Board and the Governor no later than September 1 of each year in the biennium, with a copy of the final report to be submitted no later than January 1 of each year of the biennium. It is the intent of the Legislature that, to the extent feasible, fees, fines and other miscellaneous revenues as authorized and generated by the department cover, at a minimum, the cost of the appropriations made for the programs listed in the table below, as well as the "other direct and indirect costs" associated with these programs, appropriated elsewhere in this Act. "Other direct and indirect costs" for these programs are estimated to be \$9,180,402 for fiscal year 2004 and \$9,315,188 for fiscal year 2005. In the event that actual and/or projected revenue collections are insufficient to offset the costs identified by this provision, the Legislative Budget Board may direct that the Comptroller of Public Accounts reduce the appropriation authority provided above to be within the amount of revenue expected to be available. This rider shall apply to revenues generated in the following strategies and deposited under the following revenue codes or account numbers:

Strategy	Revenue Code or Account
A.1.2. Food (Meat) & Drug Safety	<ul style="list-style-type: none">• 341 Food & Drug Retail Fee• 5022 Oyster Sales• 5024 Food & Drug Registration

DEPARTMENT OF HEALTH
(Continued)

- Fees deposited into 001 to support Food (Meat) and Drug Safety, including fees deposited under the following revenue codes: 3142 (Food Service Worker Training); 3180 (Health Regulation Fees for Body Piercing and Tattoo Studios, Tanning Facility Fees, and Narcotic Treatment Fees); 3400 (Business Fees-Agriculture, for Renderers Licenses and Milk Industry Products); 3414 (Agriculture Inspection Fees, for Meat Inspection); 3554 (Food and Drug Fees, for Medical Device Wholesalers, Food Drug and Cosmetic Sales, and Frozen Desserts).

A.1.3. Environmental Health

- 5017 Asbestos Removal Licensure
- 5020 Workplace Chemical List
- Fees deposited into 001 to support A.1.3, Environmental Health, including fees deposited under the following revenue codes: 3123 (Glue and Paint Sales Permit); 3141 (Bedding Permit Fees); 3175 (Professional Fees, for Code Enforcement Officers); 3180 (Lead-Based Paint Certification Program); 3555 (Hazardous Substance Manufacture); 3562 (Health Related Professions Fees, for Sanitarian Registration and Pesticide Use and Application Program); and 3573 (Health Licenses for Camps, for Migrant Camps and Youth Camps).

A.1.4. Radiation Control

- 5021 Certificate of Mammography Systems
- Fees deposited into 001 to support A.1.4, Radiation Control, including fees deposited under the following revenue codes: 3589 (Radiation Control).

C.1.1. Health Care Standards

- 129 Hospital Licensing
- 512 Emergency Management
- Fees deposited into 001, Revenue Codes: 3175 (Professional Fees, for Health Services Providers, Athletic Trainers); 3180 (Health Regulation Fees, for Special Care Facilities); 3557 (Health Care Facilities Fees, for Abortion Clinics, Ambulatory Surgical Centers, Birthing Centers and End Stage Renal Disease Facilities); 3560 (Medical Examination and Registration, for Perfusionists, Medical Radiologic Technicians, and Respiratory Therapists); 3562 (Health Related Profession Fees, for Medical Physicists, Hearing Aid Dispensers, Marriage and Family Therapists, Massage Therapists, Respiratory Care Practitioners, Professional Counselors, Dispensing Opticians, Speech Pathologists, Dieticians); 3616 (Social Worker Regulation); and 3727 (Council on Sex Offender Treatment Providers).

E.1.1. Vital Statistics System

- 019 Vital Statistics

6. Medical and Other Reporting Requirements.

- a. None of the funds appropriated by this Act to the Texas Department of Health may be expended or distributed by the department unless:

DEPARTMENT OF HEALTH
(Continued)

- (1) the department submits to the Legislative Budget Board and the Governor a copy of each report submitted to the federal government relating to the Medicaid program, the Maternal and Child Health Block Grant (Title V of the Social Security Act), the WIC program (Child Nutrition Act of 1966, as amended). This shall include, but is not limited to:
- i. expenditure data;
 - ii. caseload data;
 - iii. interest earnings;
 - iv. WIC rebates and Public Health Vendor Drug rebates;
 - v. State plan amendments; and
 - vi. State plan waivers.

Such reports shall be submitted to the Legislative Budget Board and the Governor no later than the date the respective report is submitted to the federal government, and

- (2) the department submits to the Legislative Budget Board and the Governor at the end of each quarter: (i) a report detailing the Medicaid caseload figures and related expenditure amounts for the preceding month; (ii) a report projecting the anticipated Medicaid caseloads for the 36 months period beginning with first month after the report is due; and (iii) a report detailing the CSHCN caseload figures and related expenditure amounts for the preceding month.
- (3) The Department of Health submits data to the Legislative Budget Board and the Governor by the end of each month pertaining to the actuarial data and forecasts of caseloads and costs for the programs identified in subsection a(2). The data shall be sent in a manner to be specified by the Legislative Budget Board and the Governor.
- b. Each report submitted to the Legislative Budget Board and the Governor pursuant to this provision must be accompanied by supporting documentation detailing the sources and methodologies utilized to develop any caseload or cost projections contained in each respective report and any other supporting materials as specified by the Legislative Budget Board and the Governor.
 - c. Each report submitted pursuant to this provision must contain a certification by the person submitting the report, that the information provided is true and correct based upon information and belief together with supporting documentation.
 - d. The Comptroller of Public Accounts shall not allow the expenditure of funds appropriated by this Act to the Texas Department of Health if the Legislative Budget Board and the Governor certifies to the Comptroller of Public Accounts that the Department of Health is not in compliance with this provision.
7. **Funding for Abstinence Sexual Education.** It is the intent of the Legislature that funds appropriated in Strategy D.1.4, Abstinence Education, be utilized for the purpose of implementing abstinence sexual education programs to reduce the need for future family planning services for unwed minors. Abstinence education means materials and instruction which:
- a. present abstinence from sexual activity as the preferred choice of behavior for unmarried persons; and
 - b. emphasize that abstinence from sexual activity, used consistently and correctly, is the only method that is 100 percent effective in preventing pregnancy, sexually transmitted disease, and infection with human immunodeficiency virus or acquired immune deficiency syndrome.

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(Continued)

8. **Prohibition on Abortions.**
 - a. It is the intent of the Legislature that no funds shall be used to pay the direct or indirect costs (including overhead, rent, phones and utilities) of abortion procedures provided by contractors of the department.
 - b. It is also the intent of the legislature that no funds appropriated under Strategy D.1.2, Family Planning, shall be distributed to individuals or entities that perform elective abortion procedures or that contract with or provide funds to individuals or entities for the performance of elective abortion procedures.
 - c. If the department concludes that compliance with b. would result in a significant reduction in family planning services in any public health region of the state, the department may waive b. for the affected region to the extent necessary to avoid a significant reduction in family planning services to the region. This waiver provision shall expire on August 31, 2004, and no waiver shall extend beyond that date.
 - d. The department shall include in its financial audit a review of the use of appropriated funds to ensure compliance with this section.
9. **Family Planning.** Of funds appropriated under Strategy D.1.2, Family Planning, no state funds may be used to dispense prescription drugs to minors without parental consent.
10. **Medical Treatment.** The Texas Department of Health may distribute funds for medical, dental, psychological or surgical treatment provided to a minor only if consent to treatment is obtained pursuant to Chapter 32 of the Texas Family Code. In the event that compliance with this rider would result in the loss of Federal Funds to the state, the department may modify, or suspend this rider to the extent necessary to prevent such loss of funds, provided that prior approval is obtained from the Governor and the Legislative Budget Board.
11. **Reporting of Child Abuse.** The Texas Department of Health may distribute or provide appropriated funds only to recipients which show good faith efforts to comply with all child abuse reporting guidelines and requirements set forth in Chapter 261 of the Texas Family Code.
12. **Trauma Formula Distribution.** It is the intent of the Legislature that the Department of Health allocate monies from the emergency medical services and trauma care system fund in accordance with Health and Safety Code § 773.122(c). It is further the intent of the Legislature that the Department of Health weight the statutory criteria in such fashion that, in so far as possible, 40 percent of the funds are allocated to urban counties and 60 percent of the funds are allocated rural and frontier counties.
13. **Health Care Facilities.** Funds appropriated above and noted in the Capital Budget rider as Hospital Construction for the purpose of healthcare facilities capital budget items may only be expended for capital budget items in the manner provided for by House Bills 1748 and 3504, Seventy-sixth Legislature. Funds appropriated for these projects may only be expended for each phase of the projects after the Department of Health provides a detailed description of the project phase and cost to the Legislative Budget Board and the Governor prior to implementation of the project phase, and the Legislative Budget Board and the Governor approve the plan.
14. **Authorization to Receive, Administer, and Disburse Federal Funds.** The appropriations made herein may be used to match Federal Funds granted to the state for the payment of personal services and other necessary expenses in connection with the administration and operation of a state program of health services. Notwithstanding the General Provisions of this Act, the Texas Board of Health is hereby authorized to receive and disburse in accordance with

DEPARTMENT OF HEALTH
(Continued)

plans acceptable to the responsible federal agency, all federal moneys that are made available (including grants, allotments, and reimbursements) to the state and retain their character as Federal Funds for such purposes, and to receive, administer, and disburse Federal Funds for federal regional programs in accordance with plans agreed upon by the Department of Health and the responsible federal agency, and such other activities as come under the authority of the Texas Board of Health, and such moneys are hereby appropriated to the specific purpose or purposes for which they are granted or otherwise made available. Earned Federal Funds are not considered to be Federal Funds for the purpose of this section.

15. **Medical Assistance Payments and Unexpended Balances.** Funds for Medical Assistance payments appropriated for Medicaid Strategies in Goal B and D.1.2. Family Planning out of the General Revenue Fund for Medicaid services shall be made available to the agency by the Comptroller of Public Accounts in equal monthly installments on the first day of each calendar month; provided, however, that any balances on hand in such funds may be carried over from month to month during each fiscal year and from fiscal year 2004 to fiscal year 2005, and such funds are appropriated to the department for the 2004-05 biennium.
16. **Accounting of Support Costs.** The Comptroller of Public Accounts shall establish separate accounts from which certain support costs shall be paid. The Department of Health is hereby authorized to make transfers into these separate accounts from line item strategies in order to pay for these expenses in an efficient and effective manner. Only costs not directly attributable to a single program may be budgeted in or paid from these accounts. Items to be budgeted in and paid from these accounts include but are not limited to: postage, occupancy costs, equipment repair, telephones, office printing costs, supplies, freight and transport costs, telephone system costs and salary and travel costs of staff whose function supports several programs. The department shall be responsible for monthly allocations of these costs to the original strategies.
17. **WIC (Special Supplemental Program for Women, Infants, and Children) Rebates.** The Department of Health is authorized to receive and expend WIC rebates and interest earnings associated with WIC rebates and such funds are appropriated to the Department of Health. The department shall only expend WIC rebates and interest earnings for the purposes of the WIC program.
18. **Transfers of Appropriations—State-owned Hospital.** The State Texas Center for Infectious Disease shall transfer from non-Medicaid state appropriated funds \$9,859,198 in fiscal year 2004 and \$9,859,198 in fiscal year 2005 to the Health and Human Services Commission. The timing and form of such transfers shall be determined by the Comptroller of Public Accounts in consultation with the Health and Human Services Commission. The Governor and the Legislative Budget Board are authorized to adjust the amounts of such transfers as necessary to match available Federal Funds.
19. **State Health Care Facility Provisions.** The State Health Care Facilities (formerly known as State Chest Hospitals) operated by the Department of Health are the South Texas Health Care Center System (formerly known as the South Texas Hospital) and the Texas Center for Infectious Disease. The provisions applying to the State Health Care Facilities are as follows:
 - a. Out of the funds appropriated above, the Directors of the State Health Care Facilities are authorized a house and utilities in addition to salary.
 - b. The professional liability insurance premiums may be paid for physicians employed by the State Health Care Facilities out of the appropriations from the fees for physician services.

DEPARTMENT OF HEALTH
(Continued)

- c. It is the intent of the Legislature that the Department of Health develop interagency agreements with the Texas Department of Mental Health and Mental Retardation (TDMHMR) so that medical and surgical services, auxiliary services, pharmacy and laboratory services and other support services of TDMHMR facilities are provided to the extent possible by the two State Health Care Facilities. The Texas Center for Infectious Disease shall provide utilities and inpatient treatment and care services to the San Antonio State Hospital and the San Antonio State School without reimbursement.
 - d. Out of the funds appropriated above the South Texas Health Care System shall support medical education through the South Texas Family Practice Residency Program-McAllen with the cooperation of the University of Texas Health Science Center at San Antonio.
 - e. Third party collections (appropriated receipts) collected by the Department of Health State Health Care Facilities are hereby appropriated to Strategy E.2.3, Health Care Facilities, for the provision of services.
20. **Immunization of Employees.** Moneys appropriated above may be expended for any immunization which is required of employees at risk in the performance of their duties.
21. **Professional Liability Insurance Premiums.** From the appropriations made above, the department may also pay the professional liability premiums for those physicians, dentists, hygienists, nurses, and other medical personnel involved in providing medical and dental care in the department's clinical operations.
22. **Reimbursement of Advisory Committee Members.** Pursuant to Government Code § 2110.004, reimbursement of expenses for advisory committee members, out of funds appropriated above not to exceed \$200,000 per fiscal year, is limited to the following advisory committees: Family Planning Advisory Council, State Preventive Health Advisory Committee, Oral Health Advisory Committee, Texas Radiation Advisory Board, Hospital Preparedness Planning Committee, Bioterrorism Preparedness and Response Committee, and Preparedness Coordinating Council.
- Pursuant to Government Code § 2110.004, reimbursement of expenses for advisory committee members, out of funds appropriated above, is limited to any advisory committee member who represents either the general public or consumer on the following advisory committees: Texas HIV Medication Program Advisory Committee, Children with Special Health Care Needs Advisory Committee, Device Distributors and Manufacture's Advisory Committee, Registered Sanitarian Advisory Committee, Code Enforcement Officer's Advisory Committee, Promotora Advisory Committee, Asbestos Advisory Committee, Opticians' Registry Advisory Committee, Medical Radiological Technologist Advisory Committee, Respiratory Care Practitioners Advisory Committee, and Governor's Emergency Medical Services and Trauma Advisory Council.
- To the maximum extent possible, the department shall encourage the use of videoconferencing and teleconferencing and shall schedule meetings and locations to facilitate the travel of participants so that they may return the same day and reduce the need to reimburse members for overnight stays.
23. **Appropriation of Receipts: Civil Monetary Damages and Penalties.** Out of funds appropriated above related to civil monetary damages and penalties under Health and Safety Code § 431.047, there are appropriated to the department amounts equal to the costs of the investigation and collection proceedings conducted under that section, and any amounts collected as reimbursement for claims paid by the department.

DEPARTMENT OF HEALTH
(Continued)

24. **Unexpended Balances-Prevention and Promotion.** Subject to the approval of the Board of Health, all unexpended balances, including General Revenue and All Funds, not otherwise restricted from appropriations to Goal A: Prevention and Promotion, at the close of the fiscal year ending August 31, 2004, are hereby appropriated for the fiscal year beginning September 1, 2004. The Department of Health shall submit a report to the Legislative Budget Board and the Governor identifying any appropriations carried forward into fiscal year 2005 pursuant to this provision no later than 14 days after Board approval. The report shall be prepared in a format prescribed by the Legislative Budget Board.
25. **Contingent Revenue, Food and Drug Retail Fees.** The Department of Health is hereby appropriated any additional revenues generated in General Revenue-Dedicated Account No. 341, Food and Drug Retail Fees, above the amounts identified in fiscal years 2004 and 2005 for Account No. 341 in the Comptroller of Public Accounts' Biennial Revenue Estimate, for the purpose of restaurant inspections. The dollar amounts identified above in the Method of Financing are contained in the Comptroller of Public Accounts' Biennial Revenue Estimate 2004-05 for Revenue Objects deposited into Account No. 341.
26. **Laboratory Revenue.** The Department of Health is hereby appropriated any additional laboratory revenues, generated in General Revenue-Dedicated Account No. 524, above the amounts identified in fiscal years 2004 and 2005 for Account No. 524 in the Comptroller of Public Accounts' Biennial Revenue Estimate, for the purpose of laboratory operations. This appropriation does not include any amounts deposited into Revenue Object 3561. The dollar amounts above are contained in the Comptroller of Public Accounts' Biennial Revenue Estimate 2004-05 for Revenue Objects deposited into Account No. 524 and exclude amounts estimated for Revenue Object 3561. Laboratory revenues deposited into Revenue Object No. 3561 are statutorily dedicated for laboratory debt service and may not be used for any other purpose.
27. **Asbestos Revenue.** The Department of Health is hereby appropriated any additional revenues generated in General Revenue-Dedicated, Account No. 5017, Asbestos Removal Licensure, above \$3,648,562 in fiscal year 2004 and \$3,648,562 in fiscal year 2005, for the purpose of asbestos inspections and regulatory activities. The dollar amounts above are contained in the Comptroller of Public Accounts' Biennial Revenue Estimate 2004-05 for Revenue Object 3175 deposited into General Revenue-Dedicated, Account No. 5017, Asbestos Removal Licensure.
28. **Additional Appropriation for Quality Patient Care Regulation.** The Texas Department of Health is hereby appropriated for the biennium any revenues above the Biennial Revenue Estimate that are deposited in the General Revenue Fund by the Department of Health under Comptroller Objects 3616, 3560, and 3562 for the purpose of regulating social workers, health-related professionals (marriage and family therapists, dietitians, medical physicists, respiratory care practitioners, and massage therapists), and midwifery training. Funds appropriated in this item may be transferred to the appropriate strategies for the purpose of regulating social workers, health related professionals, and midwifery training.
29. **State Health Programs Drug Manufacturer Rebates.** The Department of Health is authorized to receive and expend drug rebates and interest earnings associated with Kidney Health Care (KHC) drug rebates and Children with Special Health Care Needs (CSHCN) drug rebates and such funds are appropriated to the Department of Health. The department shall only expend the drug rebates and interest earnings for the purpose of client services for the KHC and CSHCN programs. The department shall establish a preference, within these programs, for the purchase of pharmaceutical products from those manufacturers that participate in the State Health Programs Drug Manufacturer Rebate Program for the CSHCN program and the KHC program.

DEPARTMENT OF HEALTH
(Continued)

30. **Childhood Lead Registry.** Out of funds appropriated above in Strategy A.3.3, Preventable Diseases, a total of \$80,700 in total funds and \$65,000 in General Revenue funds each fiscal year of the 2004-05 biennium shall be used for the Childhood Lead Registry.
31. **Performance of Licensing Entities.** The Department of Health shall provide performance information to the Legislative Budget Board and the Governor no later than December 1 of each year for each board or other entity that licenses, certifies, or registers health professionals attached to or within the purview of the Department of Health. For each board or other entity, the department shall provide the following for the previous fiscal year:
 - a. Number of Professionals Licensed/Certified/Placed on a Registry;
 - b. Number of New License/Certificate Applications Received;
 - c. Total Number of Complaints Received;
 - d. Total Number of Jurisdictional Complaints Resolved; and
 - e. Total Number and Type of Disciplinary Actions Taken.
32. **Performance Reporting for TDH Hospital.** The Department of Health shall submit to the Legislative Budget Board and the Governor the following information on a quarterly basis regarding hospital performance: revenue collections at the hospital, by payor type; number of inpatient patients served on a monthly basis, by type of service provided; and number of outpatient patients served on a monthly basis, by type of service provided.
33. **Notification of Regional Funds Distribution.** The Department of Health shall notify the Legislative Budget Board and the Governor of the allocation methodology or formula used to allocate funds and provide an impact analysis of any changes from the previous year's formula or percentage allocations, by public health region, at least 30 days prior to allocations made out of funds appropriated above in Strategy D.1.1, Women and Children's Health Services.
34. **Transfer for Health Professions Council.** Out of funds appropriated above in Strategy C.1.1, Health Care Standards, an amount equal to \$13,465 in fiscal year 2004 and \$14,741 in fiscal year 2005 shall be used for transfer to, and expenditure by, the Health Professions Council as the pro-rated assessment of the Health Licensing Division of the Department of Health.
35. **Increase Immunization.** The Department of Health shall report to the Legislative Budget Board and the Governor no later than September 30 of each year of the biennium on plans to increase immunization rates in Texas, focusing on immunization of pre-school age children. It is the intent of the Legislature that this report be used by the department in managing state and federal resources to increase immunization rates. The report shall detail the following:
 - a. Methodology used to determine rates of immunization;
 - b. Current immunization rates by geographic region of the state, where available, focusing on areas in which pre-school children are immunized at rates less than the state average;
 - c. Specific approaches planned for the fiscal year of the report to address geographic areas of under-immunization, including:
 - (1) Changes to agency procedures to more effectively reach under-immunized areas;
 - (2) Contracted services and contract provisions to focus on under-immunized areas;
 - (3) Performance measures, relating to increased immunization rates, which will be included in contract provisions;
 - (4) Estimated cost for each approach; and
 - d. Estimates of the impact that each approach will make individually, and that the approaches will make collectively, to increase immunization rates (for geographic areas when appropriate) and to change other appropriate performance measures.

DEPARTMENT OF HEALTH
(Continued)

36. **Rabies Control.** Out of amounts appropriated above, up to \$4,761,337 is appropriated in each fiscal year of the 2004-05 biennium to Strategy A.3.3, Preventable Diseases, for zoonotic disease control, including rabies control.
37. **Reducing the Incidence of Vibrio Vulnificus.** Out of the funds appropriated in the Food (Meat) and Drug Safety, the Department of Health shall allocate up to \$100,000 in fiscal year 2004 and \$100,000 in fiscal year 2005 in the General Revenue Dedicated, Account No. 5022, Oyster Sales, for the purpose of reducing the incidence of *Vibrio vulnificus*. Appropriation of these funds does not preclude the use of other funds (such as federal or other grants, donations, or awards) to carry out the activities by the Department of Health as provided for herein.
38. **Expenditures Related to School Health.** The Department of Health shall expend up to \$3,241,189 for the biennium in total funds, for the purpose of school health services. Further, the Department of Health shall continue to award new contracts for school health services at the rate of at least two per contract award period of the biennium. Nothing in this provision is intended to require the department to contract with an applicant that does not meet the department's qualification criteria.
39. **Use of Community Health Services Funds.** It is the intent of the Legislature that up to \$5 million in FY 2004 and \$5 million in FY 2005 of the funds appropriated in Strategy D.2.1. be expended exclusively to sustain existing Federally Qualified Health Centers (FQHCs) and to aid FQHCs through grants to existing or new institutions seeking to become FQHCs for planning, grant writing, initial operating costs, and initial capital costs. Any unused funds after March 1 of each year and all other funds appropriated in Strategy D.2.1, Community Health Services shall be used solely for the provision of direct primary care services through the continuation of the Primary Healthcare Program for existing FQHCs and non-FQHCs, with the exception of a total of \$1,018,000 for the 2004-05 biennium appropriated in the strategy for the Office of Minority Health and Parkland Senior Care. No greater than \$800,000 may be used each year for administrative expenses.
40. **State Owned Multi-categorical Teaching Hospital Account.** Out of funds appropriated above in Strategy E.2.5, Indigent Health Reimbursement, from the State Owned Multi-categorical Teaching Hospital Account No. 5049 ("Account"), and contingent upon legislation being enacted to limit the dedication of unclaimed lottery proceeds to the first \$20,000,000 for this purpose, and contingent upon this amount being collected and deposited in the Account; the amount of \$20,000,000 is allocated to the Department of Health for reimbursement to University of Texas Medical Branch at Galveston (UTMB) for the provision of health care services provided to indigent patients. All unexpended balances at the close of the fiscal year ending August 31, 2004, are hereby appropriated for the fiscal year beginning September 1, 2004.

Upon presentation of information supporting UTMB's claim, the Department of Health shall reimburse UTMB for the health care services provided to indigent patients from the Account established for this purpose. The reimbursement from the Account shall be based upon a rate equal to 90 percent of the Medicaid fee-for-service rate in effect at the time of service for UTMB. This reimbursement shall be made monthly upon the submission to the Department of Health of a statement of the care provided by UTMB to indigent patients. UTMB is authorized to charge patient co-payment amounts for providing health care services, however, UTMB is not entitled to reimbursement for the Account for these co-payment amounts. The Office of the State Auditor will periodically review the statements submitted to the Department of Health for reimbursement from the Account, as well as the disbursement therefrom, to verify compliance with the criteria established herein.

DEPARTMENT OF HEALTH
(Continued)

41. **Appropriation of License Plate Revenue.** Out of funds appropriated above, the Department of Health shall allocate \$500,000 from revenues deposited in the General Revenue-Dedicated Fund, Account No. 5032, Animal Friendly, under § 828.014 of the Health and Safety Code for fiscal year 2004. Any unexpended balances as of August 31, 2004, from the amounts appropriated may be carried forward into fiscal year 2005.
42. **Emergency Care Attendant (ECA) Training.** Out of funds appropriated above, the Department of Health shall allocate \$261,065 in fiscal year 2004 and \$251,065 in fiscal year 2005 for the purpose of providing training grants to local Emergency Medical Services (EMS) instructors to conduct Emergency Care Attendant courses in or near communities lacking local training resources. The Department of Health shall contract with certified EMS instructors to conduct the 40-hour Emergency Care Attendant courses.
43. **End Stage Renal Disease.** Out of funds appropriated above in Strategy C.1.1, Health Care Standards, to the Department of Health, up to \$368,000 in General Revenue per year is allocated for the purpose of regulating End Stage Renal Disease facilities.
44. **Kidney Health Care Revenue.** The Department of Health is appropriated any new additional revenues generated from co-pays that are assessed by the Kidney Health Care program, are deposited in General Revenue-Dedicated Account 0524 in an amount not to exceed and included above in Strategy A.3.4, Chronic Disease Services in the amount of \$2.8 million for the biennium. The additional revenues are appropriated for the purpose of client services in the Kidney Health Care program. This appropriation does not include laboratory revenues deposited in General Revenue-Dedicated Account 524 under Revenue Object 3595, any amounts deposited into Revenue Object 3561, which are statutorily dedicated for laboratory debt service and may not be used for any other purpose, any co-pays deposited for the purpose of the HIV Medication program, or any revenues deposited for the purpose of administering the J-1 Visa Waiver Program.
45. **Children with Special Health Care Needs.**
 - a. The Department of Health shall calculate and reserve from transfer the amount of General Revenue and Federal Funds needed to provide services to children who are enrolled in the Children's Health Insurance Program and who also are eligible through the Children with Special Health Care Needs Program to receive health care benefits excluding family support services not provided in the CHIP benefits package.
 - b. Amounts appropriated above to the Department of Health in Strategy D.1.3, Special Needs Children may only be transferred to Strategy E.2.1, Support of Indigent Health Services, to the Health and Human Services Commission Strategy B.2.4, Premium: Children/Medically Needy. Transfers to the Health and Human Services Commission from Department of Health Strategy D.1.3, Special Needs Children, may only be made if General Revenue is made available by CSHCN-eligible children becoming eligible for Medicaid. Any transfers pursuant to this provision are subject to prior notification to the Legislative Budget Board and the Governor that such a transfer is to take place. Funds may not be transferred from Strategy D.1.3, Special Needs Children, if such a transfer would result in a loss of, or reduction in, services or a loss of, or reduction in, persons otherwise eligible for CSHCN services. Notwithstanding any other provisions contained in this Act, no transfers shall be made out of Strategy D.1.1, Women and Children's Health Services. Further, the department shall make expenditures from Strategy D.1.3, Special Needs Children, from state funds in proportion to the source of funds budgeted for the strategy. The department shall report quarterly on compliance with this provision to the Legislative Budget Board and the Governor. The Comptroller of Public Accounts shall monitor compliance with these provisions and establish additional procedures, if necessary.

DEPARTMENT OF HEALTH
(Continued)

- c. The Department of Health shall evaluate actuarial projections and projected expenditures for the Children with Special Health Care Needs program on a quarterly basis. If the department makes a finding of fact that projected expenditures are less than projected available appropriations for that fiscal year, the department shall first report this finding and related analysis to the Legislative Budget Board and Governor at least 30 days prior to adding clients from the waiting list to the program rolls. The department should add clients from the waiting list in order that projected expenditures equal projected available appropriations for the fiscal year.
- d. The Department of Health is directed to:
 - (1) Reduce provider reimbursement rates for Title V providers to mirror reductions in provider reimbursement rates for Medicaid providers.
 - (2) Establish 6 month continuous eligibility limitations consistent with the 6 month continuous eligibility limitations in effect in the Medicaid program.
 - (3) Make programmatic changes to achieve cost effectiveness within the CSHCN program without reducing the quality of care provided to CSHCN clients and their families.

46. **Informational Listing - Permanent Funds and Endowments.** The following is an informational list of the amounts used to capitalize Permanent Funds and Endowments created by House Bill 1676, Seventy-sixth Legislature, and does not make appropriations.

Permanent Fund for Children and Public Health	\$ 100,000,000
Permanent Fund for Tobacco Education and Enforcement	\$ 200,000,000
Permanent Fund for Emergency Medical Services and Trauma Care	\$ 100,000,000
Community Hospital Capital Improvement Fund (Small Urban Hospitals)	\$ 25,000,000

47. **Estimated Appropriation and Unexpended Balance.** The estimated amounts appropriated above out of the Permanent Fund for Tobacco Education and Enforcement, the Permanent Fund for Children and Public Health, the Permanent Fund for Emergency Medical Services and Trauma Care, and the Community Hospital Capital Improvement Fund (Small Urban Hospitals) are out of the available earnings of the funds. Available earnings in excess of the amounts estimated above are appropriated to the Texas Department of Health. In the event that amounts available for distribution or investment returns are less than the amounts estimated above, this Act may not be construed as appropriating funds to makeup the difference. Any unexpended appropriations made above as of August 31, 2004, are hereby appropriated to the same agencies and institutions for the same purposes for fiscal year 2005.
48. **Administration of Public Health Funds.** Funds are appropriated above out of the Permanent Fund for Tobacco Education and Enforcement, the Permanent Fund for Children and Public Health, the Permanent Fund for Emergency Medical Services and Trauma Care, and the Community Hospital Capital Improvement Fund (Small Urban Hospital) for the purpose of implementing House Bill 1676, Seventy-sixth Legislature, 1999. In no event may the administrative costs to implement the provisions of the bill exceed 3 percent. Grants and program costs must compose at least 97 percent of the expenditures to implement the provisions of the bill. Out of the appropriation from the Permanent Fund for Tobacco Education and Enforcement, the Texas Department of Health may reimburse members of an advisory committee related to the Permanent Fund for Tobacco Education and Enforcement if the department appoints an advisory committee.

DEPARTMENT OF HEALTH
(Continued)

49. Tobacco Use Goals.

a. It is the intent of the Legislature that the Texas Department of Health or any other grantee or agency that receives funds for tobacco reduction or cessation in the State of Texas create the following goals;

- (1) In areas where the state funds tobacco cessation programs at a level of \$3.00 per capita, there should be a demonstrated reduction in underage use of cigarettes, snuff, and smokeless tobacco of 60 percent by the year 2010 by all Texans 22 years and younger; and
- (2) In areas where the state funds tobacco prevention and cessation programs at a level of \$3.00 per capita, the use of cigarettes, snuff, and smokeless tobacco by all Texans 22 years and younger should be eliminated by the year 2018.

b. The agency should focus on achieving these goals by creating and using programs permitted under § 403.105, Government Code.

c. The Texas Department of Health, or any other grantee or agency receiving funds for tobacco reduction or cessation in the state, shall prepare a report by December 1, 2004, on the agency's progress in achieving the above goals. The report shall include an evaluation of the agency's progress and recommendations on how to improve the programs. The report shall be submitted to the Seventy-ninth Legislature.

50. Automated External Defibrillator (AED) Placement in State Buildings. Out of funds appropriated above, the Department of Health shall allocate \$125,000 in fiscal year 2004 and \$125,000 in fiscal year 2005 for the purchase and placement of AEDs in state-owned and leased buildings. These placements should occur in a manner consistent with the study authorized by Senate Bill 531, Seventy-seventh Legislature. The department shall establish criteria to identify up to 100 key locations for placement by December 31, 2003.

51. Regional Emergency Medical Dispatch Resource Center Pilot Program. Out of funds appropriated above in Strategy E.2.2, Emergency Health Care System, \$75,000 in funds from the Advisory Commission on Emergency Communications Account No. 5007 shall be allocated, in each fiscal year of the 2004-05 biennium, to support the regional emergency medical dispatch resource center pilot program. A political subdivision participating in the pilot program may enter into contract with the Department of Health to pay an appropriate share of the cost. The Department of Health is also authorized to seek additional grant funding for the program.

52. Funding for the Children's Outreach Heart Program. Out of funds appropriated above in Strategy A.3.4, Chronic Disease Services, \$247,000 in General Revenue funds in each fiscal year of the 2004-05 biennium shall be used for the purposes of the Children's Outreach Heart Program.

53. County Indigent Health Care. The Texas Department of Health may not distribute more than 35 percent of the total funds appropriated for the County Indigent Health Care program strategy to any single county. If funds remain due to a lack of counties which meet the threshold for participation, the department may carry forward the remaining balance and shall direct those funds to the Primary Health Care Program in the Community Health Services strategy.

54. Small Urban Hospitals. Out of funds appropriated above in funds from the Community Hospital Capital Improvement Account No. 5048 to the Texas Department of Health in Strategy E.2.3, Health Care Facilities, the amount of one million dollars for the 2004-05 biennium is allocated to the department for the purposes of providing funds to small urban hospitals.

DEPARTMENT OF HEALTH
(Continued)

55. **HIV Medications Program.** The Department of Health is hereby appropriated any additional revenues generated from co-pays that are assessed by the HIV Medication program, are deposited in General Revenue-Dedicated Account 0524 and are above the amounts identified for fiscal years 2004 and 2005 in the Comptroller of Public Account Biennial Revenue estimate. The additional revenues are appropriated for the purchase of medications for the treatment of HIV disease. This appropriation does not include laboratory revenues deposited in General Revenue-Dedicated Account 0524 under Revenue Object 3595 or any amounts deposited into Revenue Object 3561, which are statutorily dedicated for laboratory debt service and may not be used for any other purpose.
56. **J-1 Visa Waiver Program.** The Department of Health is hereby appropriated any additional revenues generated from administrative fees assessed by the J-1 Visa Waiver Program, are deposited in General Revenue-Dedicated Account 0524 and are above the amounts identified for fiscal years 2004 and 2005 in the Comptroller of Public Accounts Biennial Revenue estimate. The additional revenues are appropriated for the purpose of administering the J-1 Visa Waiver Program for physicians serving in health professional shortage areas. This appropriation does not include laboratory revenue deposited in General Revenue-Dedicated Account 524 under Revenue Object 3595, any amounts deposited into Revenue Object 3561, which are statutorily dedicated for laboratory debt service and may not be used for any other purpose, or any co-pays deposited under Revenue Object for the purpose of the HIV Medication Program.
57. **Nuisance Surveys for the Economically Disadvantaged Communities Program.** The Commission on Environmental Quality (TCEQ) and the Water Development Board (WDB) shall reimburse the Department of Health (TDH) for costs incurred by the agency in conducting nuisance surveys for applicants for financial assistance through the Economically Disadvantaged Communities program administered by the Water Development Board. TCEQ and WDB shall each reimburse such costs through Interagency Contracts with TDH in an amount not to exceed a total of \$125,000 per agency for the biennium beginning on September 1, 2003.
58. **Medically Fragile Children.** It is the intent of the Legislature that the Texas Department of Health provide appropriate general revenue funding in fiscal years 2004 and 2005 in strategy D.1.3, Special Needs Children, for programs specifically designed for medically fragile children, the most critical of the children with special health care needs. These programs should match state funds with private funds and follow the guidelines and criteria developed through the pilot program for medically fragile children established and funded by Rider 57 to the appropriations made to the Department of Health during the 77th Legislature, Regular Session.
59. **Alternate Funds for Capital Budget.** The Department of Health is authorized to transfer funds from elsewhere in the agency's budget into the capital budget in order to finance the project identified in the capital budget as "Information Resources" in the amount of \$47,750 for the biennium. Amounts identified would be an alternative Method of Financing and not in addition to the amounts authorized. The agency shall notify the Legislative Budget Board, the Governor, and the Comptroller of Public accounts 30 days prior to such a transfer regarding the source of funds to be utilized and the strategy from which the funds shall be transferred.
60. **Additional Transfer Authority: State-funded Immunizations.** Subject to the limitations on transfer authority prescribed by Rider 2 and by Rider 3, the Department of Health may transfer appropriations from one or more other appropriation items to appropriation item A.3.2, Immunizations, in the amounts the commissioner of public health or the Board considers necessary for the purpose of providing current and effective immunizations coverage for recipients of state-funded immunizations comparable to the immunizations coverage received by persons covered by the state Medicaid program or private insurance.

DEPARTMENT OF HEALTH
(Continued)

61. **Renovations at the Texas Center for Infectious Disease.** None of the funds appropriated to the Department of Health may be expended for the purpose of renovations at the Texas Center for Infectious Disease. Funds appropriated may only be expended to construct a new facility at the University of Texas Health Science Center at San Antonio.
62. **Contingency Appropriation for House Bill 1567: Perpetual Care Account.** Contingent upon passage of House Bill 1567, or similar legislation relating to the creation, management, and use of the Perpetual Care Account in the General Revenue Fund, the Texas Department of Health (TDH) is hereby appropriated any revenues, including the proceeds of securities, deposited to the credit of the Perpetual Care Account during the biennium beginning September 1, 2003 (estimated to be \$143,000 each fiscal year). These funds shall be used for purposes authorized in Health and Safety Code, § 401.305. Funds appropriated herein may be transferred to other appropriate strategies to implement the provisions set out in Health and Safety Code, § 401.305.
63. **Contingency Appropriation for House Bill 15.** Contingent upon the enactment of House Bill 15 or similar legislation relating to the regulation of abortion by the Seventy-eighth Legislature, Regular Session, and contingent upon the department generating \$480,916 in revenues deposited to the credit of General Revenue during the biennium in accordance with the provisions of that Act, the Department of Health is hereby appropriated \$218,150 in 2004 and \$198,831 in 2005 out of General Revenue funds generated by the department in association with the provisions of House Bill 15 for the purpose of implementing that Act. Also contingent upon the enactment of House Bill 15 or similar legislation, the number of Full-Time Equivalent Positions (FTE) for the Department of Health is hereby increased for each fiscal year of the biennium beginning September 1, 2003, by half of an FTE. Funds appropriated in this item may be transferred to other appropriate strategies for the purpose of implementing that Act. In no event shall the amount expended out of, or transferred from, this appropriation exceed the amount of additional revenues generated pursuant to House Bill 15.
64. **Contingency Appropriation for House Bill 329.** Contingent upon the enactment of House Bill 329 or similar legislation relating to the regulation of mold assessors and remediators by the Seventy-eighth Legislature, Regular Session, and contingent upon the department generating \$816,750 in revenues deposited to the credit of General Revenue during the biennium in accordance with the provisions of that Act, the Department of Health is hereby appropriated \$411,985 in 2004 and \$308,633 in 2005 out of General Revenue for the purpose of implementing that Act. Also contingent upon the enactment of House Bill 329 or similar legislation, the number of Full-Time Equivalent Positions (FTE) for the Department of Health is hereby increased for each fiscal year of the biennium beginning September 1, 2003, by six FTEs. Funds appropriated in this item may be transferred to other appropriate strategies for the purpose of implementing that Act. In no event shall the amount expended out of, or transferred from, this appropriation exceed the amount of additional revenues generated pursuant to House Bill 329.
65. **Contingency Appropriation for House Bill 660.** Contingent upon the enactment of House Bill 660 or similar legislation relating to the access to criminal history record information by certain licensing and regulatory agencies by the Seventy-eighth Legislature, Regular Session, the Department of Health is hereby appropriated any revenues collected as a result of the implementation of that Act in excess of the amounts included in the Comptroller's Biennial Revenue Estimate for fiscal year 2004 and fiscal year 2005 for General Revenue Fund Revenue Objects 3175, 3560, 3562, and 3616. In no event shall the amount expended out of this appropriation exceed the amount of additional revenues generated pursuant to House Bill 660.
66. **Contingency Appropriation for Senate Bill 1409.** Contingent upon the enactment of Senate Bill 1409 or similar legislation relating to funding and extending the expiration date of the regional emergency medical dispatch resource center pilot program by the Seventy-eighth Legislature, Regular Session, and contingent upon the generation of revenues of \$42,280 in

DEPARTMENT OF HEALTH
(Continued)

fiscal year 2004 deposited to General Revenue Dedicated Account No. 5007 above amounts contained in the Comptroller of Public Accounts' Biennial Revenue Estimate and the generation of \$257,169 for the biennium in Other Funds from participating political subdivisions, the department is hereby appropriated \$42,280 from General Revenue Dedicated Account No. 5007 and \$257,169 in Other Funds for the biennium for the purpose of implementing that Act. Also contingent upon the enactment of Senate Bill 1409 or similar legislation, the number of Full-Time Equivalent Positions (FTE) figure indicated in the bill pattern for the Department of Health is hereby increased for each fiscal year of the biennium beginning September 1, 2003, by one FTE. In no event shall the amount expended out of, or transferred from, this appropriation exceed the amount of additional revenues generated pursuant to Senate Bill 1409.

67. **Contingent Revenue Mammography Certification Fees.** Contingent upon the Department of Health being authorized by the Food and Drug Administration (FDA) to be a certifying body for the purpose of certification of mammography facilities, all revenues above amounts identified in the Biennial Revenue Estimate for 2004-05 and deposited into the Certificate of Mammography Systems Account No. 5021 are hereby appropriated to the Department of Health.
68. **Contingency Appropriation for House Bill 3588.** Contingent upon enactment of House Bill 3588, or similar legislation relating to the construction, acquisition, financing, maintenance, management, operation, ownership, and control of transportation facilities and the progress, improvement, policing, and safety of transportation in the state, \$59,338,603 in fiscal year 2004 and \$112,613,914 in fiscal year 2005 in funds deposited in the trauma facility and emergency medical services account established under the bill are hereby appropriated to the Department of Health. These funds shall be used to fund designated trauma facilities, county and regional emergency medical services, and trauma care systems. Of the funds appropriated from this account, the Commissioner of Health shall maintain a reserve of \$500,000 for extraordinary emergencies.

HEALTH AND HUMAN SERVICES COMMISSION

For the Years Ending
August 31, August 31,
2004 2005

A. Goal: IMPROVE SERVICE DELIVERY

The Health and Human Services Commission will improve the effectiveness and efficiency of the delivery of health and human services in Texas.

Outcome (Results/Impact):

Percent of Offices Co-located

57%

57%

A.1.1. Strategy: SYSTEM INTEGRATION

\$ 14,332,425 \$ 15,607,675

Improve the operations of health and human service agencies in the functional areas of financial services, planning and evaluation, business system operations and coordination of service delivery.

B. Goal: MEDICAID

Improve the efficiency and effectiveness of the state Medicaid system. Develop a comprehensive approach to provide eligible Medicaid client health care services that are integrated with other direct service delivery programs.

Outcome (Results/Impact):

Dollars Recovered by OIE as Percentage of OIE Expenditures

747

747

Medicaid Acute Care Recipient Months Per Month

2,450,868

2,478,652

Medicaid Acute Care Cost Per Recipient Month

186.66

191.86

B.1.1. Strategy: STATE MEDICAID OFFICE

\$ 589,709 \$ 589,709

Set the overall policy direction of the state Medicaid program, and manage interagency initiatives to maximize federal dollars and improve quality of services by serving as the single state Medicaid agency.

Output (Volume):

Medicaid Acute Care Recipient Months Per Month: Managed Care

975,258

1,015,062

B.1.2. Strategy: INVESTIGATIONS AND ENFORCEMENT

\$ 10,709,667 \$ 10,709,667

Investigate fraud, waste and abuse in the provision of health and human services, enforce state law relating to the provision of those services, and provide utilization assessment and review of Medicaid client assessment.

Efficiencies:

Average Dollars Recovered and Saved Per Completed

Medicaid Provider Investigation

80,000

80,000

B.1.3. Strategy: MEDICAID RATE SETTING FUNCTION

\$ 2,252,188 \$ 2,252,188

Administer Medicaid rate setting function.

B.1.4. Strategy: INFORMAL DISPUTE RESOLUTION

\$ 650,930 \$ 650,930

Administer informal dispute resolution for certain long-term care facilities.

Efficiencies:

Percent of Reviews Completed Within Designated Timeframes

84

84

B.2.1. Strategy: PREMIUMS: AGED & DISABLED

\$ 2,021,482,263 \$ 2,018,623,242

Provide medically necessary health care in the most appropriate, accessible, and cost effective setting to Medicaid aged and Medicare-related persons and Medicaid disabled and blind persons.

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B.2.2. Strategy: PREMIUMS: TANF ADULTS & CHILDREN	\$ 749,836,000	\$ 675,771,199
Provide medically necessary health care in the most appropriate, accessible, and cost effective setting to Temporary Assistance for Needy Families (TANF) adults and TANF-related children.		
B.2.3. Strategy: PREMIUMS: PREGNANT WOMEN	\$ 845,977,147	\$ 783,418,780
Provide medically necessary health care in the most appropriate, accessible, and cost effective setting to Medicaid eligible pregnant women.		
B.2.4. Strategy: PREMIUMS: CHILDREN/MEDICALLY NEEDY	\$ 2,610,766,279	\$ 2,686,359,037
Provide medically necessary health care in the most appropriate, accessible, and cost effective setting to newborn infants and Medicaid eligible children above the Temporary Assistance for Needy Families (TANF) income eligibility criteria, and medically needy persons.		
B.2.5. Strategy: MEDICARE PAYMENTS	\$ 624,129,317	\$ 690,716,597
Provide accessible premium-based health services to certain Title XVIII Medicare eligible recipients.		
Output (Volume):		
Supplemental Medical Insurance Part B (SMIB) Recipient Months Per Month	431,464	446,565
Efficiencies:		
Average SMIB Premium Per Month	61.84	66.8
B.2.6. Strategy: EPSDT-COMPREHENSIVE CARE	\$ 196,964,770	\$ 220,289,355
Provide diagnostic/treatment services for federally allowable Medicaid services for conditions identified through an EPSDT screen or other health care encounter but not covered or provided under the State Medicaid Plan.		
B.2.7. Strategy: COST REIMBURSED SERVICES	\$ 547,879,466	\$ 570,109,288
Provide medically necessary health care to Medicaid eligible recipients for services not covered under the insured arrangement including: federally qualified health centers, undocumented persons, school health and related services.		
Output (Volume):		
Average Number of Undocumented Persons Receiving Emergency Medicaid Services	11,662	13,946
Efficiencies:		
Average Undocumented Persons Cost Per Recipient Month	3,060.81	3,152.64
B.2.8. Strategy: MEDICAID VENDOR DRUG PROGRAM	\$ <u>1,744,344,778</u>	\$ <u>1,503,409,233</u>
Provide prescription medication to Medicaid eligible recipients as prescribed by their treating physician.		
Output (Volume):		
Total Medicaid Prescriptions Incurred	35,271,239	35,961,050

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Efficiencies:		
Average Cost Per Medicaid Prescription	54.89	54.43
Total, Goal B: MEDICAID	\$ 9,355,582,514	\$ 9,162,899,225
C. Goal: INSURE CHILDREN		
Expand health insurance coverage for uninsured children in Texas.		
Outcomes (Results/Impact):		
Average CHIP Programs Recipient Months Per Month (Includes Immigrant Health Insurance and School Employee Children Insurance)	380,603	346,818
Average CHIP Programs Benefit Cost without Prescription Benefit Per Recipient Month (Includes Immigrant Health Insurance and School Employee Children Insurance)	72.75	73.65
Average CHIP Programs Benefit Cost with Prescription Benefit Per Recipient Month (Includes Immigrant Health Insurance and School Employee Children Insurance)	88.54	91.27
C.1.1. Strategy: CHIP	\$ 335,550,000	\$ 335,550,000
Provide health care to uninsured children who apply for insurance through CHIP.		
Output (Volume):		
Average CHIP Children Recipient Months Per Month	362,662	330,496
C.1.2. Strategy: IMMIGRANT HEALTH INSURANCE	\$ 10,050,000	\$ 10,050,000
Provide health care to certain uninsured, legal, immigrant children who apply for insurance through CHIP.		
Output (Volume):		
Average Legal Immigrant Children Recipient Months Per Month	11,246	10,238
C.1.3. Strategy: STATE EMPLOYEE CHILDREN INS (SKIP)	\$ 9,500,000	\$ 9,500,000
Augment the state's contributions for dependent health insurance coverage for certain state employees (Operational responsibility for this strategy is shared with the Employees Retirement System and higher education institutions insured through ERS).		
C.1.4. Strategy: SCHOOL EMPLOYEE CHILDREN INSURANCE	\$ 6,350,000	\$ 6,350,000
Augment the state's contributions for certain school employees (Operational responsibility for this strategy is shared with the Texas Education Agency).		
Output (Volume):		
Average School Employee Children Recipient Months/Month	6,695	6,084
C.1.5. Strategy: CHIP VENDOR DRUG PROGRAM	\$ 42,500,000	\$ 42,500,000
Provide prescription medication to CHIP eligible recipients (includes Immigrant Health Insurance and School Employee Children Insurance) as provided by their treating physician.		
Output (Volume):		
Total Number of CHIP Prescriptions (Includes Immigrant Health Insurance and School Employee Children Insurance)	1,579,322	1,405,792

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Efficiencies:		
Average Cost Per CHIP Prescription (Includes Immigrant Health Insurance and School Employee Children Insurance)	44.52	49.69
Total, Goal C: INSURE CHILDREN	\$ 403,950,000	\$ 403,950,000
D. Goal: INDIRECT ADMINISTRATION		
D.1.1. Strategy: INDIRECT ADMINISTRATION	\$ 5,964,554	\$ 5,434,344
Grand Total, HEALTH AND HUMAN SERVICES COMMISSION	\$ 9,779,829,493	\$ 9,587,891,244
 Method of Financing:		
<u>General Revenue Fund</u>		
General Revenue Fund	\$ 2,171,408	\$ 4,134,232
Premium Co-Payments, Low Income Children, estimated	43,950,000	43,950,000
Premium Credits (State Share), estimated	50,000	50,000
Vendor Drug Rebates—Medicaid, estimated	164,814,586	181,487,342
GR Match for Medicaid	3,049,342,640	2,930,708,754
Tobacco Settlement Receipts Match for Medicaid	402,093,000	397,753,000
Tobacco Settlement Receipts Match for CHIP	86,150,000	86,150,000
Vendor Drug Rebates—CHIP, estimated	1,500,000	1,500,000
Tobacco Settlement Receipts	11,750,000	11,750,000
Experience Rebates - CHIP, estimated	0	0
Cost Sharing - Medicaid Clients, estimated	0	0
Subtotal, General Revenue Fund	\$ 3,761,821,634	\$ 3,657,483,328
Federal Funds	5,896,249,321	5,829,411,834
<u>Other Funds</u>		
Appropriated Receipts - Match for Medicaid	102,839,408	82,754,556
Medicaid Subrogation Receipts (State Share), estimated	8,561,691	8,561,691
Interagency Contracts	10,357,439	9,679,835
Subtotal, Other Funds	\$ 121,758,538	\$ 100,996,082
Total, Method of Financing	\$ 9,779,829,493	\$ 9,587,891,244
Number of Full-Time-Equivalent Positions (FTE):	555.5	555.5
Schedule of Exempt Positions:		
Commissioner of Health and Human Services, Group 7	\$ 189,000	\$ 189,000
Object-of-Expense Informational Listing:		
Salaries and Wages	\$ 22,068,769	\$ 22,082,557
Other Personnel Costs	341,653	341,653
Professional Fees and Services	180,999,671	123,646,624
Travel	491,401	491,401
Rent - Building	1,536,218	1,536,218
Rent - Machine and Other	34,494	34,494

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Other Operating Expense	10,521,649	11,147,020
Client Services	9,553,341,331	9,417,601,865
Grants	1,731,575	1,731,575
Capital Expenditures	<u>8,762,732</u>	<u>9,277,837</u>
Total, Object-of-Expense Informational Listing	\$ <u>9,779,829,493</u>	\$ <u>9,587,891,244</u>

1. **Capital Budget.** None of the funds appropriated above may be expended for capital budget items except as listed below. The amounts shown below shall be expended only for the purposes shown and are not available for expenditure for other purposes. Amounts appropriated above and identified in the provision as appropriations either for "Lease Payments to the Master Equipment Purchase Program" or for items with an "(MLPP)" notation shall be expended only for the purpose of making lease-purchase payments to the Texas Public Finance Authority pursuant to the provisions of Government Code § 1232.103.

	<u>2004</u>	<u>2005</u>
a. Acquisition of Information Resource Technologies		
(1) Seat Management - IR	\$ 579,496	\$ 579,496
(2) Enterprise HIPAA	\$ <u>5,790,550</u>	\$ <u>5,853,650</u>
Total, Acquisition of Information Resource Technologies	\$ <u>6,370,046</u>	\$ <u>6,433,146</u>
Total, Capital Budget	\$ <u>6,370,046</u>	\$ <u>6,433,146</u>

Method of Financing (Capital Budget):

GR Match for Medicaid	\$ 273,062	\$ 273,062
Federal Funds	3,366,024	4,106,734
Interagency Contracts	<u>2,730,960</u>	<u>2,053,350</u>
Total, Method of Financing	\$ <u>6,370,046</u>	\$ <u>6,433,146</u>

2. **Budget Authority for Estimated Pass-through Funds.** In addition to the amounts appropriated above for the Health and Human Services Commission, the Commission may establish additional budget authority with the Comptroller of Public Accounts to reflect other estimated income except from the General Revenue Fund.
3. **Audit of Medicaid Funds.** All transactions involving the transfer or investment of any funds of the Title XIX Medicaid program, held in trust or reserve for the state by any non-governmental entity shall be subject to audit by the State Auditor's Office.
4. **Reimbursement of Advisory Committee Members.** Pursuant to Government Code § 2110.004, reimbursement of expenses for advisory committee members, out of funds appropriated above – not to exceed \$27,900 per year, is limited to the following advisory committees: Hospital Payment Advisory Committee, Medical Care Advisory Committee, and Guardianship Advisory Board. To the maximum extent possible, the Commission shall encourage the use of videoconferencing and teleconferencing and shall schedule meetings and locations to facilitate the travel of participants so that they may return the same day and reduce the need to reimburse members for overnight stays.

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5. **Appropriation of Receipts: Civil Monetary Damages and Penalties.** Included in the GR Match for Medicaid appropriated above is \$1,030,700 for the biennium from funds collected as civil monetary damages and penalties under Human Resources Code § 32.039. Any amounts above \$1,030,700 are hereby appropriated to the Health and Human Services Commission in amounts equal to the costs of the investigation and collection proceedings conducted under the authority of that section.
6. **TIERS Oversight.** It is the intent of the Legislature in funding the Texas Integrated Eligibility Redesign System (TIERS) initiative at the Texas Department of Human Services, that the Health and Human Services Commission shall continue in its project oversight role to assure that client eligibility systems among other health and human services agencies and the Workforce Commission are appropriately accommodated in the design and implementation of TIERS.
7. **Assessments to Health and Human Services Agencies.** The Health and Human Services Commission shall notify the Legislative Budget Board and the Governor by September 1 of each fiscal year of the annual amount of funds to be transferred by interagency contract by each agency under the authority of the Health and Human Services Commission in Government Code, Chapter 531. The report shall provide an explanation of each contract. The Health and Human Services Commission shall provide quarterly updates to the Legislative Budget Board and the Governor, indicating amounts that have actually been transferred and amounts that remain to be transferred.
8. **Maximize Federal Reimbursement for Delinquent Activities.** It is the intent of the Legislature that the Health and Human Services Commission continue efforts pursuant to HCR 96, Seventy-sixth Regular Session, to maximize federal reimbursement for activities related to modifications of the Medicaid enrollment and eligibility processes as a result of federal welfare reform. Activities include, but are not limited to, temporarily outstationing Medicaid eligibility workers in hospitals and clinics, providing automation to outstationed staff, training provider staff and eligibility workers, implementing community-based outreach programs, and making automation changes relating to welfare reform.
9. **Federal Funds for Prescription Drug Assistance.** Contingent upon the receipt of federal funds for the purpose of providing prescription drug assistance to seniors, the Health and Human Services Commission may, with the approval of the Legislative Budget Board and the Governor, expend those funds for that purpose.
10. **Voluntary Medicaid Demonstration Pilot.** From funds appropriated above, the Commissioner of Health and Human Services is authorized to implement a voluntary pilot program in a rural area which seeks to evaluate the use of an insured model for beneficiaries of the Texas Medical Assistance Program using the Rural Community Health System, an organization designated under Chapter 20 C of the Insurance Code, provided such pilot or demonstration does not include an area currently covered under an existing Medicaid managed care pilot program.
11. **Custody Relinquishment Prevention Plan.** The Health and Human Services Commission is hereby authorized to develop and implement a plan to prevent custody relinquishment of youth with serious emotional disturbances. To the extent required to implement the plan, the Health and Human Services Commission is authorized to request any necessary waivers or authorizations from the federal government. The Health and Human Services Commission may delay implementing the plan until necessary waivers, authorizations, and funding are provided.

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12. **Enhanced Federal Match for Border States.** In order to maximize the use of state funds to deliver services, the Health and Human Services Commissioner shall work with the federal government to develop enhanced federal matching rates for Medicaid and other federal programs operated by states along the border of the United States of America and the United Mexican States.
13. **Limitation: Medicaid and CHIP Transfer Authority.**
 - a. **Goal B, Medicaid.** Notwithstanding any other provision in this Act, none of the funds appropriated by this Act to the Health and Human Services Commission for Medicaid Strategies in Goal B may be transferred to any other item of appropriation or expended for any other purpose other than the specific purpose for which the funds are appropriated without the prior written approval of the Legislative Budget Board and the Governor; however, transfers may be made between Medicaid Strategies in Goal B in accordance with other provisions in this Act.
 - b. **Goal C, Insure Children (CHIP).** Notwithstanding any other provision in this Act, none of the funds appropriated by this Act to the Health and Human Services Commission for CHIP Strategies in Goal C may be transferred to any other item of appropriation or expended for any other purpose other than the specific purpose for which the funds are appropriated without the prior written approval of the Legislative Budget Board and the Governor; however, transfers may be made between CHIP Strategies in Goal C in accordance with other provisions in this Act.
 - c. **Exceptions to Limitations on Transfers.** As an exception to limitations on transfers found in subsections (a) and (b) of this provision and Sec. 6 of Special Provisions Relating to All Health and Human Services Agencies, Approvals of Transfers of Medicaid – Title XIX Funds, up to a total of \$7.5 million in General Revenue per fiscal year from Goal B, Medicaid, and Goal C, Insure Children, may be transferred within the Commission's bill pattern to fund any of the following programs: PeopleSoft (HHSAS), Promoting Independence, Guardianship Program, Family-based Alternatives, Community Resources Coordination Group (CRCG), Texas Integrated Funding Initiative (TIFI). The Health and Human Services Commission shall provide 30-day prior notification to the Legislative Budget Board, the Governor, and the Comptroller of Public Accounts of its intent to transfer funding under authority of this subsection. Unless disapproved by the Legislative Budget Board or the Governor within 30 days of notification, the transfer is approved.
14. **Vendor Drug Rebates – Medicaid.**
 - a. Funds appropriated above in Strategy B.2.8, Medicaid Vendor Drug Program, include Medicaid vendor drug rebate revenues. The Health and Human Services Commission is authorized to expend Medicaid rebate revenues pursuant to the federal requirements of the Omnibus Budget and Reconciliation Act of 1990 as well as rebates collected in excess of federal requirements pursuant to state law;
 - b. Expenditures for the Medicaid Vendor Drug Program shall be made from rebates received in fiscal years 2004 and 2005. As rebates are generated, expenditures to support the Medicaid Vendor Drug Program shall be made from rebate revenues. In the event rebate revenues are not available for expenditure, General Revenue may be used to support the Medicaid Vendor Drug Program until rebate revenues are available. In addition to Vendor Drug Rebates – Medicaid method of finance amounts appropriated above in Strategy B.2.8, Medicaid Vendor Drug Program, the Health and Human Services Commission is appropriated Medicaid vendor drug rebates generated in excess of those amounts, subject to the following requirements:

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- (1) Vendor drug rebates shall be expended prior to utilization of any General Revenue available for the purpose of the Medicaid Vendor Drug Program;
 - (2) In the event General Revenue has been expended prior to the receipt of vendor drug rebates, the Commission shall reimburse General Revenue. The Commission shall reimburse the General Revenue Fund with vendor drug rebates on a monthly basis in order to prevent accumulation of Medicaid vendor drug rebates; and
 - (3) The Commission shall report monthly to the Legislative Budget Board, the Governor, and the Comptroller's Office on Medicaid vendor drug receipts, expenditures (including expenditures from the General Revenue Fund, made pursuant to this section), and anticipated revenues and balances.
15. **Medicaid, CHIP and Other Reporting Requirements.** None of the funds appropriated by this Act to the Health and Human Services Commission may be expended or distributed by the Commission unless:
- a. The Commission submits notification of proposed State Plan amendments or waivers for Medicaid, CHIP, TANF and any other federal grant requiring a state plan, in accordance with the Commission's authority under Chapter 531, Government Code, to the Legislative Budget Board and the Governor no later than the date any such amendment or waiver proposal is submitted to the federal government. State Plan amendments and waiver submissions shall also be provided to the Senate Health and Human Services, House Human Services, and House Public Health committees;
 - b. The Commission submits notification of any change in reimbursement rates or methodologies, including rates negotiated with managed care entities, relating to any services provided under Titles XIX and XXI of the Social Security Act (Medicaid and the Children's Health Insurance Program), TANF, or other federal grants in accordance with the Commission's authority under Chapter 531, Government Code, to the Legislative Budget Board and the Governor. Notification of changes in reimbursement rates or methodologies shall be made at least 14 days before the proposed reimbursement modification is to become effective;
 - c. The Commission submits reports as follows to the Legislative Budget Board and the Governor by the end of each quarter: i) a report detailing Medicaid, Medicare, CHIP, and Immigrant Health Insurance caseload and prescription drug figures and related expenditure amounts for the preceding 36 months period; ii) a report projecting anticipated Medicaid, Medicare, CHIP, and Immigrant Health Insurance caseload and prescription drug figures and related expenditure amounts for the 36 months period beginning with the first month after the report is due; and iii) other budget information as prescribed by the Legislative Budget Board and the Governor, including but not limited to the following: premium credits, interest earnings, experience rebates, vendor drug rebates, Medicaid Subrogation Receipts, premium co-payments, and appropriated receipts used as match for federal funds;
 - d. The Commission submits data to the Legislative Budget Board and the Governor by the end of each month pertaining to the actuarial data and forecasts of caseloads and costs for the programs identified in subsection c. The data shall be sent in a manner to be specified by the Legislative Budget Board and the Governor.
 - e. Each report submitted to the Legislative Budget Board and the Governor pursuant to this provision must be accompanied by supporting documentation detailing the sources and methodologies utilized to develop any caseload or cost projections contained in each respective report and any other supporting materials as specified by the Legislative Budget Board and the Governor;

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- f. Each report submitted pursuant to this provision must contain a certification by the person submitting the report that the information provided is true and correct based upon his or her belief together with supporting documentation; and
 - g. The Comptroller of Public Accounts shall not allow expenditures of funds appropriated by this Act to the Health and Human Services Commission if the Legislative Budget Board and the Governor certify to the Comptroller of Public Accounts that the Health and Human Services Commission is not in compliance with this provision.
16. **Medicaid Subrogation Receipts (State Share).** For the purposes of this provision, Medicaid Subrogation Receipts are defined as tort settlements related to the Medicaid program. Amounts defined as Medicaid Subrogation Receipts are to be deposited into the General Revenue Fund, Object No. 3802. The Commission is authorized to receive and expend Medicaid Subrogation Receipts. Expenditures shall be made from recoupments and interest earnings received in fiscal year 2004 and fiscal year 2005. The use of the state's share of Medicaid Subrogation Receipts is limited to funding services for Medicaid clients. Medicaid Subrogation Receipts shall be expended as they are received as a first source, and General Revenue shall be used as a second source, to support the Medicaid program. In the event that these revenues should be greater than the amounts identified in the method of finance above as Medicaid Subrogation Receipts (State Share), the Commission is hereby appropriated and authorized to expend these Other Funds thereby made available, subject to the following requirements:
- a. Amounts available shall be expended prior to utilization of any General Revenue available for the same purposes;
 - b. In the event General Revenue has been expended prior to the receipt of the state's share of Medicaid Subrogation Receipts, the Commission shall reimburse General Revenue. This process shall be completed on a monthly basis in order to prevent accumulation of Medicaid Subrogation Receipt balances; and
 - c. The Commission shall report quarterly to the Legislative Budget Board, the Governor, and the Comptroller's Office on Medicaid Subrogation Receipts, expenditures, and anticipated revenues and balances.

The preceding paragraph shall be the exclusive appropriation authority for receipts from the above identified sources and none of these receipts shall be appropriated by a provision of Article IX of this Act.

17. **Transfers from 2005 to 2004.** In addition to the transfer authority provided elsewhere in this Act and in order to provide for unanticipated events that increase costs associated with providing Medicaid or CHIP services for eligible clients, the Health and Human Services Commission is authorized to transfer General Revenue from funds appropriated in Medicaid or CHIP strategies in the second year of the biennium to the first year of the biennium. Such transfers may only be made subject to the following:
- a. Transfers under this section may be made only:
 - (1) if costs associated with providing Medicaid or CHIP services exceed the funds appropriated for these services for fiscal year 2004, or
 - (2) for any other emergency expenditure requirements, including expenditures necessitated by public calamity.

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- b. A transfer authorized by this section must receive the prior approval of the Governor and the Legislative Budget Board.
 - c. The Comptroller of Public Accounts shall cooperate as necessary to assist the completion of a transfer and spending made under this section.
18. **Medical Treatment.** The Texas Health and Human Services Commission may distribute funds for medical, dental, psychological, or surgical treatment provided to a minor only if consent to treatment is obtained pursuant to Chapter 32 of the Texas Family Code. In the event that compliance with this rider would result in the loss of Federal Funds to the state, the Commission may modify or suspend this rider to the extent necessary to prevent such loss of funds, provided that prior approval is obtained from the Governor and the Legislative Budget Board.
19. **Reporting of Child Abuse.** The Texas Health and Human Services Commission may distribute or provide appropriated funds only to recipients who show good-faith efforts to comply with all child abuse reporting guidelines and requirements set forth in Chapter 261 of the Texas Family Code.
20. **Authorization to Receive, Administer, and Disburse Federal Funds.** The appropriations made herein may be used to match Federal Funds granted to the state for the payment of personal services and other necessary expenses in connection with the administration and operation of a state program of health services. Notwithstanding the General Provisions of this Act, the Health and Human Services Commission is hereby authorized to receive and disburse in accordance with plans acceptable to the responsible federal agency, all federal moneys that are made available (including grants, allotments, and reimbursements) to the state and retain their character as Federal Funds for such purposes, and to receive, administer, and disburse Federal Funds for federal regional programs in accordance with plans agreed upon by the Health and Human Services Commission and the responsible federal agency, and such other activities as come under the authority of the Commissioner of Health and Human Services, and such moneys are hereby appropriated to the specific purpose or purposes for which they are granted or otherwise made available. Earned Federal Funds are not considered to be Federal Funds for the purpose of this section.
21. **Medical Assistance Payments and Unexpended Balances.** Funds for Medical Assistance payments appropriated for Medicaid Strategies in Goal B out of the General Revenue Fund for Medicaid services shall be made available to the agency by the Comptroller of Public Accounts in equal monthly installments on the first day of each calendar month; provided, however, that any balances on hand in such funds may be carried over from month to month during each fiscal year and from fiscal year 2004 to fiscal year 2005, and such funds are appropriated to the Commission for the 2004-05 biennium.
22. **Risk Stabilization Reserve.** Upon termination of a contract with the fiscal agent or insurance carrier for purchased health insurance, or change to another fiscal arrangement, the state's share of the unexpended balance in the risk stabilization reserve and/or trust account shall be deposited into the General Revenue Fund and such funds are not appropriated to the Health and Human Services Commission.
23. **Accounting of Support Costs.** The Comptroller of Public Accounts shall establish separate accounts from which certain support costs shall be paid. The Health and Human Services Commission is hereby authorized to make transfers into these separate accounts from line item strategies in order to pay for these expenses in an efficient and effective manner. Only costs not directly attributable to a single program may be budgeted in or paid from these accounts. Items to be budgeted in and paid from these accounts include but are not limited to: postage, occupancy costs, equipment repair, telephones, office printing costs, supplies, freight and

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transport costs, telephone system costs and salary and travel costs of staff whose function supports several programs. The Commission shall be responsible for monthly allocations of these costs to the original strategies.

24. **Payment of Hospital Providers.** At the hospital's option, all payments from funds appropriated for acute care services made to hospitals (1) with more than 100 licensed beds, located in a county that is not a metropolitan statistical area (MSA) as defined by the U.S. Office of Management and Budget, and designated by Medicare as Sole Community Hospital (SCH) or Rural Referral Center (RRC), or (2) with 100 or fewer licensed beds may be reimbursed under a cost-reimbursement methodology authorized by the Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA) using the most current available cost figures. Hospitals reimbursed under TEFRA cost principles shall be paid without the imposition of the TEFRA cap.

At initial cost settlement of the hospital's fiscal year, the Health and Human Services Commission shall determine the amount of reimbursement the hospital would have been paid under TEFRA cost principles, and if the amount of reimbursement under the TEFRA principles is greater than the amount of reimbursement received by the hospital under the prospective payment system, the Health and Human Services Commission shall reimburse the hospital the difference. These payments shall be made out of the funds appropriated above for acute care hospital services.

25. **Payments to Rural Hospitals under Medicaid Managed Care.** All payments from funds appropriated for acute care services made to rural hospitals with 100 or fewer licensed beds in counties with fewer than 50,000 persons that are in a Medicaid managed care program must be reimbursed at a rate calculated using the higher of the prospective payment system rate or cost-reimbursement methodology authorized under the Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA). Hospitals reimbursed under TEFRA cost principles shall be paid without the imposition of the TEFRA cap. Under a full-risk managed care pilot project, the participating managed care organizations shall reimburse the hospitals. This section applies only to a managed care contract that is entered into or renewed on or after September 1, 1997.
26. **Payments to Rural Physicians under Medicaid Managed Care.** All payments made to physicians who practice in rural counties with fewer than 50,000 persons and who participate in a Medicaid managed care program must be reimbursed at the Medicaid fee schedule, or in the case of a full-risk managed care model, at a rate using the current Medicaid fee schedule, including negotiated fee for service. Under a primary care case management system model, primary care physicians also shall be paid a monthly case management fee. This section applies only to a managed care contract that is entered into or renewed on or after September 1, 1997.
27. **Disposition of Appropriation Transfers from State-owned Hospitals.** The Health and Human Services Commission shall use the sums transferred from state owned hospitals as provided elsewhere in the Act as necessary to apply for appropriate matching Federal Funds and to provide the state's share of disproportionate share payments due to state-owned hospitals. Any amounts of such transferred funds not required for disproportionate share payments shall be deposited by the Health and Human Services Commission to the General Revenue Fund as unappropriated revenue. At the beginning of each fiscal year, the Health and Human Services Commission shall present a schedule of projected transfers and payments to the Comptroller of Public Accounts, the Governor, and the Legislative Budget Board. The Comptroller of Public Accounts shall process all payments and transfers, unless disapproved or modified by the Legislative Budget Board or the Governor.
28. **Medicaid Support and Information Services.** Out of the funds appropriated above in Goal B: Medicaid, such funds as are necessary to implement the project are allocated for the Medicaid Help Line authorized under § 531.021, Government Code. It is the intent of the Legislature that,

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under the authority of the Commissioner of Health and Human Services, the Health and Human Services Commission shall operate this service for Medicaid recipients enrolled in managed care plans.

29. **Transfer Authority.** Subject to the limitations contained in provision No. 13, Limitation: Medicaid and CHIP Transfer Authority, and notwithstanding any other provision, appropriations contained in this Act to the Health and Human Services Commission may be transferred from one appropriation item to another appropriation item in amounts not to exceed 25 percent of All Funds for the fiscal year, upon approval by the Commissioner, subject to the following reporting requirements:
- a. At least 14 days prior to any transfer of funds between items of appropriation notification shall be made to the Governor and the Legislative Budget Board.
 - b. At least 30 days prior to adopting or implementing a program expansion, notification shall be made to the Governor and the Legislative Budget Board. Program expansion is defined as any modification of current policy that would result in delivery of new or additional services not previously provided or the delivery of services to additional client populations.
 - c. Notifications shall include information regarding the source of funds to be transferred; any changes in Federal Funds related to the proposed transfer; the strategy from which the transfer is to be made and the strategy to which the transfer is to be made; the need which was to be served through the original appropriation and the basis for the decrease in need; the need to be served in the strategy receiving the funds and the basis for such selection; and the amounts of funds to be spent on direct client services as opposed to both general and operating support costs. In the event program expansions are under consideration, information shall be forwarded regarding the population to be served; criteria for eligibility; source of funding; and impact on existing programs.
30. **Medicaid Provider Reimbursement.** The Health and Human Services Commission shall establish and maintain a provider reimbursement methodology that recognizes and rewards high volume Medicaid practitioners, especially those along the Texas-Mexico border and in medically underserved inner-city areas, where Medicaid funding is vital to the health care delivery system.
31. **Medicaid Reimbursement Rates for Texas State Veterans Homes.** It is the intent of the Legislature that the Health and Human Services Commission, in consultation with the Texas Veterans Land Board and pursuant to existing general law authority, should establish Medicaid reimbursement rates for long-term care services provided to Medicaid-eligible veterans who reside in veterans homes established and operated pursuant to Chapter 164, Natural Resources Code, that contract with the Texas Department of Human Services to provide nursing facility services. The Health and Human Services Commission shall report on December 1 of each fiscal year in the biennium to the Legislative Budget Board and the Governor on the following: how many, on average, Medicaid-eligible veterans are in the veteran's homes; how many current residents of the homes are determined to be Medicaid eligible in the prior fiscal year; how many Medicaid-eligible veterans transfer into the homes and how many enter the homes as their initial nursing facility during the previous fiscal year. In addition, the report shall contain the total amount of Medicaid reimbursements paid in the prior fiscal year for veterans, the average daily rate paid to the facilities, and any other information requested by the Legislative Budget Board and the Governor.
32. **Use of Additional Premium Credits.** For the purposes of this provision, premium credits are defined as: 1) refunds/rebates of previously paid premiums and interest earnings generated in relationship to the Risk Stabilization Reserve and other accounts listed below; and 2) managed care rebates as described below. Amounts defined as premium credits are to be deposited into

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the General Revenue Fund, Object No. 3639. The Health and Human Services Commission is authorized to receive and spend premium credits and interest earnings generated from fund balances with the Risk Stabilization Reserve, the Disbursement Account, and the STAR (Managed Care) Account, as defined in the contractual agreement with the fiscal agent and/or insurance carrier for purchased health services except for those interest earnings related to the Cash Management Improvement Act (CMIA). The Commission is also authorized to receive and spend experience rebates generated in accordance with its contractual agreements with health maintenance organizations who participate in Medicaid managed care. Expenditures shall be made from credits, managed care rebates, and interest earnings received in fiscal years 2004 and 2005. The use of the credits, managed care rebates, and interest earnings is limited to funding services for Medicaid clients. Premium credits shall be expended as they are received as a first source, and General Revenue shall be used as a second source, to support the Medicaid program. In the event that these revenues should be greater than the amounts identified in the method of finance above as Premium Credits, the department is hereby appropriated and authorized to expend these General Revenue Funds thereby made available, subject to the following requirements:

- a. Amounts available shall be expended prior to utilization of any General Revenue available for the same purposes;
- b. In the event General Revenue has been expended prior to the receipt of premium credits, the Commission shall reimburse General Revenue. This process shall be completed on a monthly basis in order to prevent accumulation of premium credit balances; and
- c. The Commission shall report quarterly to the Legislative Budget Board, the Governor, and the Comptroller's Office on premium credit receipts, expenditures, and anticipated revenues and balances.

The preceding paragraph shall be the exclusive appropriation authority for receipts from the above identified sources and none of these receipts shall be appropriated by a provision of Article IX of this Act.

33. **Prescription Drug Cost-efficiency.** It is the intent of the Legislature that the Health and Human Services Commission provide medically-needed prescription drugs in the most cost-efficient manner possible. Further, it is the intent of the Legislature that the Commission take into account data reported by drug manufacturers and wholesalers, pursuant to §§ 431.116 and 431.208 of the Health and Safety Code, when establishing reimbursement rates for prescription drugs. Notwithstanding other provisions contained in this Act, funds appropriated above in Strategy B.2.8, Medicaid Vendor Drug Program, are made subject to the following conditions:
 - a. The Health and Human Services Commission shall provide a schedule of average manufacturer prices and wholesale purchase prices, as compiled from drug manufacturers and wholesalers pursuant to §§ 431.116 and 431.208 of the Health and Safety Code, to the State Auditor's Office, the Governor, and the Legislative Budget Board on a semi-annual basis.
 - (1) Specifically, the Commission shall provide a schedule with updated data on the following dates: September 1, 2003, February 1, 2004, September 1, 2004, and February 1, 2005.
 - (2) The schedule shall detail the source and date of each reported price.

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- (3) The schedule shall note each manufacturer and wholesaler participating in the Medicaid or CHIP Vendor Drug programs that has not provided data as required by state law. The schedule shall also note what action has been taken by the Attorney General to enforce compliance.
 - (4) The report shall detail how the reported data has or will influence the reimbursement levels established by the Health and Human Services Commission for prescription drugs.
- b. No funds may be transferred into Strategy B.2.8, Medicaid Vendor Drug Program, without the prior approval of the Legislative Budget Board.
34. **Vendor Drug Rebates - CHIP.** The Health and Human Services Commission is authorized to expend CHIP rebate revenues. The method of financing item, Vendor Drug Rebates - CHIP, for appropriations made above, includes unexpended and unobligated balances of Vendor Drug Rebates - CHIP remaining as of August 31, 2003 and receipts earned in fiscal years 2004 and 2005. As rebates are generated, expenditures shall be made from CHIP rebate revenues as a first source and General Revenue as a second source to support the CHIP Vendor Drug Program. Once the Health and Human Services Commission has generated and expended the amounts identified in the method of finance as Vendor Drug Rebates-CHIP above for each fiscal year, the Commission is appropriated and authorized to expend additional amounts generated, subject to the following requirements:
- a. Amounts available shall be expended prior to utilization of any General Revenue available for the same purposes;
 - b. In the event General Revenue has been expended prior to the receipt of CHIP vendor drug rebates, the Commission shall reimburse General Revenue. This process shall be completed on a monthly basis in order to prevent accumulation of CHIP vendor drug rebate balances; and
 - c. The Commission shall report monthly to the Legislative Budget Board, the Governor, and the Comptroller's Office on CHIP vendor drug receipts, expenditures, and anticipated revenues and balances.
35. **Use of Additional CHIP Experience Rebates.** For the purposes of this provision, CHIP Experience Rebates are defined as: 1) refunds/rebates of previously paid CHIP premiums and related interest earnings; and 2) managed care rebates and related interest earnings as described below. Amounts defined as CHIP Experience Rebates are to be deposited into the General Revenue Fund. The Health and Human Services Commission is authorized to receive and spend experience rebates generated in accordance with its contractual agreements with managed care organizations and other providers who participate in the CHIP, Immigrant Health Insurance, and School Employee Health Insurance programs. Expenditures shall be made from CHIP Experience Rebates generated in fiscal years 2004 and 2005. The method of financing item, Experience Rebates - CHIP, for appropriations made above, includes unexpended and unobligated balances of Experience Rebates - CHIP remaining as of August 31, 2003, and receipts earned in fiscal years 2004 and 2005.
- The use of CHIP Experience Rebates is limited to health care services for CHIP clients. CHIP Experience Rebates shall be expended as they are received as a first source, and General Revenue shall be used as a second source, to support CHIP-related programs. In the event that these revenues should be greater than the amounts identified in the method of finance above as Experience Rebates - CHIP, the department is hereby appropriated and authorized to expend these General Revenue Funds thereby made available, subject to the following requirements:

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- a. Amounts available shall be expended prior to utilization of any General Revenue available for the same purposes;
- b. In the event General Revenue has been expended prior to the receipt of CHIP Experience Rebates, the Commission shall reimburse General Revenue. This process shall be completed on a monthly basis in order to prevent accumulation of CHIP Experience Rebate balances; and
- c. The Commission shall report monthly to the Legislative Budget Board, the Governor, and the Comptroller's Office on CHIP Experience Rebate receipts, expenditures, and anticipated revenues and balances.

The preceding paragraph shall be the exclusive appropriation authority for receipts from the above identified sources and none of these receipts shall be appropriated by a provision of Article IX of this Act.

36. Rate Analysis and Reporting Requirements.

- a. None of the funds appropriated by this Act to the Health and Human Services Commission may be expended or distributed by the Commission unless:
 - (1) the Commission submits to the Legislative Budget Board at least 60 days prior to the approval of any rate increase or program expansion for the Medicaid or CHIP programs:
 - i. notification of the proposed rate increase or program expansion; and
 - ii. a five-year cost impact analysis report using the most current caseload forecast.
 - (2) The cost impact analysis report shall be prepared in a format approved by the Legislative Budget Board.
 - b. Each report submitted to the Legislative Budget Board pursuant to this provision must contain a certification by the Chief Financial Officer and the Health and Human Services Commissioner that the information provided is true and correct based upon their belief together with supporting documentation. Additionally, the Chief Financial Officer and the Health and Human Services Commissioner must either indicate that the proposed action is within biennial appropriated/available funding or estimate the amounts (including General Revenue and All Funds) by which the proposed action will exceed biennial appropriated/available funding.
 - c. The Office of the State Auditor shall review the Commission's documentation, supporting records, and justification, and report back to the Legislative Budget Board prior to the approval action.
 - d. The Comptroller of Public Accounts shall not allow the expenditure of funds appropriated by this Act to the Health and Human Services Commission if the Legislative Budget Board certifies to the Comptroller of Public Accounts that the Health and Human Services Commission is not in compliance with this provision.
- 37. Umbilical Cord Blood Bank.** Out of funds appropriated above, the Health and Human Services Commission shall use up to \$3,500,000 in General Revenue for an unrelated donor umbilical cord blood bank, subject to the following limitations:

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- a. The entity awarded a grant or contract by the Health and Human Services Commission shall provide local matching funds in an amount equal to funding provided by the Commission. The Comptroller of Public Accounts shall certify that an appropriate amount of local matching funds have been made available prior to releasing state funding; and
 - b. Any unexpended balances of these funds remaining as of August 31, 2004, are appropriated to the Health and Human Services Commission for the fiscal year beginning September 1, 2004 for the same purpose.
38. **Language Interpreter Services.** It is the intent of the Legislature that the Health and Human Services Commission provide recipients of medical assistance with oral and written language interpreter services financed solely by contributions from local governmental entities and federal matching funds available under the medical assistance program.
39. **Use of Local Funds for 211 Project.** The Health and Human Services Commission is authorized to utilize local funds (appropriated receipts classified as Other Funds) as match for federal funds – including but not limited to federal funds designated for bioterrorism, homeland security, technology initiatives, and other initiatives – for the 211 project. Use of local funds shall not preclude the expenditure of General Revenue for the 211 project, to the extent that such dollars are available for this purpose from funds appropriated above.
40. **Allocation of Funds for Children's Health Insurance Program.**
- a. The Health and Human Services Commission is hereby appropriated any unexpended balances remaining as of August 31, 2003, from the appropriations for the Children's Health Insurance Program made in Strategy A.1.1, Article XII, Senate Bill 1, Seventy-seventh Legislature (estimated to be \$0), to help fund Goal C, Insure Children, during the 2004–05 biennium. Balances appropriated may only be expended in the manner provided for by this section.
 - b. It is the intent of the Legislature that tobacco settlement receipts appropriations made above in Goal C, Insure Children, include \$97.9 million for fiscal year 2004 and \$97.9 million for fiscal year 2005 in tobacco settlement receipts paid to the State pursuant to the Comprehensive Tobacco Settlement and Release. In the event that the state has not received a tobacco settlements payment for fiscal year 2004 and fiscal year 2005 by September 1 of each year of the biennium, the Comptroller of Public Accounts is hereby authorized to use general revenue funds as needed for program expenditures for cash flow purposes between the beginning of the fiscal year and the receipt by the state of the tobacco settlement payment for the fiscal year. Upon receipt of the tobacco settlement payment, the general revenue fund shall be reimbursed with tobacco settlement receipts for all expenditures made pursuant to this provision.
41. **Payment of August 2005 Premium.** The Health and Human Services Commission is hereby authorized to defer its August 2005 Medicaid premium payment until September 2005 and to pay the August 2005 premium from fiscal year 2006 appropriations. The August 2005 premium is estimated to total \$300 million in All Funds, including \$120 million in General Revenue. Out of funds appropriated above, 13 premium payments are assumed for fiscal year 2004 and 11 premium payments are assumed for fiscal year 2005.
42. **Cash Basis Expenditures Authorization.** Notwithstanding any other provision of this Act, the Health and Human Services Commission is authorized to expend Medicaid appropriations in a fiscal year without regard to date of service. The authorization herein is limited to expenditures for claims payments, premiums, cost settlements and other related expenses to Medicaid client services.

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43. **Breast and Cervical Cancer Programs.** Out of amounts appropriated above to the Health and Human Services Commission in Strategy B.2.7. Cost Reimbursed Services, the Commission shall spend the amount of \$2.5 million in General Revenue during the state fiscal biennium beginning September 1, 2003, for purposes of funding breast and cervical cancer programs for low income women.
44. **Evaluation of Mental Retardation Services.** The Health and Human Services Commission shall work with providers, advocates, appropriate agency staff, and other persons or entities deemed by the Commissioner to be necessary to accomplish the following:
- a. Evaluate its current regulatory and administrative functions, and those of the agencies under its jurisdiction, relating to the provision of mental retardation services, and recommend ways to eliminate duplicative functions, while maintaining services and ensuring ongoing agency accountability; and
 - b. Review its current statutory authority and rules, regulations and procedures, and those of the agencies under its jurisdiction, relating to the provision of mental retardation services, to identify those which exceed federal requirements, add no value to current programs, are duplicative, or are overly burdensome or costly, for the purpose of achieving an overall reduction in paperwork requirements imposed upon persons subject to its regulation of at least 10 percent by September 1, 2005 through:
 - (1) revision of its own rules, regulations and procedures;
 - (2) recommendations for revisions of rules, regulations and procedures of those agencies under its jurisdiction; and
 - (3) recommendations for statutory changes by the legislature.
 - c. The Commission shall report its findings, actions and recommendations to implement this directive to the Legislative Budget Board, the Senate Finance Committee, the House Appropriations Committee and the Governor's Budget Office not later than October 1, 2004.
45. **Mental Retardation Provider Cost Reporting.** The Health and Human Services Commission shall review and revise its mental retardation provider cost reporting rules, regulations and procedures for the purposes of simplifying the cost reporting process and reducing overall administrative costs to the state and providers while providing fair and accurate financial information to the state necessary to the proper planning and funding of mental retardation services. In so doing, the Health and Human Services Commission shall seek to capture any and all costs, follow GAAP standards and to the extent possible, utilize financial statements similar to those prepared for banking, tax, and other common business financial planning, evaluation and reporting purposes.
- In implementing this directive, the Commission shall work with providers, advocates, agency staff, and private sector financial experts, and shall ensure a clear separation between the rate setting and analysis functions from the audit functions.
46. **Medicaid Provider Reimbursement – Application of FY 2004–05 Reductions.** It is the intent of the Legislature that the Health and Human Services Commission shall apply Medicaid reimbursement rate reductions, required by FY 2004–05 appropriation levels, as follows:
- a. Reductions related to any long term care budget strategy shall be calculated without rebasing of current reimbursement factors and shall be shared equally across all Medicaid providers funded by the strategy.

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- b. Reductions related to physician reimbursement may vary based on Medicaid patient volume, access factors, or other similar factors. The Health and Human Services Commission will seek input from the Physician Payment Advisory Committee prior to implementing any physician reimbursement changes.
 - c. Reductions related to Medicaid hospital reimbursement shall be calculated without rebasing of current reimbursement factors and may vary based on Medicaid patient volume, access factors, or other similar factors. The Health and Human Services Commission will seek input from the Hospital Payment Advisory Committee prior to implementing any hospital reimbursement changes.
 - d. Capitation rates for Medicaid Managed Care plans shall be reduced across the board to gain administrative savings and program efficiencies assumed in the appropriations made above.
 - e. The Health and Human Services Commission may maximize the use of intergovernmental transfers to minimize the impact of provider rate reductions.
47. **Performance Reporting for the Prescription Drug Rebate Program.** The Commission shall report on a quarterly basis the following information to the Legislative Budget Board and the Governor's Office: the outstanding prescription drug rebate balances for the Medicaid, CHIP, Kidney Health, and Children with Special Health Care Needs programs. The report shall include rebate principal and interest outstanding, age of receivables, and annual collection rates. The reports shall specify amounts billed, dollar value of pricing adjustments, dollar value of utilization adjustments, and dollars collected. The Commission shall report these data on each year for which the Prescription Drug Rebate program has collected rebates and also on a cumulative basis for all years.

In order to fully comply with this rider, the Commission should address data integrity issues related to the calculation of outstanding balance, cited in the State Auditor's Office report number 03-029 *An Audit Report on the Health & Human Services Commission Prescription Drug Rebate Program*.

48. **Graduate Medical Education.** Any amounts collected and deposited into General Revenue Object 3963 in the General Revenue Fund during the 2004-05 biennium above the amounts contained in the Comptroller of Public Accounts Biennial Revenue Estimate are hereby appropriated to the Health and Human Services Commission for the purpose of making Graduate Medical Education allocations in the Medicaid Program. Amounts appropriated by this provision are not to exceed \$40 million for the biennium. This funding does not go into effect if appropriations or allocations from appropriations are made for this purpose in Article IX. Appropriation of State Fiscal Relief Federal Funds.
49. **Enterprise HIPAA.** The Health and Human Services Commission is hereby authorized to transfer funds from elsewhere in the agency's budget into the capital budget in order to finance the project identified as "Enterprise HIPAA" in the amount of \$3,025,890 for the biennium. Amounts identified would be an alternative Method of Financing and not in addition to the amounts authorized. The agency shall notify the Legislative Budget Board, the Governor, and the Comptroller of Public Accounts 30 days prior to such a transfer regarding the source of funds to be utilized and the strategy from which the funds shall be transferred.
50. **Medicaid Eligibility Determinations for Children.** It is the intent of the Legislature that the initial Medicaid certification be determined without a face-to-face interview. The Health and Human Services Commission may develop procedures that require an initial Medicaid certification to be conducted by a personal interview only when it is determined that there are no other reasonable means to verify the information needed to satisfactorily determine initial eligibility.

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For recertification of Medicaid eligibility, the Health and Human Services Commission may develop procedures to determine the need for a personal interview, based on a system of objective, risk-based factors and conditions. Such procedures shall be intended to focus only on a targeted and limited number of recertifications for which there is a high probability that eligibility has not continued.

51. **Cost Sharing - Medicaid Clients.** Contingent upon enactment by the Seventy-eighth Legislature, Regular Session, of House Bill 2292 or similar legislation relating to the establishment of cost sharing by Medicaid clients, and contingent upon necessary approvals by the federal government, the Health and Human Services Commission is authorized to collect and is hereby appropriated all cost sharing revenues generated by Medicaid clients.
52. **Front-end Medicaid Fraud Program.** Contingent upon passage of House Bill 2292, or similar legislation by the Seventy-eighth Legislature, Regular Session, relating to a Medicaid fraud pilot program, from funds appropriated above, the Commission may implement a "front-end" Medicaid fraud program.
53. **Children's Health Insurance Program (CHIP) Benefits.** The Health and Human Services Commission may, with input from the Medical Care Advisory Committee and affected CHIP health plans, implement reasonable limits on basic covered benefits in order to add additional cost-effective benefits such as home health care, therapies, durable medical equipment, or other services. Any added services must be offset by limits on basic covered services and may not increase the overall cost of the CHIP benefit package.

The Health and Human Services Commission may also develop alternative financing and service delivery methods for delivering CHIP mental health services. These alternatives may include securing CHIP federal matching funds for qualifying services and expenditures certified or transferred by local mental health authorities or other local governmental entities. These alternatives must rely on non-federal matching funds provided by or through local MHMR centers or other governmental entities and must be budget neutral to CHIP general revenue matching funds appropriated in Strategy C.1.1, CHIP, above.

54. **Application of Quality Assurance Fees to Certain Waiver Programs.** The Commission shall work collaboratively with the Department of Mental Health and Mental Retardation to aggressively seek new ways to maximize the use of federal funds to pay for the cost of services provided through 1915(c) waivers operated by the Department of Mental Health and Mental Retardation, including the possibility of assessing a Quality Assurance Fee on waiver services. Additional funds gained through this effort are hereby appropriated to the Department to be used to restore rate reductions in the HCS waiver, the MRLA waiver, and the non-state operated ICF/MR programs. To the extent possible, the rate restoration shall be retroactive to the time of the initial reimbursement rate reduction. Any excess funds shall be used to reduce or eliminate the wage disparity between the wage component in the HCS and MRLA reimbursement model and the wages paid to comparable direct support professional services workers in state-operated programs for persons with mental retardation; and then, to reduce or eliminate the disparity between the wage component of the non-state operated ICF/MR program professional services workers in state-operated ICF/MR programs.
55. **Study of Facility Closures and Consolidations.** It is the intent of the Legislature that, during the 2004-05 biennium, the Health and Human Services Commission shall study the feasibility of closure and consolidation of facilities funded in Department of Mental Health and Mental Retardation Strategy B.1.1, State Hospitals, and Strategy D.1.1, State Schools. The Commission shall take into account information from clients, clients' representatives and families, service providers, advocates, and other interested parties in developing the recommendations. The criteria for identifying facilities for closure include:

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- a. proximity to other facilities and geographical distribution of remaining facilities;
- b. administrative cost of the facility;
- c. availability of other employment opportunities in the area for employees displaced by the closure;
- d. condition of existing facility structures;
- e. marketability of the property where the facility is located when considering possible sale of the property or alternate use possibilities;
- f. ease of client transfer capability;
- g. capacity at remaining facilities to accommodate persons transferred from a facility identified for closure; and
- h. identification of specialty programs and services.

The Commission shall provide a report with site specific recommendations on closures and consolidations when the 2006-07 Legislative Appropriations Request is submitted to the Legislature.

DEPARTMENT OF HUMAN SERVICES

	For the Years Ending	
	August 31, <u>2004</u>	August 31, <u>2005</u>
A. Goal: LONG-TERM CARE CONTINUUM		
To provide appropriate care based on individual needs ranging from in-home and community-based services for elderly people and people with disabilities who request assistance in maintaining their independence and increasing their quality of life, to institutional care for those who require that level of support, seeking to ensure health and safety and to maintain maximum independence for the client while providing the support required.		
Outcome (Results/Impact):		
Percent of Long-term Care Clients Served in Community Settings	70.57%	71.1%
Percent of Facilities Complying with Standards at Time of Inspection for Licensure and/or Medicare/Medicaid Certification	66%	66%
Percent of Complaints and Referrals Resulting in Disciplinary Action: Nursing Facility Administrators	85%	85%
A.1.1. Strategy: COMMUNITY CARE - ENTITLEMENT	\$ 655,607,558	\$ 569,712,571
Provide assistance with daily needs in homes and community settings which will enable elderly persons, persons with disabilities, and others who qualify for nursing facility care but can be served at home or in the community to maintain their independence and prevent institutionalization.		
Output (Volume):		
Average Number of Clients Served Per Month: Medicaid Nonwaiver Community Care	111,070	119,968

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Efficiencies:

Average Monthly Cost Per Client Served: Medicaid Nonwaiver Community Care	491.89	495.3
A.1.2. Strategy: COMMUNITY CARE - WAIVERS	\$ 517,216,458	\$ 484,667,910

Provide assistance with daily needs in homes and community settings which will enable elderly persons, persons with disabilities, and others who qualify for nursing facility care but can be served at home or in the community to maintain their independence and prevent institutionalization.

Output (Volume):

Average Number of Clients Served Per Month: Medicaid Community-based Alternatives (CBA) Waiver	29,284	27,211
Average Number of Clients Served Per Month: Medicaid Related Conditions Waiver (CLASS)	1,859	1,817
Average Number of Clients Served Per Month: Medicaid Deaf-blind with Multiple Disabilities Waiver	143	143
Average Number of Clients Served Per Month: Medicaid Dependent Children Program Waiver	1,038	983

Efficiencies:

Average Monthly Cost Per Client Served: Medicaid Community-based Alternatives (CBA) Waiver	1,223.03	1,223.03
Average Monthly Cost Per Client Served: Medicaid Related Conditions Waiver (CLASS)	2,602.88	2,602.88
Average Monthly Cost Per Client Served: Medicaid Deaf-blind with Multiple Disabilities Waiver	3,493.96	3,493.96
Average Monthly Cost Per Client Served: Medicaid Dependent Children's Program Waiver Services	1,392.93	1,392.93
A.1.3. Strategy: COMMUNITY CARE - STATE	\$ 74,657,712	\$ 74,690,475

Provide assistance with daily needs in homes and community settings which will enable elderly persons, persons with disabilities, and others who qualify for nursing facility care but can be served at home or in the community to maintain their independence and prevent institutionalization.

Output (Volume):

Average Number of Clients Served Per Month: Non-Medicaid Community Care	13,971	13,971
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Efficiencies:

Average Monthly Cost Per Client Served: Non-medicaid Community Care	426.68	440.64
A.1.4. Strategy: IN-HOME & FAMILY SUPPORT	\$ 4,000,000	\$ 4,000,000

Provide cash subsidy and provide reimbursement for capital improvements, purchase of equipment, and other expenses to enable elderly persons and persons with disabilities to maintain their independence and prevent institutionalization.

Output (Volume):

Average Number of Clients Per Month Receiving In-home Family Support (IHFS) Cash Subsidy	1,876	1,876
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A.1.5. Strategy: LTC ELIGIBILITY & SERVICE PLANNING	\$ 105,845,689	\$ 101,822,603
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Provide timely and accurate eligibility determination for all individuals who apply and service planning and referral for all elderly persons and persons with disabilities who qualify for services.

Output (Volume):

Average Number of Persons Eligible Per Month: Community Care	157,515	164,243
Average Case Equivalents Per Long-term Care Medicaid Financial Eligibility Worker	285	295

DEPARTMENT OF HUMAN SERVICES
(Continued)

Efficiencies:		
Average Monthly Cost Per Case: Community Care	27.21	24.25
A.1.6. Strategy: NURSING FACILITY & HOSPICE PAYMENTS		
	\$ 1,991,172,300	\$ 1,784,473,475
Provide payments which will promote quality care for clients with medical problems that require nursing facility or hospice care.		
Output (Volume):		
Average Number of Persons Receiving Medicaid-funded Nursing Facility Services Per Month	61,035	61,767
Average Number of Clients Receiving Copaid Medicaid/Medicare Nursing Facility Services Per Month	5,751	6,160
Average Number of Clients Receiving Hospice Services Per Month	3,995	4,293
Efficiencies:		
Net Nursing Facility Cost Per Medicaid Resident Per Month	2,263.99	2,233.7
Net Payment Per Client for Copaid Medicaid/Medicare Nursing Facility Services Per Month	1,472.62	1,501.51
Average Payment Per Client per Month for Hospice	2,081.64	2,076.11
A.1.7. Strategy: INTEGRATED MANAGED CARE SYSTEMS		
	\$ 268,829,595	\$ 254,688,707
Promote the development of integrated managed care systems for aged and disabled clients.		
Output (Volume):		
Average Number of Aged and Medicare-eligible Recipients Per Month: STAR+PLUS Managed Care	29,097	29,929
Average Number of Disabled and Blind Recipients Per Month: STAR+PLUS Managed Care	22,572	22,700
Average Number of Recipients Per Month: Program for All Inclusive Care (PACE)	1,008	1,070
Efficiencies:		
Average Monthly Cost Per Aged and Medicare-eligible Recipient: STAR+PLUS Managed Care	182.82	186.6
Average Monthly Cost Per Disabled and Blind Recipient: STAR+PLUS Managed Care	641.71	652.11
Average Monthly Cost Per Recipient: Program for All Inclusive Care (PACE)	2,309.74	2,300.4
A.2.1. Strategy: LONG-TERM CARE FACILITY REGULATION		
	\$ 45,226,918	\$ 45,226,918
Provide licensing, certification and contract enrollment services, as well as financial monitoring and complaint investigation, to ensure that residential facilities comply with state and federal standards and that residents receive high-quality services and are protected from abuse, neglect, and exploitation.		
Output (Volume):		
Number of Inspections Completed Per Year	4,855	4,855
Number of Complaint and Incident Investigations Completed	16,566	16,566
Total Dollar Amount Collected from Fines	3,409,124	3,409,124
A.2.2. Strategy: LONG-TERM CARE CREDENTIALING		
	\$ 959,122	\$ 959,124
Provide credentialing, training and enforcement services to qualify individuals to provide services to long-term care facility and home health care agency clients in compliance with applicable law and regulations.		
Output (Volume):		
Number of Licenses Issued or Renewed Per Year: Nursing Facility Administrators	1,322	939
A.2.3. Strategy: HOME/COMM SUPPORT SVCS LICENSING		
	\$ 6,544,526	\$ 6,544,566
Provide licensing, inspection, and certification services to home and community		

DEPARTMENT OF HUMAN SERVICES
(Continued)

support services agencies for the protection of clients and to ensure compliance with state and federal standards.

Output (Volume):

Number of Home and Community Support Services Agency Licenses Issued	2,379	2,379
Number of Home and Community Support Services Agency Inspections Conducted	1,547	1,547
Number of Complaint Investigations Conducted On-site: Home and Community Support Services Agencies	767	767
A.2.4. Strategy: LTC QUALITY OUTREACH	\$ 5,229,422	\$ 5,231,926
Provide Quality Monitoring and Rapid Response Team Visits in order to assess quality and promote quality improvement in LTC facilities.		

Total, Goal A: LONG-TERM CARE CONTINUUM **\$ 3,675,289,300** **\$ 3,332,018,275**

B. Goal: ENCOURAGE SELF-SUFFICIENCY

To encourage self-sufficiency and long-term independence from public assistance by providing prompt, accurate, comprehensive, and effective support and preventive services to low-income families.

Outcome (Results/Impact):

Percent of Total Children in Poverty Receiving TANF	18.27%	17.45%
Unduplicated Number of TANF Adult Clients per Year Who Have Exhausted Their Time-limited Benefits	10,463	12,371
Percent of Poverty Met by TANF, Food Stamps and Medicaid Benefits/Family of Three	75.8%	76.2%
Percent of TANF Cases Required to Sign the TANF Responsibility Agreement Who Are in Compliance with All Requirements in the Responsibility Agreement	66%	62%

B.1.1. Strategy: TANF GRANTS (FORMERLY AFDC)

Provide Temporary Assistance for Needy Families (TANF) grants to eligible low-income persons in Texas.

Output (Volume):

Number of TANF Recipients Per Month	318,603	307,228
Number of TANF State-paid Recipients Per Month	27,202	25,338
Average Number of TANF One-time Payments Per Month	706	695

Efficiencies:

Average Monthly Grant: TANF	56.35	57.14
Average Monthly Grant: TANF - State Paid	56.04	58.25

B.1.2. Strategy: CSS ELIG & ISSUANCE SERVICES

Provide accurate and timely eligibility and issuance services for employment resources, financial assistance, medical benefits, and food stamps through the use of new technology, improved management practices, and implementation of sufficient staff levels.

Output (Volume): **\$ 498,407,010** **\$ 401,136,765**

Average Number of Families Determined Eligible Monthly - TANF	23,722	23,163
Average Number of Households Determined Eligible Monthly - Food Stamps	191,168	197,755
Average Number of Cases Determined Eligible Monthly - Children, Pregnant Women, and Medically Needy Program (CPW) Medicaid	185,688	189,297
Average Number of Recipients Per Month: Food Stamps	2,092,653	2,169,408
Average Number of Recipients Per Month: Children, Pregnant Women, and Medically Needy Program (CPW Medicaid)	1,463,934	1,496,137

B.1.3. Strategy: NUTRITION ASSISTANCE

Increase the availability of federal nutrition assistance by providing reimbursement for nutritious meals, food distribution, and nutrition education. **\$ 209,075,936** **\$ 218,892,398**

DEPARTMENT OF HUMAN SERVICES

(Continued)

Output (Volume):		
Average Number of Children and Adults Served Meals Through Child and Adult Care Food Program Per Day	224,891	234,296
B.1.A. Strategy: REFUGEE ASSISTANCE	\$ 18,777,966	\$ 18,781,977
Assist refugees and immigrants in attaining self-sufficiency through financial, medical, and social services, and disseminate information to interested individuals.		
Output (Volume):		
Average Number of Refugees Receiving Financial and Medical Assistance Per Month	2,200	2,200
Total, Goal B: ENCOURAGE SELF-SUFFICIENCY	\$ 987,753,043	\$ 887,277,829
C. Goal: FAMILY VIOLENCE SERVICES		
To promote self-sufficiency, safety, and long-term independence from family violence for adult victims and their children by providing emergency, support, and preventive services.		
Outcome (Results/Impact):		
Percent of Adult Victims of Family Violence Requesting Shelter Who Could Not Receive Shelter Due to Lack of Space	22%	22%
C.1.1. Strategy: FAMILY VIOLENCE SERVICES	\$ 22,015,788	\$ 22,019,788
Provide emergency shelter and support services to victims of family violence and their children, educate the public, and provide training and prevention support to institutions and agencies.		
Output (Volume):		
Number of Women and Children Served	83,349	83,349
Efficiencies:		
Department of Human Services Average Cost Per Person Receiving Emergency Shelter and/or Nonresident Services	264.12	264.12
D. Goal: INDIRECT ADMINISTRATION		
D.1.1. Strategy: CENTRAL ADMINISTRATION	\$ 26,635,709	\$ 26,653,890
D.1.2. Strategy: INFORMATION RESOURCES	\$ 51,145,666	\$ 52,174,095
D.1.3. Strategy: OTHER SUPPORT SERVICES	\$ 10,869,253	\$ 10,919,253
D.1.4. Strategy: REGIONAL ADMINISTRATION	\$ 10,393,084	\$ 10,265,598
Total, Goal D: INDIRECT ADMINISTRATION	\$ 99,043,712	\$ 100,012,836
Grand Total, DEPARTMENT OF HUMAN SERVICES	\$ 4,784,101,843	\$ 4,341,328,728

Method of Financing:		
General Revenue Fund		
General Revenue Fund	\$ 23,355,713	\$ 21,351,762
GR Match for Medicaid	1,445,646,633	1,324,252,068
GR MOE for Temporary Assistance for Needy Families	105,108,501	104,028,853
GR Match for Food Stamp Administration	120,248,744	120,989,148
Earned Federal Funds, estimated	36,800,000	7,100,000
Subtotal, General Revenue Fund	\$ 1,731,159,591	\$ 1,577,721,831
General Revenue Fund - Dedicated		
Home Health Services Account No. 5018	2,440,319	2,440,319
Telecommunications Infrastructure Fund No. 345	27,000,000	0
Compensation to Victims of Crime Account No. 469	17,344,848	17,348,848
Subtotal, General Revenue Fund - Dedicated	\$ 46,785,167	\$ 19,789,167
Federal Funds	2,957,809,608	2,711,114,150

DEPARTMENT OF HUMAN SERVICES
(Continued)

Other Funds		
Appropriated Receipts	7,932,382	7,967,549
Interagency Contracts	23,400,169	24,736,031
Bond Proceeds - Revenue Bonds	17,014,926	0
Subtotal, Other Funds	\$ 48,347,477	\$ 32,703,580
Total, Method of Financing	\$ 4,784,101,843	\$ 4,341,328,728
Number of Full-Time-Equivalent Positions (FTE)- State and Federal Funds	12,938.4	12,805.9
Number of Full-Time-Equivalent Positions (FTE)- Local and Federal Funds	750.0	750.0
Number of Full-Time-Equivalent Positions (FTE)- All Funds (Total)	13,688.4	13,555.9
Schedule of Exempt Positions:		
Commissioner, Group 6	\$150,000	\$150,000
Object-of-Expense Informational Listing:		
Salaries and Wages	\$ 412,770,801	\$ 409,511,463
Other Personnel Costs	15,774,672	15,710,682
Professional Fees and Services	31,099,843	31,378,099
Fuels and Lubricants	73,554	75,281
Consumable Supplies	9,681,826	9,768,320
Utilities	12,003,539	12,124,294
Travel	10,029,835	10,574,636
Rent - Building	37,744,818	38,933,717
Rent - Machine and Other	5,200,014	5,252,109
Other Operating Expense	95,049,900	93,867,956
Client Services	3,999,374,085	3,656,594,868
Grants	35,802,757	36,113,513
Capital Expenditures	119,496,199	21,423,790
Total, Object-of-Expense Informational Listing	\$ 4,784,101,843	\$ 4,341,328,728

1. **Capital Budget.** None of the funds appropriated above may be expended for capital budget items except as listed below. The amounts shown below shall be expended only for the purposes shown and are not available for expenditure for other purposes. Amounts appropriated above and identified in this provision as appropriations either for "Lease Payments to the Master Lease Purchase Program" or for items with an "(MLPP)" notation shall be expended only for the purpose of making lease-purchase payments to the Texas Public Finance Authority pursuant to the provisions of Government Code § 1232.103.

	<u>2004</u>	<u>2005</u>
a. Acquisition of Information Resource Technologies		
(1) Texas Integrated Eligibility Redesign System	\$ 84,150,277	\$ UB
(2) TIERS Bond Purchases	17,014,926	UB
(3) Infrastructure Maintenance	1,566,130	2,594,559
Total, Acquisition of Information Resource Technologies	\$ 102,731,333	\$ 2,594,559

DEPARTMENT OF HUMAN SERVICES
(Continued)

b. Acquisition of Capital Equipment and Items		
(1) Debt Service	1,787,203	2,399,551 & UB
c. Other Lease Payments to the Master Lease Purchase Program (MLPP)		
(1) MLPP Payments	9,545,061	10,791,360
Total, Capital Budget	\$ 114,063,597	\$ 15,785,470

Method of Financing (Capital Budget):

<u>General Revenue Fund</u>		
General Revenue Fund	\$ 2,927,128	\$ 909,090
GR Match for Medicaid	6,472,967	6,648,741
GR MOE for Temporary Assistance for Needy Families	10,140	9,985
GR Match for Food Stamp Administration	4,294,643	4,762,157
Subtotal, General Revenue Fund	<u>\$ 13,704,878</u>	<u>\$ 12,329,973</u>
GR Dedicated - Telecommunications Infrastructure Fund No. 345	27,000,000	0
Federal Funds	56,326,420	3,436,840
<u>Other Funds</u>		
Other Funds	17,373	18,657
Bond Proceeds - Revenue Bonds	17,014,926	0
Subtotal, Other Funds	<u>\$ 17,032,299</u>	<u>\$ 18,657</u>
Total, Method of Financing	\$ 114,063,597	\$ 15,785,470

2. **Medical Assistance Payments.** General revenue funds appropriated herein above for all Medicaid services shall be made available to the agency by the Comptroller of Public Accounts in equal monthly installments on the first day of each calendar month; provided, however, that any balances on hand in such funds may be carried over from month to month during each fiscal year and from fiscal year 2004 to fiscal year 2005, and such funds are appropriated to the department for the 2004-05 biennium.
3. **Federal Funds Appropriated.** The appropriations herein made may be used to match federal funds granted to the state for the payment of personal services, travel and other necessary expenses in connection with the administration and operation of a state program of public welfare services. The Department of Human Services is hereby authorized to receive and disburse in accordance with plans acceptable to the responsible federal agency, all federal moneys that are made available (including grants, allotments, and reimbursements) to the state and retain their character as federal funds for such purposes and all fees authorized by federal law, and to receive, administer, and disburse federal funds for federal programs in accordance with plans agreed upon by the Department of Human Services and the responsible federal agency, and such other activities as come under the authority of the Department of Human Services, and such moneys are appropriated to the specific purpose or purposes for which they are granted or otherwise made available. Earned federal funds are not considered to be federal funds for the purpose of this section.
4. **Federal, State and Local Funds Appropriated.** The Department of Human Services is hereby authorized to accept all moneys appropriated by the federal or state governments, or by the Commissioners' Court of any county, or by any political subdivisions, as provided by Human Resources Code § 11.003, as amended, for any purpose including but not limited to the cost of

DEPARTMENT OF HUMAN SERVICES
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distributing foods to needy people, institutions, school lunch programs, or otherwise as provided by the laws of the United States and the rules and regulations issued pursuant thereto for the distribution of commodities as they now read or as they may be hereafter amended, and to deposit said moneys in the State Treasury. All of said funds are hereby appropriated to the Department of Human Services for the purposes for which they were granted.

5. **Appropriation of Federal and Local Funds.** All funds received by the department from counties, cities, federal agencies and from any other local source and all balances from such sources as of August 31, 2003, are hereby appropriated for the biennium ending August 31, 2005, for the purpose of carrying out the provisions of this Act.
6. **Food Stamp Program Funds Appropriated.** The Department of Human Services is hereby designated as the state agency to establish and operate a statewide Food Stamp Program and to accept all moneys appropriated for this purpose by the federal or state governments, by the Commissioners' Court of any county, by any political subdivisions of the state, or received from any other source as provided for herein and in Chapter 33, Human Resources Code. The Department of Human Services is authorized to expend such funds for welfare purposes, including the cost of distributing foods to needy people, institutions, school lunch programs, or otherwise as provided by the laws of the United States and the rules and regulations issued pursuant thereto, for the establishment and operation of a statewide Food Stamp Program, and for the employment of essential personnel who shall be employed under a merit system basis comparable to the merit principles or standards applicable to all other personnel of the department.
7. **Nursing Home Program Provisions.**
 - a. **Nursing Home Income Eligibility Cap.** It is the intent of the Legislature that the income eligibility cap for nursing home care shall be maintained at the federal maximum level of 300 percent of Supplemental Security Income (SSI). Further, it is the intent of the Legislature that any cost-of-living increase in social security or other benefits sponsored by the federal government or that any increase in other pension plans should not result in the termination of Title XIX benefits for persons already eligible for services. The Department of Human Services is hereby authorized to expend general revenue funds to the extent necessary to ensure the continuation of benefits to persons eligible.
 - b. **Limitation of Per Day Cost of Alternate Care.**
 - (1) Subject to the exception in (2), no funds shall be expended by the Department of Human Services for alternate care where the cost per patient per day exceeds the average Medicaid Nursing or ICF-MR Facility rate or the patient's nursing or ICF-MR facility rate, whichever is greater, except for cases individually exempted by the Board of Human Services or by the Commissioner of Human Services.
 - (2) The department may not disallow or jeopardize community services for individuals currently receiving services under Medicaid waivers if those services are required for that individual to live in the most integrated setting, the reimbursement rate paid for needed services does not exceed 133.3 percent of the reimbursement rate that would have been paid for that same individual to receive comparable services in an institution over a six month period, and the department continues to comply with cost-effectiveness requirements from the Centers for Medicare and Medicaid Service.

The department shall "grandfather" on September 1, 2003, those individuals receiving services in a medical assistance waiver program, under authority granted in the department's budget rider 7 from the Seventy-seventh Legislature, when

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continuation of these services is necessary for the individual to live in the most integrated setting appropriate to his/her needs and the department continues to comply with the cost-effectiveness requirements from the Centers for Medicare and Medicaid Service.

- c. **Establishment of a Swing-bed Program.** Out of the funds appropriated above for nursing home vendor payments, the department shall maintain a "swing-bed" program, in accordance with federal regulations, to provide reimbursement for skilled nursing patients who are served in hospital settings in counties with a population of 100,000 or less. If the swing beds are used for more than one 30-day length of stay per year per patient, the hospital must comply with the regulations and standards required for nursing home facilities.
 - d. **Nursing Home Bed Capacity Planning.** It is the intent of the Legislature that the department shall establish by rule procedures for controlling the number of Medicaid beds and for the decertification of unused Medicaid beds and for reallocating some or all of the decertified Medicaid beds. The procedures shall take into account a facility's occupancy rate.
 - e. **Nursing Facility Competition.** It is the intent of the Legislature that the department encourage competition among contracted nursing facilities.
8. **Appropriation of Receipts: Civil Monetary Damages and Penalties.** Included in the General Revenue Funds appropriated above is \$2,660,000 for the biennium from funds collected as civil monetary damages and penalties under Human Resources Code § 32.021. Any amounts above \$2,660,000 are hereby appropriated to the department in amounts equal to the costs of the investigation and collection proceedings conducted under that section, and any amounts collected as reimbursement for claims paid by the department.
9. **Appropriations Limited to Revenue Collections.** It is the intent of the Legislature that fees, fines, and other miscellaneous revenues as authorized and generated by the agency cover, at a minimum, the cost of the appropriations made above for the Nursing Facility Administrator program in Strategy A.2.2, Long Term Care Credentialing and Home Health and Community Support Service Agencies program in Strategy A.2.3, Home and Community Support Services Licensing as well as the "other direct and indirect costs" associated with this program, appropriated elsewhere in this Act. Direct costs for the Nursing Facility Administrator program are estimated to be \$248,766 for fiscal year 2004 and \$248,766 for fiscal year 2005. Direct costs for the Home and Community Support Services Licensing program are estimated to be \$1,867,073 for fiscal year 2004 and \$1,870,615 for fiscal year 2005. "Other direct and indirect costs" for the Nursing Facility Administrator program are estimated to be \$82,831 for fiscal year 2004 and \$83,702 for fiscal year 2005. "Other direct and indirect costs" for the Home and Community Support Services Licensing program are estimated to be \$427,904 for fiscal year 2004 and \$434,200 for fiscal year 2005. In the event that actual and/or projected revenue collections are insufficient to offset the costs identified by this provision, the Legislative Budget Board may direct that the Comptroller of Public Accounts reduce the appropriation authority provided above to be within the amount of revenue expected to be available.
10. **Accounting of Support Costs.** The State Comptroller shall establish separate accounts from which certain support costs shall be paid. The Department of Human Services is hereby authorized to make transfers into these separate accounts from line item strategies in order to pay for these expenses in an efficient and effective manner. Only costs not directly attributable to a single program may be budgeted in or paid from these accounts. Items to be budgeted in and paid from these accounts include, but are not limited to: postage, occupancy costs, equipment repair, telephones, office printing costs, supplies, freight and transport costs, telephone system costs, and salary and travel costs of staff whose function supports several programs. The department shall be responsible for monthly allocations of these costs to the original strategies.

11. **Fund Transfers for Funds Consolidation.** For the purpose of funds consolidation, federal and other funds may be transferred into the General Revenue Fund from the Department of Human Services Fund No. 117. The initial deposit of federal funds shall be made into Fund No. 117 and no direct expenditures shall be made from this fund.
12. **Pediatric Care in Nursing Facilities.** In determining the appropriate placement for children who currently receive care in nursing facilities, the department shall, within the requirements of federal law, consider the requests of parents concerning either a continued stay in a nursing facility providing skilled pediatric care or an alternate placement.
13. **Limitation: Transfer Authority.** Notwithstanding any other provision of this Act, none of the funds appropriated by this Act to the Department of Human Services for
 - a. A.1.1. Community Care Entitlement;
 - b. A.1.2. Community Care - Waivers;
 - c. A.1.3. Community Care - State;
 - d. A.1.4. In-home & Family Support;
 - e. A.1.5. LTC Eligibility & Service Planning;
 - f. A.1.6. Nursing Facility & Hospice Payments;
 - g. A.1.7. Integrated Managed Care Systems;
 - h. A.2.1. Long-Term Care Facility Regulation; and
 - i. B.1.2. CSS Eligibility & Issuance Services.

may be transferred to any other item of appropriation or expended for any purpose other than the specific purpose for which the funds are appropriated, unless the Commissioner certifies to the Legislative Budget Board and the Governor that such a transfer is necessary to maintain direct services to clients or to provide needed transitional services and complies with other provisions contained in this Act regarding notification of transfers. However, transfers may be made between Medicaid Strategies in accordance with other provisions in this Act.

14. **Additional Funding Sources, Medicaid.** Notwithstanding any other provisions of this Act, if the appropriations provided for
 - a. A.1.1. Community Care - Entitlement;
 - b. A.1.2. Community Care - Waivers;
 - c. A.1.5. LTC Eligibility & Service Planning;
 - d. A.1.6. Nursing Facility & Hospice Payments;
 - e. A.1.7. Integrated Managed Care Systems;
 - f. A.2.1. Long-Term Care Facility Regulation; and
 - g. B.1.2. CSS Eligibility & Issuance Services

are not sufficient to provide for expenditures mandated by either state or federal law, after accounting for any appropriations made to the department and available for transfer to these programs, the Legislative Budget Board and the Governor may provide for and are hereby authorized to direct the transfer of sufficient amounts of funds to the department from appropriations made elsewhere in this Act.

15. **Medicaid and Other Program Reporting Requirements.**

- a. None of the funds appropriated by this Act to the Department of Human Services may be expended or distributed by the department unless:
 - (1) the department submits to the Legislative Budget Board and the Governor a copy of each report or petition submitted to the federal government relating to Medicaid, Temporary Assistance for Needy Families, and other programs. This shall include, but is not limited to:

- (i) expenditure data;
- (ii) caseload data;
- (iii) revenue generation;
- (iv) cost allocation revisions;
- (v) state plan amendments; and
- (vi) state plan waivers, including, but not limited to, applications for new waivers or changes to existing waiver services, costs, or authorized number of clients.

Such reports shall be submitted to the Legislative Budget Board and the Governor no later than the date the respective report is submitted to the federal government, and

- (2) the department submits to the Legislative Budget Board and the Governor at the close of each quarter a report detailing Medicaid, TANF, and other program caseload figures and related expenditure amounts for the preceding 36 months, and projecting the anticipated Medicaid and other program caseloads, related expenditure amounts, and full-time equivalent requirements for the 36 month period beginning with the first month after the report is due. The report shall be prepared in a format specified by the Legislative Budget Board.
 - (3) The Department of Human Services submits data to the Legislative Budget Board and the Governor by the end of each month pertaining to the actuarial data and forecasts of caseloads and costs for the programs identified in subsection a(2). The data shall be sent in a manner to be specified by the Legislative Budget Board and the Governor.
- b. Each report submitted to the Legislative Budget Board and the Governor pursuant to this provision must be accompanied by supporting documentation detailing the sources and methodologies utilized to develop any caseload or cost projections contained in each respective report and any other supporting material as specified by the Legislative Budget Board and the Governor.
 - c. Each report submitted pursuant to this provision must contain a certification by the person submitting the report that the information provided is true and correct based upon information and belief together with supporting documentation.
 - d. The Comptroller of Public Accounts shall not allow the expenditure of funds appropriated by this Act to the Department of Human Services if the Legislative Budget Board and the Governor certify to the Comptroller of Public Accounts that the Department of Human Services is not in compliance with this provision.
 - e. The department shall submit to the Legislative Budget Board and the Governor a monthly report on expenditures and encumbrances of the agency by strategy. The report shall include, but is not limited to expenditures and methods of finance, number of full-time equivalent positions, both state/federal and local/federal, Earned Federal Funds, and capital budget.

16. Earned Federal Funds.

- a. The Department of Human Services shall submit a monthly report to the Legislative Budget Board and the Governor which details revenues, expenditures, and balances for earned federal funds as of the last day of the prior month. The report shall be prepared in a format approved by the Legislative Budget Board.
- b. The authority to receive and expend earned federal funds generated in the 2004-05 biennium in excess of those appropriated above is subject to the following limitations:

- (1) At least 14 days prior to any expenditure of earned federal funds in excess of those appropriated, the department shall report the earned federal funds received and provide documentation of the proposed use of these funds to the Legislative Budget Board, Governor, and Health and Human Services Commission. At least 14 days prior to any meeting of the Board of Human Services to budget any use of earned federal funds above levels indicated in the appropriation above or to consider any program expansion, the department shall report the earned federal funds received and provide documentation of the proposed use of these funds to the Legislative Budget Board, Governor, and Health and Human Services Commission.
 - (2) Notifications shall include information regarding the need which will be served with the additional revenue. In the event program expansions are under consideration, information shall be forwarded regarding the population to be served; criteria for eligibility; and impact upon existing programs.
 - (3) The report shall include the information detailed in "2" and identify the impact on established performance targets, measures, and full-time equivalent positions.
17. **Child Support Supplemental Payments.** Out of the funds appropriated above in Strategy B.1.1, TANF Grants, and child support collections from the Child Support Trust Fund, the department shall make supplemental payments to families receiving welfare who would be eligible to receive child support "pass through" and "first excess" payments under the Social Security Act Title IV-D child support distribution requirements prior to passage of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996. These payments shall equal the amount of the "pass through" and "first excess" payment the family would have received under prior law. Child support collections shall comprise a portion of each total payment. The portion of the total payment funded with child support collections shall equal the state share of the Federal Medical Assistance Percentage (FMAP) for the fiscal year. If child support "pass through" or "first excess" payment distribution requirements are modified by federal law after enactment of this provision, the department, in cooperation with the Office of the Attorney General, shall adjust the supplemental payments as necessary to be consistent with federal law and to not exceed the total the family would have received prior to welfare reform. The department shall report any change to child support supplemental payments to the Governor and Legislative Budget Board.
18. **Temporary Emergency Assistance for Families At-Risk of Welfare Dependency.** Out of funds appropriated above in Strategy B.1.1, TANF Grants, the department shall provide a one-time emergency assistance payment to applicants for Temporary Assistance for Needy Families (TANF) who are likely to be employed within a short period of time, without referral to the Choices program. It is the intent of the Legislature that the department expand the use of one-time emergency payments as a cost-effective deterrent from the TANF program.
19. **Revolving Account for the Consolidated Health and Human Services Print Shop.** It is the intent of the Legislature that the Department of Human Services establish and maintain the "Revolving Account for the Consolidated Health and Human Services Print Shop" to account for the expenditures, revenues, and balances of managing a full-cost recovery Consolidated Print Shop. The expenditures, revenues, and balances included above for this operation shall be maintained separately by the Department of Human Services within its accounting system. Any unobligated balances as of August 31, 2004, are appropriated for the same use during fiscal year 2005. For the purpose of meeting cash flow needs, the Department of Human Services may temporarily transfer funds from Strategy D.1.3, Other Support Services, to the revolving account. Transfers must be returned by the end of the fiscal year.
20. **Appropriation Transfer Between Fiscal Years.** In addition to the transfer authority provided elsewhere in this Act, the Department of Human Services may transfer appropriations made for fiscal year 2005 to fiscal year 2004, subject to the following conditions provided by this section:

- a. Transfers under this section may be made only:
 - (1) If costs associated with providing Long Term Care Medicaid services exceed the funds appropriated for these services for fiscal year 2004, or
 - (2) for any other emergency expenditure requirements, including expenditures necessitated by public calamity.
 - b. Transfers may not exceed \$50,000,000 in general revenue.
 - c. A transfer authorized by this section must receive the prior approval of the Governor and the Legislative Budget Board.
 - d. The Comptroller of Public Accounts shall cooperate as necessary to assist the completion of a transfer and spending made under this section.
21. **Enhanced Federal Funding and High Performance Bonus for Administration of the Food Stamp Program.** Enhanced federal funding is defined as funding from the federal government which exceeds the normal federal contribution toward administrative costs. High Performance Bonuses are annual incentive payments to state agencies that meet standards for high or most improved performance established by the Secretary of the U.S. Department of Agriculture. The authority to expend enhanced federal funding for administrative costs paid in a prior fiscal year is subject to the following conditions:
- a. Within 30 days of receiving notice of the state's eligibility for enhanced federal funding or a performance bonus, the Department of Human Services shall notify the Legislative Budget Board and the Governor;
 - b. At least 14 days prior to any meeting of the Board of Human Services to budget enhanced federal funds or a performance bonus, the Department of Human Services shall provide documentation of the proposed use of these funds to the Legislative Budget Board, the Governor, and Health and Human Services Commission. The report shall identify the impact on established performance targets, measures, and full-time equivalent positions, and shall be prepared in a format specified by the Legislative Budget Board.
 - c. In the event that the state receives enhanced federal funds or a performance bonus, the Department of Human Services is appropriated all funds received by the agency subject to all limitations in this rider and to the following:
 - (1) a portion of these funds, in each year of the biennium, shall be used by the Department of Human Services for the development and operation of a nutrition education and outreach program, or for activities that otherwise improve low-income consumers' access to basic nutrition and healthy foods; and
 - (2) a portion of these funds, in each year of the biennium, shall be used by the Department of Human Services to provide bonuses to position classifications whose efforts directly contributed to meeting these performance standards, or to position classifications who meet or exceed customer service performance measures developed by the department, or whose efforts directly contributed to increasing the percentage of eligible persons who receive Food Stamps.
 - (3) Any Enhanced Federal Funds or High Performance bonus received by the Department of Human Services between June 2, 2003 and August 31, 2003 is hereby appropriated to the department.
 - d. Before an employee can be eligible for a bonus, the employee must have been employed in the program for the related twelve months, remains employed in the program, and whose performance meets expectations.

- e. The department has the authority to determine whether employees who have received bonuses under this provision are eligible for merit salary increases during a twelve-month period prior to or after receipt of the bonus.
 - f. The department shall prepare quarterly reports summarizing the department's progress in implementing the outreach program required in section (c) and file those reports with the standing committees of the Senate and House of Representatives having primary jurisdiction over health and human services.
22. **Reimbursement of Advisory Committees.** Pursuant to Government Code § 2110.004, reimbursement of expenses for advisory committee members, out of funds appropriated above, not to exceed \$8,000 per fiscal year, is limited to the following advisory committee:
- a. **Nursing Facility Administrators Advisory Committee**
- To the maximum extent possible, the department shall encourage the use of videoconferencing and teleconferencing and shall schedule meetings and locations to facilitate the travel of participants so that they may return the same day and reduce the need to reimburse members for overnight stays.
23. **Temporary Assistance for Needy Families (TANF) Maintenance of Effort.** It is the intent of the Legislature that all general revenue appropriated above for TANF maintenance of effort shall be expended within the appropriate fiscal year for that purpose in order to secure the TANF federal block grant for the state. Out of funds appropriated above in Strategy B.1.1, TANF Grants and Strategy B.1.2, CSS Eligibility and Issuance Services, \$105,108,501 in general revenue is appropriated for TANF maintenance of effort for fiscal year 2004, and \$104,028,853 in general revenue is appropriated for TANF maintenance of effort for fiscal year 2005. None of the general revenue appropriated for TANF maintenance of effort in Strategy B.1.1, TANF Grants and Strategy B.1.2, CSS Eligibility and Issuance Services, may be transferred to any other item of appropriation or expended for any purpose other than the specific purpose for which the funds are appropriated. However, general revenue appropriated for TANF maintenance of effort may be transferred to Strategy B.1.2, CSS Eligibility and Issuance Services, subject to the following limitations:
- a. Declines or shifts in TANF caseloads prevent the Department of Human Services from expending all general revenue appropriated for TANF maintenance of effort in Strategy B.1.1, TANF Grants and Strategy B.1.2, CSS Eligibility and Issuance Services, within the appropriate fiscal year;
 - b. The amount of general revenue transferred from Strategy B.1.1, TANF Grants, shall be expended within Strategy B.1.2, CSS Eligibility and Issuance Services, for TANF program operating costs (object of expense 2000), within the appropriate fiscal year; and
 - c. At least 14 days prior to transferring general revenue funds between Strategy B.1.1, TANF Grants and Strategy B.1.2, CSS Eligibility and Issuance Services, the Department of Human Services shall notify the Legislative Budget Board and the Governor.
24. **Earned Income Disregard.** It is the intent of the Legislature that out of amounts appropriated above to Strategy B.1.1, TANF Grants, the Department of Human Services is to maintain the earned income disregard for working TANF families. When determining eligibility and benefits, the department shall exclude \$120 of earnings and 90 percent of the remaining earnings for each of the first four months of employment by a recipient. After the first four months of employment, the department shall exclude \$120 of a recipient's earnings each month.
25. **Survey of Nursing Facility Residents.** Out of funds appropriated above in Strategy A.1.6, Nursing Facility and Hospice Payments, the Department of Human Services is allocated

- a. Up to \$360,000 in all funds, of which up to \$180,000 is general revenue, in fiscal year 2004 to conduct a survey of nursing facility residents. The survey shall assess how satisfied residents are with their quality of care and quality of life. Not later than January 15, 2005, the department shall submit a written report on the survey to the Legislature, Governor, and Health and Human Services Commissioner;
 - b. Up to \$1,000,000 in all funds, of which up to \$500,000 is general revenue, to perform on-site case reviews of nursing home resident care in specific quality areas. Using measurement tools developed in the Quality Improvement pilot, these reviews will identify preventable occurrences of adverse outcomes. The result of these reviews will be included in the report to the Legislature, Governor and Health and Human Services Commissioner described in (a) above.
26. **TANF Grants.** It is the intent of the Legislature that the department shall adjust the TANF grant amount each year to ensure that the maximum monthly grant for a family of three is at least 17 percent of the federal poverty level and provide a one-time per year grant of up to \$30 for each TANF child on August 1 of each year.
 27. **Full-time Equivalent Positions (FTE)—Local and Federal Funds.** Only local funds (appropriated receipts) and federal funds may be used to pay salaries, benefits or related costs for the Number of Full-time Equivalent Positions (FTE)—Local and Federal Funds, identified above. The following are included within this cap: 583 worker PTE positions in Strategy B.1.2, CSS Eligibility and Issuance Services, 126 FTE positions in Strategy B.1.3, Nutrition Assistance, 25 FTE positions in Strategy B.1.4, Refugee Assistance, and 16.0 FTE positions in A.1.5, LTC—Eligibility and Service Planning. The Department of Human Services may utilize the FTE authority contained in the Number of Full-time Equivalent Positions (FTE)—Local and Federal Funds only to the extent that local and federal funds are readily available. Under no circumstances may unfilled FTE positions from the Number of Full-time Equivalent Positions (FTE)—Local and Federal Funds be transferred to the Number of Full-time Equivalent Positions (FTE)—State and Federal Funds.
 28. **Promoting Independence.** It is the intent of the Legislature that as clients relocate from nursing facilities to community care services, funds will be transferred from Nursing Facilities to Community Care Services to cover the cost of the shift in services.
 29. **Nursing Facility Beds for Medicaid Eligible Veterans.** Contingent upon a request from the Texas Veterans Land Board, it is the intent of the Legislature that the Department of Human Services maintain a program for Medicaid-eligible veterans that will enable those individuals to be placed in State Veterans Homes. It is further the intent of the Legislature that the department amend its nursing facility bed allocation rules to create sufficient certified beds to accommodate the requirements of such a program.
 30. **Texas Integrated Eligibility Redesign Systems (TIERS).** Out of funds appropriated above in fiscal years 2004–05 in Strategy B.1.2, CSS Eligibility and Issuance Services, the Department of Human Services is allocated (for the biennium) \$23,367,343 in General Revenue, \$27,000,000 in Telecommunication Infrastructure Funds, \$55,836,840 in Federal Funds, and \$17,014,926 in Revenue Bond Proceeds, totaling \$123,219,109 in All Funds. The department shall make quarterly reports to the Legislative Budget Board and the Governor on the TIERS project as well as quarterly budgeted amounts, actual expenditures, and the status of contracted services, as well as any other information requested. All contracts relating to this project shall include performance measures.

To fund the plan, the department may seek funding from the most cost-effective type of financing, including but not limited to cash acquisition, commercial financing, and financing provided by the Texas Public Finance Authority. The Texas Public Finance Authority may issue revenue bonds or other debt obligations to finance the design, development, acquisition, and implementation of automated data processing systems to support the plan. As provided by Government Code, Chapter 1232, Vernon's Texas Civil Statutes, in recognition that cost

estimates are not final at the time that the project is authorized for financing and that bonds may be issued to fund associated costs, including reasonably required reserve funds, capitalized interest, administrative costs of the authority and debt issuing expenses, the principal amount of any issuance of debt for this purpose may be in an amount not to exceed one and one-half the amount of the expected cost for the project being financed. From the proceeds of the issuance and sale of such bonds or debt obligations, such amounts as may be necessary to fund the associated costs of issuances are hereby appropriated to the Texas Public Finance Authority for the fiscal biennium beginning September 1, 2003. From any funds appropriated to the Department of Human Services for the purpose of implementing the project, an amount not to exceed \$4,186,754 (amounts needed for debt service) for the biennium in all funds may be transferred to the Texas Public Finance Authority for lease payments to the Texas Public Finance Authority to pay debt service on the obligations issued by the Texas Public Finance Authority on behalf of the department for the above-mentioned project.

31. **Community Care Assessment Tool.** Out of funds appropriated above, the Department of Human Services shall develop a new functional needs assessment tool for eligibility for community care programs for aged and disabled clients, which takes into consideration any other evaluation/assessment tools utilized by other state agencies and other states. The tool shall take into consideration innovations in technology with assistive devices. The assessment tool shall be evaluated for validity by an independent third party as an assessment tool for ensuring that clients with the greatest functional needs are identified for services. The assessment tool shall ensure that a client's family resources, monetary, community resources and otherwise, are taken into consideration in calculation of hours of assistance needed. The scoring instrument will be used in conjunction with program services to ensure that clients with scores identifying the greatest needs are prioritized for services. It is the intent of the Legislature that the department provide a status report on progress in developing the tool to the Legislative Budget Board and the Governor by September 1, 2004 and that the tool be fully implemented by January 1, 2005.
32. **Capital Purchases on Behalf of other Government Entities or Service Providers.** Any capital items purchased by the Department of Human Services for use by local governmental entities for which the department is reimbursed do not apply to the department for the purpose of the capital budget rider limitations specified in Article IX, Limitation on Expenditures—Capital Budget, of the General Provisions of this Act.
33. **TANF Separate State Program.** It is the intent of the Legislature that out of amounts appropriated in Strategy B.1.1, TANF Grants, the department, shall use funds other than TANF federal funds to provide assistance to tow-parent families, and may use funds other than TANF federal funds to provide assistance to families residing in minimum service counties.
34. **Motor Vehicle Allowance for Certain Recipients.** It is the intent of the Legislature that the Board of the Department of Human Services shall determine the vehicle limit amount in determining eligibility for services. The vehicle limit amount shall be established within available appropriations and a level which will provide adequate, dependable transportation for clients.
35. **Centers of Excellence.** It is the intent of the Legislature that out of amounts appropriated above to Strategy A.2.1, Long-term Care Facility Regulation and funds obtained through a grant from a national foundation, the Department of Human Services shall allocate funds for a Centers for Excellence program. The department shall partner with an institution of higher education to promote positive outcomes for the residents of Long Term Care facilities, identify best practices and improve service delivery. Not later than January 15, 2005, the department shall submit to the Legislature and the Governor a report which identifies progress made towards achieving these goals.

DEPARTMENT OF HUMAN SERVICES

(Continued)

36. **Payment of August 2005 Nursing Home Payment.** Funds appropriated above include a reduction of \$142,500,000 in All Funds, including \$56,686,500 in General Revenue Match for Medicaid in Strategy A.1.6, Nursing Facility and Hospice Payments, for the August 2005 nursing home payment. The Department of Human Services is authorized to defer payment of the August 2005 payment until September of 2005.
37. **Community Care Waiver Slots.** It is the intent of the Legislature that the Department of Human Services will not expand the base number of appropriated waiver slots through Rider 28 transfers. Clients utilizing Rider 28 shall remain funded separately through transfers from the Nursing Facility strategy, and those slots shall not count against the total appropriated community care slots. Rider 28 funding through the nursing facility strategy shall be maintained for those clients as long as the individual client remains in the transferred slot. When a Rider 28 client leaves a waiver program, any remaining funding for the biennium shall remain in the nursing facility strategy.

If the department determines available revenue within community care strategies requires a reduction in the base number of slots for waiver programs, the department shall utilize attrition to meet appropriated levels.
38. **Community Care Services.** It is the intent of the Legislature that the Department of Human Services shall implement a community care assessment tool that focuses primarily on a client's ability to perform functional tasks. Any resulting savings shall be utilized to maintain services to the most vulnerable clients, and also minimize reductions in service levels for all clients.
39. **Contingency Related to Reduction of TANF-funded Transportation Services.** Contingent upon the enactment of House Bill 2292, House Bill 3343, or similar legislation by the Seventy-eighth Legislature, Regular Session, authorizing the coordination of statewide public transportation, the amount of federal funds appropriated above in Strategy B.1.1, TANF Grants, is increased by \$3,568,239 in fiscal year 2004 and \$3,570,798 in fiscal year 2005. The amount of General Revenue appropriated above in Strategy B.1.1, TANF Grants, is reduced by \$3,568,239 in fiscal year 2004 and \$3,570,798 in fiscal year 2005.
40. **Maximization of Community Care Services.** The Department of Human Services shall maximize services utilizing the most efficient and effective combination of functional needs score and hours of service to best meet the needs of community care clients. It is the intent of the Legislature that the department utilize all available flexibility to ensure the maximization of community care resources.

DEPARTMENT OF MENTAL HEALTH AND MENTAL RETARDATION

	For the Years Ending	
	August 31, 2004	August 31, 2005
A. Goal: COMMUNITY MENTAL HEALTH SERVICES		
Increase the abilities of persons with mental illness to lead successful lives in their communities.		
Outcome (Results/Impact):		
Percent of Adults Receiving MH Community Services Whose Functional Level Stabilized or Improved	80%	80%
Percent of Parents Who Are Satisfied with MH Services Delivered to Their Children	70%	70%
A.1.1. Strategy: ADULT MH COMMUNITY SERVICES		
Provide services and supports in the community	\$ 275,700,204	\$ 275,703,279

DEPARTMENT OF MENTAL HEALTH AND MENTAL RETARDATION
(Continued)

so persons with mental illness can live independently.

Output (Volume):

Average Monthly Number of MH Consumers Receiving Community Services	60,771	60,771
Average Monthly Number of MH Consumers Receiving Supported Housing Services	2,813	2,813
Average Monthly Number of MH Consumers Receiving Assessment and Service Coordination	35,149	35,149

Efficiencies:

Average Monthly Cost Per MH Consumer Receiving Community Services	374	374
Average Monthly Cost Per Adult MH Consumer Receiving Supported Housing	421	421

A.1.2. Strategy: CHILDREN'S MH COMMUNITY SERVICES

\$ 60,999,474 \$ 60,995,118

Provide services and supports for emotionally disturbed children and their families.

Output (Volume):

Average Monthly Number of Children Receiving MH Services in the Community	11,322	11,322
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A.1.3. Strategy: MH COMMUNITY HOSPITALS

\$ 20,164,248 \$ 20,164,248

Provide inpatient and outpatient treatment, crisis assessment, and medical services to adults and children served in community hospitals.

Output (Volume):

Average Daily Number of Occupied Community Hospital Beds	168	168
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Efficiencies:

Average Daily Cost Per Occupied Community Hospital Bed	330	330
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A.1.4. Strategy: NORTHSTAR BEHAVIORAL HEALTH WAIVER

\$ 90,800,595 \$ 91,774,035

Provide mental health and substance abuse inpatient and outpatient services using a managed care model for adults and children.

Output (Volume):

Average Monthly Number of Persons Covered by NorthSTAR Behavioral Health Services Waiver	1,241,374	1,259,619
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Total, Goal A: COMMUNITY MENTAL HEALTH SERVICES

\$ 447,664,521 \$ 448,636,680

B. Goal: MH SPECIALIZED SERVICES

Promote the recovery and abilities of persons with mental illness who require specialized treatment not available in community settings.

Outcome (Results/Impact):

Percent of Consumers Receiving MH Campus Services Whose Functional Level Stabilized or Improved

98% 98%
\$ 274,250,705 \$ 273,352,078

B.1.1. Strategy: MH STATE HOSPITAL SERVICES

Provide specialized assessment, treatment and medical services in state mental health facility programs.

Output (Volume):

Average Daily Census of State Mental Health Facilities	2,295	2,295
Average Monthly Number of State Mental Health Facility Consumers Receiving New Generation Medication Services	2,821	2,829

Efficiencies:

Average Daily Facility Cost Per Occupied State Mental Health Facility Bed	327	326
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Average Monthly Cost of New Generation Medications Per State Mental Health Facility Consumer Receiving New Generation Medication Services	303	303
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C. Goal: COMMUNITY MR SERVICES

Support the abilities of persons with mental retardation to lead successful lives in their communities.

DEPARTMENT OF MENTAL HEALTH AND MENTAL RETARDATION
(Continued)

Outcome (Results/Impact):

Number of Consumers with MR Who Moved from Campus to Community	120	120
Percent of Medicaid Waiver Placements Filled	97%	97%
C.1.1. Strategy: MR COMMUNITY SERVICES	\$ 153,959,947	\$ 148,641,759
Provide services and supports for persons with mental retardation who reside in the community.		
Output (Volume):		
Average Monthly Number of Consumers with MR Receiving Community Services	13,635	13,635
Average Monthly Number of Consumers with MR Receiving Assessment and Service Coordination	12,655	12,655
Number of Consumers with MR Receiving In-home and Family Support Per Year	1,710	1,669
Efficiencies:		
Average Monthly Cost Per Consumer with MR Receiving Assessment and Service Coordination	279	279
C.1.2. Strategy: MR MEDICAID WAIVER SERVICES	\$ 292,287,761	\$ 292,288,681
Provide residential services and supports for persons with mental retardation through Medicaid waiver programs for home and community-based services.		
Output (Volume):		
Average Monthly Number of Consumers Receiving Medicaid Waiver Services (MR)	6,823	6,823
Efficiencies:		
Average Monthly Cost Per Consumer Receiving Medicaid Waiver Services (MR)	3,389	3,389
C.1.3. Strategy: MR INTERMEDIATE CARE FACILITIES	\$ 381,319,367	\$ 381,055,915
Provide residential services and supports for persons with mental retardation living in intermediate care facilities (ICF/MR).		
Output (Volume):		
Average Number of Persons in ICF/MR Medicaid Beds per Month, Total	7,471	7,471
Efficiencies:		
Monthly Cost Per ICF/MR Medicaid Eligible Consumer, Total	4,252	4,243
C.1.4. Strategy: MR COMMUNITY RESIDENTIAL SERVICES	\$ 4,818,610	\$ 4,312,864
Provide non-Medicaid residential services and supports for persons with mental retardation living in the community.		
Output (Volume):		
Average Monthly Number of Non-Medicaid Consumers with MR Receiving Community Residential Services	122	122
Efficiencies:		
Average Monthly Cost Per Non-Medicaid Consumer with MR Receiving Community Residential Services	3,017	3,017
Total, Goal C: COMMUNITY MR SERVICES	\$ 832,385,685	\$ 826,299,219

D. Goal: MR SPECIALIZED SERVICES

Promote the well being and abilities of persons with mental retardation who require the most intensive, specialized long-term care.

Outcome (Results/Impact):

Average Number of Days MR Campus Residents Recommended for Community Placement Wait for Placement

D.1.1. Strategy: MR STATE SCHOOL SERVICES	180	180
Provide specialized assessment, treatment, support, and medical services in state school and state center programs for persons with mental retardation.	\$ 394,356,206	\$ 390,716,563

DEPARTMENT OF MENTAL HEALTH AND MENTAL RETARDATION
(Continued)

Output (Volume):		
Average Monthly Number of MR Campus Residents	4,963	4,922
Average Monthly Number of Consumers with MR Waiting for Admission to Any State School Campus (Application Completed)	25	25
Average Monthly Number of Consumers with MR Waiting for Admission to a Specific State School Campus (Application Completed)	5	5
Efficiencies:		
Average Monthly Cost Per MR Campus Resident	6,658	6,651
Average Number of Days Consumers with MR Wait for Admission to Any State School Campus (Application Completed)	45	45
Average Number of Days Consumers with MR Wait for Admission to a Specific State School Campus (Application Completed)	60	60
E. Goal: IMPROVE SYSTEM QUALITY		
Efficiently manage and improve the assets and infrastructure of state facilities.		
E.1.1. Strategy: CAPITAL CONSTRUCTION Construct and renovate facilities for the delivery of care in state facilities.	\$ 19,597,124	\$ 33,250,000
F. Goal: INDIRECT ADMINISTRATION		
Assure the efficiency, quality, and effective administration of services provided to persons with mental illness and mental retardation.		
F.1.1. Strategy: CENTRAL ADMINISTRATION	\$ 21,697,420	\$ 21,697,419
F.1.2. Strategy: INFORMATION RESOURCES	\$ 6,096,444	\$ 5,996,443
Total, Goal F: INDIRECT ADMINISTRATION	\$ 27,793,864	\$ 27,693,862
Grand Total, DEPARTMENT OF MENTAL HEALTH AND MENTAL RETARDATION	\$ 1,996,048,105	\$ 1,999,948,402
Method of Financing:		
<u>General Revenue Fund</u>		
General Revenue Fund	\$ 378,194,015	\$ 373,271,232
GR Match for Medicaid	244,459,206	240,199,211
GR for Mental Health Block Grant	243,469,211	243,372,161
GR Certified as Match for Medicaid	183,873,012	179,580,698
Earned Federal Funds	5,698,877	4,881,599
Subtotal, General Revenue Fund	\$ 1,055,694,321	\$ 1,041,304,901
<u>General Revenue Fund - Dedicated</u>		
GR Dedicated - Quality Assurance Account No. 5080	49,212,436	49,206,003
GR Dedicated - Texas Capital Trust Fund Account No. 543	2,929,924	2,929,926
Subtotal, General Revenue Fund - Dedicated	\$ 52,142,360	\$ 52,135,929
Federal Funds	792,926,669	799,459,892
<u>Other Funds</u>		
Interagency Contracts	22,352,934	22,676,426
Bond Proceeds - General Obligation Bonds	20,000,000	33,050,000
MHMR Collections for Patient Support and Maintenance	24,864,763	24,854,625
MHMR Appropriated Receipts	7,667,645	7,667,209
MHMR Medicare Receipts	14,290,744	14,290,120
MHMR Revolving Fund Receipts	6,108,669	4,509,300
Subtotal, Other Funds	\$ 95,284,755	\$ 107,047,680

DEPARTMENT OF MENTAL HEALTH AND MENTAL RETARDATION
(Continued)

Total, Method of Financing	\$ 1,996,048,105	\$ 1,999,948,402
Number of Full-Time-Equivalent Positions (FTE):	19,495.0	19,504.6
Schedule of Exempt Positions:		
Commissioner, Group 6	\$140,000	\$140,000
Object-of-Expense Informational Listing:		
Salaries and Wages	\$ 492,047,747	\$ 492,410,852
Other Personnel Costs	29,499,643	28,347,352
Professional Fees and Services	26,674,477	26,310,546
Fuels and Lubricants	937,193	881,008
Consumable Supplies	7,340,097	6,874,247
Utilities	24,448,682	24,532,329
Travel	1,813,142	1,775,489
Rent - Building	605,909	585,928
Rent - Machine and Other	2,806,524	2,628,117
Other Operating Expense	121,591,075	134,275,110
Client Services	835,405,522	835,969,820
Food for Persons - Wards of State	10,748,059	10,302,554
Grants	436,117,353	430,282,147
Capital Expenditures	<u>6,012,682</u>	<u>4,772,903</u>
Total, Object-of-Expense Informational Listing	\$ 1,996,048,105	\$ 1,999,948,402

LIMITATIONS ON EXPENDITURES

1. **Capital Budget.** None of the funds appropriated above may be expended for capital budget items except as listed below. The amounts shown below shall be expended only for the purposes shown and are not available for expenditure for other purposes. Amounts appropriated above and identified in this provision as appropriations either for "Lease payments to the Master Lease Purchase Program" or for items with an "(MLPP)" notation shall be expended only for the purpose of making lease-purchase payments to the Texas Public Finance Authority pursuant to the provisions of Government Code § 1232.103.

	<u>2004</u>	<u>2005</u>
a. Repair or Rehabilitation of Buildings and Facilities		
(1) Repairs or Rehabilitation of Buildings and Facilities	\$ 19,597,124	\$ 33,250,000
b. Acquisition of Information Resource Technologies		
(1) Acquisition of Information Resource Technologies - Pharmacy System Replacement	684,833	0
(2) Acquisition of Information Resource Technologies - Phone System Replacement	<u>\$ 939,513</u>	<u>\$ 939,514</u>
Total, Acquisition of Information Resource Technologies	<u>\$ 1,624,346</u>	<u>\$ 939,514</u>
c. Acquisition of Capital Equipment and Items		
(1) Acquisition of Capital Equipment and Items at State Facilities	\$ 1,790,411	\$ 1,790,412

DEPARTMENT OF MENTAL HEALTH AND MENTAL RETARDATION
(Continued)

d. Other Lease Payments to the Master Lease Purchase Program (MLPP)		
(1) Lease Payments to Master Lease Program - MLPP Acquisitions (1992-1995)	1,675,300	435,520
(2) Lease Payments to TPFA - Debt Service on General Obligation Bonds	<u>\$ 80,205</u>	<u>\$ 919,282</u>
Total, Other Lease Payments to the Master Lease Purchase Program (MLPP)	<u>\$ 1,755,505</u>	<u>\$ 1,354,802</u>
Total, Capital Budget	<u>\$ 24,767,386</u>	<u>\$ 37,334,728</u>

Method of Financing (Capital Budget):

General Revenue Fund	\$ 1,755,505	\$ 1,354,802
GR Dedicated - Texas Capital Trust Fund Account No. 543		
Federal Funds	2,929,924	2,929,926
Bond Proceeds - General Obligation Bonds	81,957	0
	<u>20,000,000</u>	<u>33,050,000</u>
Total, Method of Financing	<u>\$ 24,767,386</u>	<u>\$ 37,334,728</u>

2. **Limitation of Specific Strategy Transfers.** The transfer of appropriations from Strategy B.1.1, MH State Hospital Services, to any other strategy is limited to 10 percent and the transfer of appropriations from Strategy D.1.1, MR State School Services, to any other strategy is limited to 5 percent without the prior approval of the Legislative Budget Board and the Governor.
3. **Medicaid and Other Reporting Requirements.**
 - a. None of the funds appropriated by this Act to the Texas Department of Mental Health and Mental Retardation may be expended or distributed by the department unless:
 - (1) the department submits to the Legislative Budget Board and the Governor a copy of each report submitted to the federal government relating to the Medicaid program. This shall include, but is not limited to:
 - (i) expenditure data;
 - (ii) caseload data;
 - (iii) interest earnings;
 - (iv) State plan amendments; and
 - (v) State plan waivers.

Such reports shall be submitted to the Legislative Budget Board and the Governor no later than the date the respective report is submitted to the federal government, and
 - (2) the department submits to the Legislative Budget Board and the Governor at the end of each quarter: i.) a report detailing the Medicaid and Medicare caseload figures and related expenditure amounts for the preceding month; and ii.) a report projecting the anticipated Medicaid and Medicare caseloads for the 36 months period beginning with the first month after the report is due;
 - (3) the Department of Mental Health and Mental Retardation submits data to the Legislative Budget Board and the Governor by the end of each month pertaining to the actuarial data and forecasts of caseloads and costs for the programs identified in subsection a(2). The data shall be sent in a manner to be specified by the Legislative Budget Board and the Governor.

DEPARTMENT OF MENTAL HEALTH AND MENTAL RETARDATION
(Continued)

- b. Each report submitted to the Legislative Budget Board and the Governor pursuant to this provision must be accompanied by supporting documentation detailing the sources and methodologies utilized to develop any caseload or cost projections contained in each respective report and any other supporting materials as specified by the Legislative Budget Board and the Governor.
- c. Each report submitted pursuant to this provision must contain a certification by the person submitting the report, that the information provided is true and correct based upon information and belief together with supporting documentation.
- d. The Comptroller of Public Accounts shall not allow the expenditure of funds appropriated by this Act to the Texas Department of Mental Health and Mental Retardation if the Legislative Budget Board and the Governor certify to the Comptroller of Public Accounts that the Department of Mental Health and Mental Retardation is not in compliance with this provision.

REVENUE CLASSIFICATION

- 4. **MHMR Collections for Patient Support and Maintenance.**
 - a. **Definition.** For the purposes of this section and appropriation authority for the Department of Mental Health and Mental Retardation, MHMR Collections for Patient Support and Maintenance are defined as reimbursements received for health and other services provided to individuals in state hospitals, state operated community services, state operated intermediate care facilities for the mentally retarded (ICF-MR) and state schools from third party payers including insurance companies, clients, relatives, trusts and estates, and government retirement benefit programs including the US Civil Service, Federal Railroad, State, Social Security, Teacher and Veteran's Administration.
 - b. **Classification for depositing revenues and reporting of expenditures.** For the purpose of revenue classification for depositing and expending certain collections related to the support and maintenance of patients, the following Revenue Object Codes as defined by the Comptroller of Public Accounts shall be used for recording collections, reporting expenditures, and requesting legislative appropriations by the Department of Mental Health and Mental Retardation:
 - (1) Revenue Object Codes 3595, 3606, 3614, and 3618 as defined by the Comptroller of Public Accounts shall be used to record collections and deposits from the above defined sources into the General Revenue Fund
 - (i) 3595: Medical Assistance Cost Recovery
 - (ii) 3606: Support and Maintenance of Patients
 - (iii) 3614: Counseling, Care and Treatment of Outpatients
 - (iv) 3618: Welfare/MHMR Service Fees (Child Support)
 - (2) Automated Budget and Evaluation System of Texas (ABEST) Method of Financing (MOF) Code 8031- MHMR Collections for Patient Support and Maintenance shall be used to report expenditures and request legislative appropriations from collections/deposits made to Revenue Object Codes 3595, 3606, 3614, and 3618.
 - c. **Appropriation authority and accounting for expenditures of MHMR Collections for Patient Support and Maintenance.** The Department of Mental Health and Mental Retardation is authorized to receive and expend MHMR Collections for Patient Support and Maintenance as a first source, and general revenue shall be used as a second source, to support the state hospitals, state operated intermediate care facilities for the mentally retarded (ICF-MR), and state operated community services. In the event that these revenues

DEPARTMENT OF MENTAL HEALTH AND MENTAL RETARDATION
(Continued)

should be greater than the amounts identified in the method of financing above as MHMR Collections for Patient Support and Maintenance, the department is hereby appropriated and authorized to expend these state funds hereby made available. The expenditure of MHMR Collections for Patient Support and Maintenance is subject to the following requirements:

- (1) Amounts available shall be expended prior to utilization of any general revenue available for the same purpose;
 - (2) In the event general revenue has been expended prior to the receipt of MHMR Collections for Patient Support and Maintenance, the department shall reimburse general revenue upon receipt of the revenue. This process shall be completed on a monthly basis in order to maintain a minimum balance on hand in excess MHMR Collections for Patient Support and Maintenance; and
 - (3) The department shall report monthly to the Legislative Budget Board, Comptroller of Public Accounts, and Governor on MHMR Collections for Patient Support and Maintenance, expenditures and anticipated revenues and balances.
- d. **Responsibility for proportionate share of indirect costs and benefits.** The Department of Mental Health and Mental Retardation shall ensure that MHMR Collections for Patient Support and Maintenance fund their proportionate share of benefits and statewide allocated indirect costs as required and directed in Article IX of this act.
- e. **Exclusive appropriation authority.** The preceding subsections of this rider shall be the exclusive appropriation authority for receipts from the above identified sources and none of these receipts shall be appropriated by a provision of Article IX of this Act.
5. **Funds for the Medicaid Program.** For the purposes of this section and appropriation authority for the Medicaid Program responsibilities of the Department of Mental Health and Mental Retardation (TDMHMR), the following subsections provide governance relating to appropriate use, classification and expenditure of funds.
- a. **General Revenue Match for Medicaid.** ABEST Method of Financing Code 758 - GR Match for Medicaid shall be used to report general revenue expenditures and request general revenue appropriations for the state's share of Medicaid payments for the following Medicaid services:
 - (1) Community-based Intermediate Care Facilities for the Mentally Retarded (ICF-MR) that are privately operated through contractual arrangements between private providers and the department;
 - (2) Community-based Intermediate Care Facilities for the Mentally Retarded (ICF-MR) that are operated by the State/department;
 - (3) Home and Community-based Services (HCS) authorized by a 1915(c) federal waiver and provided by state-operated community centers;
 - (4) Home and Community-based Services (HCS) authorized by a 1915(c) federal waiver and provided through contractual arrangements between private providers and the department;
 - (5) Home and Community-based Services - Omnibus Budget Reconciliation Act of 1981 (HCS-O) authorized by a 1915(c) federal waiver and provided by state-operated community centers;

DEPARTMENT OF MENTAL HEALTH AND MENTAL RETARDATION
(Continued)

- (6) Home and Community-based Services - Omnibus Budget Reconciliation Act of 1981 (HCS-O) authorized by a 1915(c) federal waiver and provided through contractual arrangements between private providers and the department;
 - (7) Mental Retardation Local Authority (MRLA) waiver services;
 - (8) MHMR Medicaid services provided through contracts with Behavioral Health Organizations as a component of the NorthSTAR Project; and
 - (9) Salaries and operating costs related to direct program administration and indirect administration of the department.
- b. **General Revenue Certified as Match for Medicaid.** The Department of Mental Health and Mental Retardation shall use ABEST Method of Financing code 8032 - General Revenue Certified Match for Medicaid to identify general revenue funds requested and reported as expended for the purpose of drawing federal funds and to document that State funds have been spent for Medicaid services and administrative expenditures for the following services:
- (1) Intermediate care facilities for the mentally retarded that are operated by the State and known as "state schools";
 - (2) Services delivered in hospitals operated by the Department of Mental Health and Mental Retardation including inpatient services for clients under the age of 21 and services that qualify under the federally approved Institutions for Mental Diseases (IMD) option for clients over the age of 65;
 - (3) Rehabilitation Services as approved in the State Medicaid Plan which are provided by Mental Health Authorities and Mental Retardation Authorities;
 - (4) Service Coordination Services as approved in the State Medicaid Plan provided by Mental Health Authorities and Mental Retardation Authorities; and
 - (5) Medicaid Administrative Claims as approved in the State Medicaid Plan which are based on certain activities of Mental Health Authorities and Mental Retardation Authorities.
- c. **Reporting requirements related to General Revenue Matching Funds for the Medicaid Program.** The Department of Mental Health and Mental Retardation shall report monthly to the Legislative Budget Board, Comptroller of Public Accounts and Governor on the expenditures of General Revenue for Medicaid federal matching purposes by the method of financing codes identified above and the amounts of local, non-profit expenditures certified as state match for Medicaid federal funds by the department for services provided by Mental Health Authorities and Mental Retardation Authorities.
- d. **Medicaid Federal Funds.** The Department of Mental Health and Mental Retardation shall report its expenditures and request legislative appropriations for federal Medicaid matching funds for client services, program administration and agency indirect administration. Automated Budgeting and Evaluation System of Texas (ABEST) Method Financing Code (MOF) 555 and Medicaid CFDA 93.778 shall be used for the following:
- (1) Federal funds drawn from the US Centers for Medicare and Medicaid Services (CMS) using general revenue funds classified as General Revenue Match for Medicaid (ABEST MOF Code 758), General Revenue Certified as Match for

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Medicaid (ABEST MOF Code 8032), Tobacco Settlement Receipts Match for Medicaid (ABEST MOF Code 8024) or Tobacco Receipts Certified as Match for Medicaid (ABEST MOF Code 8023);

- (2) Federal funds drawn from CMS using the department's certification of local, non-profit expenditures made by the Mental Health Authorities and Mental Retardation Authorities on behalf of Medicaid-eligible individuals;
 - (3) Federal funds received from CMS for services rendered to certain Medicaid-eligible individuals over the age of 65 by federally recognized Institutions for Mental Diseases (IMD Medicaid option) based on billings from hospitals operated by the Department of Mental Health and Mental Retardation to the claims processing agent for the Texas Medicaid program in its capacity as the State's fiscal agent for certain Medicaid payments; and
 - (4) Federal funds received from CMS for general Medicaid health services including the Comprehensive Care Program for children based on billings from the facilities operated by the Department of Mental Health and Mental Retardation to the claims processing agent for the Texas Medicaid program in its capacity as the State's fiscal agent for certain Medicaid payments.
- c. **Appropriation authority and accounting for Federal Funds for the Medicaid Program.** Amounts defined as Medicaid Federal Funds shall be used as a first source, and general revenue which was not used as matching funds shall not be used to fund Medicaid eligible services. In the event that these revenues should be greater than \$754,073,148 in 2004 and \$760,703,219 in 2005 as included above in Federal Funds, the department is hereby appropriated and authorized to expend these federal funds made available, subject to the following requirements:
- (1) Amounts made available shall be expended prior to utilization of any general revenue made available for the same purpose;
 - (2) In the event general revenue has been expended prior to the receipt of Medicaid Federal Funds, the department shall reimburse general revenue upon receipt of the revenue. This process shall be completed on a monthly basis in order to not have an excess balance of Medicaid Federal Funds; and
 - (3) The department shall report monthly to the Legislative Budget Board, Comptroller of Public Accounts and Governor on the amounts of Medicaid Federal Funds drawn and expended.
- f. **Responsibility for proportionate share of indirect costs and benefits.** Nothing in this provision shall exempt the department from provisions of Article IX of this Act which apply equally to direct recoveries of benefits and indirect costs and to amounts recovered through an approved rate structure for services provided. Specifically, the department does not have appropriation authority for Medicaid federal funds claimed on behalf of services provided by other agencies, including:
- (1) health and retirement services for active and retired TDMHMR employees paid by the Employee Retirement System;
 - (2) Social Security payments, salary increases authorized in General Provisions, and Benefit Replacement Pay for TDMHMR employees paid by the Comptroller of Public Accounts;

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- (3) Debt service amounts paid on behalf of TDMHMR by the Texas Public Finance Authority; and
 - (4) Indirect cost allocation plans negotiated with CMS for the purposes of the State-wide Cost Allocation Plan (SWCAP).
- g. Exclusive Appropriation Authority.** The preceding subsections of this provision shall be the exclusive appropriation authority for Medicaid Federal Fund receipts from the above identified sources and none of these receipts shall be appropriated by a provision of Article IX of this Act.
- 6. MHMR Appropriated Receipts.**
- a. Definition.** For the purposes of this section and appropriation authority for the Department of Mental Health and Mental Retardation, MHMR Appropriated Receipts are defined as revenues deposited by the Department of Mental Health and Mental Retardation into the following Revenue Object Codes as defined by the Comptroller of Public Accounts:
 - (1) 3628: Dormitory, Cafeteria, and Merchandise Sales
 - (2) 3719: Fees for Copies or Filing of Records
 - (3) 3738: Grants-Cities/Counties
 - (4) 3739: Grants-Other Political Subdivisions
 - (5) 3740: Grants/Donations-Operating/Capital Grants and Contributions
 - (6) 3750: Sale of Furniture & Equipment
 - (7) 3752: Sale of Publication/Advertising (General)
 - (8) 3754: Other Surplus/Salvaged Property/Material Sales
 - (9) 3767: Supplies/Equipment/Services/Federal/Other (General)
 - (10) 3769: Forfeitures
 - (11) 3773: Insurance & Damages
 - (12) 3802: Reimbursements-Third Party
 - (13) 3806: Rental of Housing to State Employees
 - b. Reporting.** ABEST Method of Financing Code 8033 - MHMR Appropriated Receipts shall be used to report expenditures and request legislative appropriations from the Revenue Object Codes identified above.
 - c. Appropriation authority and accounting for MHMR Appropriated Receipts.** Amounts defined as MHMR Appropriated Receipts shall be deposited into the General Revenue Fund according to the identified Revenue Object Codes above. The Department of Mental Health and Mental Retardation is authorized to receive and expend MHMR Appropriated Receipts as a first source, and general revenue shall be used as a second source. In the event that these revenues should be greater than the amounts identified in the method of financing above as MHMR Appropriated Receipts, the department is hereby appropriated and authorized to expend these state funds hereby made available. The expenditure of MHMR Appropriated Receipts is subject to the following requirements:
 - (1) Amounts available shall be expended prior to utilization of any general revenue available for the same purpose. In the event general revenue must be expended, the agency will provide prior notification to the Legislative Budget Board and the Governor;
 - (2) In the event general revenue has been expended prior to the receipt of MHMR Appropriated Receipts as defined above, the department shall reimburse general revenue upon receipt of the revenue. This process shall be completed on a monthly basis in order to maintain a minimum balance on hand in excess MHMR Appropriated Receipts; and

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- (3) The department shall report monthly to the Legislative Budget Board, Comptroller of Public Accounts and Governor on MHMR Appropriated Receipts collections by Revenue Object Code, expenditures and anticipated revenues and balances.
- d. **Exclusive appropriation authority.** The preceding subsections of this provision shall be the exclusive appropriation authority for Appropriated Receipts from the above identified sources and none of these receipts shall be appropriated by a provision of Article IX of this Act.
7. **Texas Capital Trust Fund Account No. 543.**
- a. **Definition.** For the purposes of this section and appropriation authority, general revenue dedicated funds referred to as Texas Capital Trust Fund Account No. 543 (Chapter 2201, Government Code) are defined as revenues deposited by the Department of Mental Health and Mental Retardation into the following Revenue Object Codes as defined by the Comptroller of Public Accounts:
- (1) 3340: Land Easements
 - (2) 3341: Grazing Lease Rental
 - (3) 3344: Sand, Shell, Gravel and Timber Sales
 - (4) 3349: Land Sales
 - (5) 3746: Rental of Lands and Buildings
 - (6) 3747: Rental - Other
 - (7) 3851: Interest on State Deposits
- b. **Appropriation authority and accounting for Texas Capital Trust Fund Account No. 543.** For the purpose of revenue classification for expending and depositing certain collections related to the Texas Capital Trust Fund Account No. 543, ABEST Method of Finance Code 543 shall be used to report expenditures and request legislative appropriations from collections/deposits made to Revenue Object Codes 3340, 3341, 3344, 3349, 3746, 3747, and 3851 by the department. Appropriations of the Texas Capital Trust Fund Account No. 543 are limited to the amounts identified above.
8. **MHMR Medicare Receipts.**
- a. For the purposes of this section and appropriation authority, the Department of Mental Health and Mental Retardation shall use ABEST Method of Financing Code 8034 as an Other Fund to report expenditures and request legislative appropriations from Medicare funds deposited in Revenue Object Code 3634 that are collected by the department as payment for:
- (1) hospital, physician and other services rendered to Medicare-eligible individuals in facilities operated by the department; and
 - (2) cost settlements for services rendered in state facilities operated by the department as authorized by the Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA).
- b. **Appropriation authority and accounting for MHMR Medicare Receipts.** Amounts defined as MHMR Medicare Receipts shall be deposited into the General Revenue Fund according to the identified Comptroller Revenue Object Code above. The Department of Mental Health and Mental Retardation is authorized to receive and expend MHMR Medicare Receipts as a first source, and general revenue shall be used as a second source. In the event that these revenues should be greater than the amounts identified in the method of financing above as MHMR Medicare Receipts, the department is hereby appropriated and authorized to expend these state funds hereby made available. The expenditure of MHMR Medicare Receipts is subject to the following requirements:

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- (1) Amounts available shall be expended prior to utilization of any general revenue available for the same purpose. In the event general revenue must be expended, the agency will provide notification to the Legislative Budget Board and the Governor;
 - (2) In the event general revenue has been expended prior to the receipt of MHMR Medicare Receipts as defined above, the department shall reimburse general revenue upon receipt of the revenue. This process shall be completed on a monthly basis in order to maintain a minimum balance on hand in excess MHMR Medicare Receipts; and
 - (3) The department shall report monthly to the Legislative Budget Board, Comptroller of Public Accounts and Governor on MHMR Medicare Receipts collections by Comptroller Revenue Object Code, expenditures and anticipated revenues and balances.
- c. **Exclusive appropriation authority.** The preceding subsections of this provision shall be the exclusive appropriation authority for MHMR Medicare Receipts from the above identified sources and none of these receipts shall be appropriated by a provision of Article IX of this Act.

BUDGET POLICY AND APPROPRIATION MANAGEMENT

9. **State School Medicaid Revenues.** The Department of Mental Health and Mental Retardation shall report quarterly to the Legislative Budget Board and the Governor on the distribution of ICF/MR state school revenues to other state agencies. This report shall be submitted no later than 25 days after the close of each quarter. The format and content of the report shall be prescribed by the Legislative Budget Board.
10. **Contingency Appropriation of Earned Federal Funds.**
 - a. Included in the method of financing above are Earned Federal Funds in the amount of \$10,580,476 for the 2004-05 biennium, contingent upon the department earning and depositing funds generated which constitute Earned Federal Funds as defined elsewhere in this Act into the General Revenue Fund, Appropriation No. 70000 established by the Comptroller of Public Accounts for this purpose.
 - b. The Department of Mental Health and Mental Retardation shall submit a quarterly report to the Legislative Budget Board and the Governor which details revenues, expenditures, and balances for earned federal funds as of the last day of the prior quarter. The report shall be prepared in a format approved by the Legislative Budget Board.
 - c. The authority to receive and expend earned federal funds is subject to the following limitations:
 - (1) At least 14 days prior to any expenditure of earned federal funds in excess of those appropriated, the department shall report the earned federal funds received and provide documentation of the proposed use of these funds to the Legislative Budget Board, Governor, and Health and Human Services Commission. At least 14 days prior to any meeting of the Board of Mental Health and Mental Retardation to consider a budget adjustment of any use of earned federal funds above levels indicated in the appropriation above or to consider any program expansion, the department shall report the earned federal funds received and provide documentation of the proposed use of these funds to the Legislative Budget Board, Governor, and Health and Human Services Commission.

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- (2) Notifications shall include information regarding the need which will be served with the additional revenue. In the event program expansions are under consideration, information shall be forwarded regarding the population to be served, criteria for eligibility, and impact upon existing programs.
 - (3) The report shall include the information detailed in "b" and identify the impact on established performance targets, measures, and full-time equivalent positions.
11. **Community Hospital Medicaid Services.** The Harris County Psychiatric Center, Lubbock Community Hospital, and Galveston Community Hospital shall certify appropriated state funds to the Health and Human Services Commission or its designee for the state share of Medicaid reimbursement for the following services:
- a. Inpatient psychiatric services for children.
 - b. Inpatient psychiatric services for age 65 and over (Institute for Mental Disease option).

The Department of Mental Health and Mental Retardation shall report monthly to the Legislative Budget Board and the Governor on the amounts certified by each community hospital.

12. **Home and Community-Based Services (HCS) Waiver Program.** The department shall ensure the cost-effectiveness of the HCS program by limiting the average annual HCS expenditure per client to 80 percent of the average annual per client ICF-MR expenditure. Expenditures for individual clients may exceed this cap as long as the overall average expenditure for HCS clients remains below 80 percent of the ICF-MR annual average. Furthermore, it is the intent of the Legislature that, in order to increase the number of clients served, the overall average monthly expenditure per client may not exceed \$3,389 per month in fiscal years 2004 and 2005. The Department of Mental Health and Mental Retardation and the Health and Human Services Commission shall report to the Legislative Budget Board and Governor by October 1 of each year of the biennium, on the measures taken to decrease the average cost per person and to increase the number of clients served in the HCS program.
13. **Residential Services Funded by General Revenue.** The Department of Mental Health and Mental Retardation shall refinance, with Medicaid funding, residential services to Medicaid-eligible clients that are currently funded with general revenue. This refinancing effort shall include both public and private general revenue-funded programs. The department shall accomplish this refinancing through the use of Medicaid waiver programs, or, if necessary, the Intermediate Care Facility for the Mentally Retarded program. The department shall submit a report by October 1 of each year of the biennium to the Legislative Budget Board and the Governor that documents the number of persons and residential sites converted to Medicaid funding. The format of this report shall be prescribed by the Legislative Budget Board.
14. **Cash Flow Contingency.** Contingent upon the receipt of MHMR Medicare Receipts, MHMR Collections for Patient Support and Maintenance, and of federal funds allocated from the Medicaid Program, the department may temporarily utilize additional general revenue funds, pending receipt of reimbursement, in an amount not to exceed the anticipated reimbursement, in each year of the biennium. The general revenue amounts utilized above the general revenue method of finance must be repaid upon receipt of reimbursement and shall be utilized only for the purpose of temporary cash flow needs. These transfers and repayments shall be credited to the fiscal year being reimbursed and shall be in accordance with procedures established by the Comptroller. All transfers of the method of finance shall be reported by the department to the Legislative Budget Board and the Governor.

DEPARTMENT OF MENTAL HEALTH AND MENTAL RETARDATION
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15. **Funding Equity Among Local Mental Health and Mental Retardation Authorities.** It is the intent of the Legislature that the Texas Department of Mental Health and Mental Retardation shall develop and implement a long-term plan to achieve equity in state funding allocations among local mental health and mental retardation authorities. The plan shall be implemented from fiscal years 2006–2011. The goal of the plan shall be to achieve equity to the greatest extent possible by fiscal year 2011, however, any funding reductions to a local authority for the purpose of achieving equity may not exceed 5 percent of allocated general revenue in a fiscal year. The plan shall also provide for improving funding equity to be a priority in distributing any new state or federal funds that may become available for allocation to community centers.

In assessing the equity of funding the Department may use alternatives other than basing equity calculations solely on the total population served by each local authority. Additional factors, such as incidence of poverty, may be considered if they help to provide a better estimate of the need for state funded mental health or mental retardation services in the areas served by each local authority. The Department shall submit its long-term equity plan to the Office of the Governor and the Legislative Budget Board by December 31, 2003. The Department shall include in its legislative appropriations requests a table showing how implementation of the equity plan will affect projected allocations to community centers at the baseline current services funding level.
16. **State School Funding.** It is the intent of the Legislature that the department implement a single funding methodology for state schools which funds all state schools equitably and at a level which is adequate to maintain compliance with applicable federal standards. The methodology should be based on the number of residents in each school and the needs of those residents.
17. **Report on Local Authorities.** To ensure that the Legislature and Governor are kept informed of the effects of delegating to a local mental health authority or local mental retardation authority (local authority) the responsibility of planning, coordination, and oversight of mental health and/or mental retardation services in that area, the department shall submit a report by January 15 of each year to the Legislative Budget Board and the Governor. This report shall describe both beneficial and detrimental client outcomes and shall be presented in a format to be prescribed by the Legislative Budget Board.
18. **Community Mental Health and Mental Retardation Centers.** If the department determines that a community mental health and mental retardation center is unable or unwilling to fulfill its contractual obligations to provide services or to exercise adequate control over expenditures and assets, the department may take necessary steps, including the appointment of a management team as authorized by Health and Safety Code, §§ 534.038–534.040, to protect the funds appropriated under this Act and ensure the continued provision of services.
19. **Performance Contracts.** Funds in Strategy A.1.5, MH Community Hospitals, shall be allocated through performance contracts with local mental health authorities.
20. **Medicaid and Medicare Collections.** The Department of Mental Health and Mental Retardation shall maximize reimbursement of Medicare and Medicaid funding for all eligible individuals and for all expenditures at the state hospitals, state schools, and state centers.
21. **Use of Timber Receipts for Capital Projects.** The Department of Mental Health and Mental Retardation is hereby authorized to sell timber located on department land. Revenues generated from the sale of timber, estimated at zero for the biennium, shall be deposited into the Texas Capital Trust Fund Account No. 543.

DEPARTMENT OF MENTAL HEALTH AND MENTAL RETARDATION
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22. **Rusk State Hospital Timber Sales.** The Department of Mental Health and Mental Retardation is authorized to sell timber located on department land at Rusk State Hospital. Revenues generated from the sale of timber, estimated at zero for the biennium, shall be deposited into the Texas Capital Trust Fund Account No. 543.
23. **Third Party Reimbursement for Community Mental Health and Mental Retardation Centers.** It is the intent of the Legislature that community mental health and mental retardation centers maximize third-party reimbursement from Medicaid and the Children's Health Insurance Program for all eligible individuals.

BUDGET POLICY AND APPROPRIATION MANAGEMENT, FACILITY-RELATED

24. **Transfers of Appropriation - State Owned Hospitals.** The Department of Mental Health and Mental Retardation shall transfer from non-Medicaid state appropriated funds the following amounts to the Health and Human Services Commission for the Disproportionate Share Hospital Reimbursement Program:

	<u>2004</u>	<u>2005</u>
State Mental Hospitals	\$ 246,525,883	\$ 246,525,883
Harris County Psychiatric Center	<u>20,423,113</u>	<u>20,423,113</u>
	<u>\$ 266,948,996</u>	<u>\$ 266,948,996</u>

The timing and form of such transfers shall be determined by the Comptroller of Public Accounts in consultation with the Health and Human Services Commission. The Legislative Budget Board is authorized to adjust the amounts of such transfers as necessary to match available federal funds. The department shall also transfer non-Medicaid state appropriated funds as necessary for other qualifying state-funded community hospitals.

25. **State School Funding and Staffing Levels.** It is the intent of the Legislature that funding for state schools shall be based on the number of residents in each state school at the beginning of the fiscal year and the needs of those residents. Staffing patterns at state schools shall not reflect a census decline until a campus has realized a decline in census.
26. **Barber and Cosmetology Services.** The Department of Mental Health and Mental Retardation may charge fees for barber and cosmetology services provided the fees charged are consistent with an individual's ability to pay. These fees are appropriated to the department to offset the cost of providing barber and cosmetology services. The department may also use patient benefit funds to offset the cost of these services for indigent clients.
27. **Surplus Property.** In order to conserve funds appropriated, surplus personal property may be transferred from one facility to another with or without reimbursement. The Department of Mental Health and Mental Retardation may transfer surplus personal property to community MHMR centers with or without reimbursement. Surplus personal property belonging to any facility may be sold; provided, however, that such transfers or sales shall be made under the same procedure as provided by Government Code, Chapter 2175.
28. **Disposition of Construction Appropriation.** Construction appropriations may be used to pay salaries and travel expenses of department engineers and architects and administrative expenses of construction projects (but shall not exceed \$350,000 in a fiscal year that are paid out of G.O. Bonds); architect's and engineer's fees; and the actual travel expenses incurred by them or their representatives in making trips of inspection at the discretion of the department during construction, renovation, or repair of buildings and systems or the installation of fixed

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equipment. Job titles and rates of pay for such salaried positions of department personnel paid from construction appropriations shall conform with the Position Classification Plan and Classification Salary Schedule.

29. **Road Construction and Maintenance at State Facilities.** Notwithstanding any other provision in law, the Texas Department of Transportation shall construct, repair, and maintain roads in and providing access to and from Texas Department of Mental Health and Mental Retardation facilities.

EXPENDITURES SPECIFICALLY AUTHORIZED

30. **Reimbursement of Advisory Committee Members.** Pursuant to Government Code, § 2110.004, reimbursement of expenses for advisory committee members, out of the funds appropriated above not to exceed \$18,978 per year, is limited to the following advisory committee: Mental Health Planning and Advisory Committee.

None of the funds for reimbursement shall be redirected from the appropriation for the direct provision of services to the clients of MHMR.

To the maximum extent possible, the Department shall encourage the use of videoconferencing and teleconferencing and shall schedule meetings and locations to facilitate the travel of participants so that they may return the same day and reduce the need to reimburse members for overnight stays.

31. **Office For Prevention Of Developmental Disabilities.** The Department of Mental Health and Mental Retardation shall expend, from funds otherwise appropriated to the department by this Act, an amount not to exceed \$105,600 each fiscal year for salaries, benefits, travel expenses, and other support of the Office for Prevention of Developmental Disabilities.
32. **Pilot Project for Persons with Developmental Disabilities.** The Department of Mental Health and Mental Retardation (TDMHMR) is required to continue a project in Midland County which identified and served 16 individuals who have required long-term care settings in the past and/or are still in need of and eligible for placement in long-term Medicaid group homes. For purposes of continuing this project, TDMHMR shall expend, out of funds appropriated, for fiscal years 2004 and 2005, an amount sufficient to continue TDMHMR waiver program services to an individual participating in this project as long as that individual meets programmatic eligibility criteria. These 16 individuals, or their authorized representatives, were provided the opportunity to direct their own level of care, such that their service plans include only necessary and requested services. The original pilot was intended to demonstrate that provision of only necessary and requested services in a manner prescribed by persons with developmental disabilities will produce less dependent, more productive citizens in a most cost-efficient model.
33. **Mexia State School Medicaid-decertified Beds.** It is the intent of the Legislature that all funds appropriated in Strategy D.1.1, MR State School Services, to fund beds at Mexia State School that have been decertified from Medicaid and related costs shall be distributed to Mexia State School.
34. **Community Hospital Funding for Galveston Community Hospital.** Out of funds appropriated above, the Department of Mental Health and Mental Retardation shall allocate \$400,000 in General Revenue for fiscal year 2004 and \$400,000 in General Revenue for fiscal year 2005 for the Galveston Community Hospital, specifically for the purpose of providing outpatient medication services.

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ADDITIONAL APPROPRIATION AUTHORITY

35. **Appropriation of Local Funds.** All funds received by the department from counties, cities, and from any other local governmental entity and all balances from such sources as of August 31, 2003, are hereby appropriated for the biennium ending August 31, 2005, for the purpose of carrying out the provisions of this Act. (Estimated to be zero.)
36. **Medical Assistance Payments and Unexpended Balances.** General revenue funds appropriated hereinabove for all Medicaid services shall be made available to the agency by the Comptroller of Public Accounts in equal monthly installments on the first day of each calendar month; provided, however, that any balances on hand in such funds may be carried over from month to month during each fiscal year and from fiscal year 2004 to fiscal year 2005, and such funds are appropriated to the department for the 2004-05 biennium.
37. **Unexpended Construction Balances.** Any unexpended construction, repair, or renovation balances from previous appropriations, estimated to be \$17,700,000 from fiscal year 2003 to fiscal year 2004 and included in the method of finance above as General Obligation Bond proceeds and in Strategy E.1.1, Capital Construction, are hereby appropriated to the Texas Department of Mental Health and Mental Retardation (TDMHMR) for the same purposes, provided that the expenditure of such appropriated funds shall require the approval of the Board of Mental Health and Mental Retardation. At least 14 days prior to board approval, TDMHMR shall report on the appropriated fund sources, amounts and year of appropriation and on the proposed use of these funds to the Legislative Budget Board and the Governor.
38. **Unexpended Balances.** Except as otherwise provided, unexpended and unobligated balances, not to exceed \$10 million, remaining from appropriations for the first year of the biennium to the Department of Mental Health and Mental Retardation are appropriated to the department for the purpose of complying with Joint Commission for the Accreditation of Healthcare Organizations (JCAHO) standards and Intermediate Care Facilities for the Mentally Retarded (ICF-MR) standards dealing with residential, non-residential, and community based mental health and mental retardation services. This paragraph does not apply to those unexpended and unobligated balances remaining from appropriations for the first year of the biennium that the department is authorized by this Act to retain for specific purposes in the second year of the biennium. The department shall notify the Legislative Budget Board and the Governor as to when the appropriation originated, why it is not needed, and how it will be used prior to budgeting and expending these balances.
39. **Copyright of Training Materials and Patent of Technologies Developed by the Department.** In addition to the amounts appropriated above, the Department of Mental Health and Mental Retardation is hereby authorized to collect the following fees: a) fees collected from the sale of written training materials, video tapes, audio tapes and in the form of electronic media, such materials having been developed in part or whole by the department; and b) licensing fees collected by the department in exchange for allowing individuals and companies to use any patented technology developed, in part or in whole, by the department. The department is authorized to license the use of any copyright-protected material, trademark, trade secrets, and any patented technology. This does not include any mineral royalties. Fees collected in the sale of training materials described above may be in excess of the actual reproduction cost incurred by the department and shall be used to recoup the costs associated with developing the training materials. Fifty percent of the fees collected in licensing of any patented technology shall be devoted to further research and development of technologies reasonably believed to be of assistance to the department's priority population. The remaining 50 percent shall be deposited to the General Revenue Fund.

DEPARTMENT OF MENTAL HEALTH AND MENTAL RETARDATION
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40. **Appropriation Transfer Between Fiscal Years.** In addition to the transfer authority provided elsewhere in this Act, the Department of Mental Health and Mental Retardation may transfer appropriations made for the fiscal year ending August 31, 2005, to the fiscal year ending August 31, 2004, subject to the following conditions provided by this section:
- a. Transfers under this section may be made only:
 - (1) if appropriated receipts required to fund appropriations contained in this Act for fiscal year 2004 are less than those contained in the method of finance for the department for fiscal year 2004;
 - (2) for any emergency expenditure requirements, including expenditures necessitated to ensure the continuation of Medicaid client services to maintain fiscal year 2003 Medicaid caseloads.
 - b. Transfers may not exceed \$15,000,000 in general revenue.
 - c. A transfer authorized by this section must receive the prior approval of the Legislative Budget Board and the Governor.
 - d. The Comptroller of Public Accounts shall cooperate as necessary to assist the completion of a transfer and spending made under this section.
41. **Revolving Fund Services: Canteen Services and Sheltered Workshops.**
- a. **Canteen Services.** Each of the facilities under control and management of the Department of Mental Health and Mental Retardation, except the Central Office, may establish, maintain and operate a canteen for the convenience of its patients. Any balances remaining in each canteen operation fund are appropriated for the biennium beginning with the effective date of this Act in an amount estimated to be \$350,000 from balances on hand on August 31, 2003 and included above in Strategy D.1.1, MR State School Services. Any unobligated balances as of August 31, 2004, are appropriated for the same use during fiscal year 2005. All receipts deposited to its credit, estimated to be \$3,067,661 in fiscal year 2004 and \$3,067,661 in fiscal year 2005 and included above in Strategy D.1.1, MR State School Services, are appropriated for all costs necessary for the operation of a canteen for the next fiscal year. Funds appropriated for canteen services are reflected in the method of finance above as MHMR Revolving Fund Receipts. Each of the facilities under control and management of the department that contracts with the Commission for the Blind for the operation of its canteen shall deposit the amount of monies originally appropriated for its Canteen Operation Fund into the General Revenue Fund. The balance remaining in the facility's Canteen Operation Fund, after the amount originally appropriated is deposited to the General Revenue Fund, shall be deposited to the Benefit Fund created at the facility under the provisions of Health and Safety Code § 551.004.

The department shall provide information on related revenues, balances, contracts and profits to the Legislative Budget Board, Governor and Comptroller of Public Accounts. These revenues, expenditures and balances shall be reported and included in agency Operating Budgets, Legislative Appropriation Requests, and Annual Financial Reports. The timetable, format and content for additional monthly reports related to Canteen operations shall be prescribed by the Legislative Budget Board.
 - b. **Sheltered Workshops.** The Department of Mental Health and Mental Retardation may maintain a revolving fund for its management responsibilities related to sheltered workshops. Any balances remaining in the sheltered workshop funds are appropriated for the biennium beginning with the effective date of this Act in an amount estimated to be \$1,300,000 from balances on hand remaining on August 31, 2003 and included above in

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Strategy D.1.1, MR State School Services. Any unobligated balances as of August 31, 2004, are appropriated for the same use during fiscal year 2005. All receipts deposited to the credit of the sheltered workshops, estimated to be \$1,457,854 in fiscal year 2004 and \$1,457,854 in fiscal year 2005 and included above in Strategy D.1.1, MR State School Services, are appropriated for all costs necessary for the operation of sheltered workshops. Funds appropriated for sheltered workshops are reflected in the method of finance above as MHMR Revolving Fund Receipts. The department shall provide information on related revenues, expenditures, balances, contracts and profits to the Legislative Budget Board, Governor and Comptroller of Public Accounts. These revenues, expenditures and balances shall be reported and included in agency Operating Budgets, Legislative Appropriations Requests, and Annual Financial Reports. The timetable, format, and content for additional monthly reports related to the Sheltered Workshop Revolving Fund shall be prescribed by the Legislative Budget Board.

HUMAN RESOURCE POLICY

42. **Employee Meals.** Notwithstanding any other provision in this Act, the Department of Mental Health and Mental Retardation may provide free meals to employees who are required to eat meals with clients.
43. **Maximum Security Salaries.** As a specific exception to the General Provisions of this Act governing salary rates of classified positions, funds are included above for the Department of Mental Health and Mental Retardation to pay employees working in designated Maximum Security Units or designated specialized Behavioral Management Units up to a two step increase over those salary rates provided by the General Provisions.
44. **Fire Prevention and Safety.** In instances in which regular employees of facilities located in remote areas are assigned extra duties in fire prevention programs, the following payments are authorized in addition to the salary rates stipulated by the General Provisions on this Act relating to the position classifications and assigned salary ranges:
- | | |
|----------------------|-----------------|
| Fire Chief | \$ 75 per month |
| Assistant Fire Chief | \$ 65 per month |
| Fire Brigade Member | \$ 50 per month |
45. **Patient or Client Assistance.** Subject to the approval of rules and regulations of the governing board of the Department of Mental Health and Mental Retardation, patients or clients in any state facility who are assisting in the operation of the facility as part of their therapy, may receive compensation out of any funds available to the respective facilities.
46. **Language Interpreter Services.** In order to compensate employees for assuming the duty of providing interpretation services to consumers whose primary language is not English, facilities of the Texas Department of Mental Health and Mental Retardation, upon written authorization of the Commissioner or his/her designee, may, from funds appropriated above, increase the salary of classified employees by an amount equal to a one step increase, or 3.4 percent, so long as the resulting salary rate does not exceed the rate designated as the maximum rate for the applicable salary group. This increase shall be granted only for the regular provision of interpreter services above and beyond the regular duties of the position, and shall be removed when these services are, for whatever reason, no longer provided by the employee or when they are no longer needed by the facility. Salary increases provided for this purpose are not merit increases and shall not affect an employee's eligibility to receive a merit increase. This authorization also includes employees who provide interpretation services in American Sign Language.

DEPARTMENT OF MENTAL HEALTH AND MENTAL RETARDATION
(Continued)

47. **State-Owned Housing Authorized.** The Superintendent, Medical Director, Assistant Superintendent for Programs, and Director of Plant Maintenance at each facility are authorized to live in state-owned housing at a rate determined by the department. Other department employees may live in state-owned housing as set forth in Article IX, State Owned Housing - Recover Housing Costs, of this Act. Fees for employee housing are hereby appropriated to be used for maintaining employee housing.
48. **Professional Trainees and Interns.** The Texas Department of Mental Health and Mental Retardation is authorized to compensate professional trainees or interns in recognized educational programs at any salary rate not to exceed the following amounts:
- | | |
|---|-------------------|
| Psychiatrist Interns | \$3,412 per month |
| Physician Interns | \$2,925 per month |
| Psychologist Trainees | \$2,749 per month |
| Registered Nurse Trainees | \$2,295 per month |
| Chaplain Interns | \$2,161 per month |
| Physical, Occupational, or Registered
Therapist Trainees | \$2,036 per month |
| Social Worker Trainees | \$1,921 per month |
| Medical Technologist Trainees | \$1,921 per month |
| Licensed Vocational Nurse Trainees | \$1,716 per month |

OTHER PROVISIONS

49. **Residential Providers.** It is the intent of the Legislature that individuals seeking residential services for a person with mental retardation have a choice of available providers. To ensure choice, the agency shall inform individuals seeking residential services of all the service options available, including large and small congregate living arrangements and waiver services.
50. **Placement Options.** An individual with mental retardation or an individual's legally authorized representative seeking residential services shall receive a clear explanation of programs and services for which the individual is determined to be eligible, including state schools, community ICFs-MR, 1915(c) waiver services or other services. The programs and services that are explained shall be documented in the individual's record and acknowledged in writing by the individual or the individual's legally authorized representative. If the chosen programs or services are not available, the individual or the individual's legally authorized representative shall be given assistance in gaining access to alternative services and the selected waiting lists.
- The department shall keep a central list of the number of openings available for each type of residential service. The department shall honor the program and services preferences of the person or the person's legally authorized representative to the maximum extent openings are available in a residential program or service for which the individual meets program criteria.
51. **New Generation Medications.** Funds expended on New Generation medications shall be spent in accordance with the practice guidelines developed through the Texas Implementation of Medication Algorithms (TIMA), Children's Medication Algorithm Project (CMAP) or a TDMHMR-approved variation or substitute of TIMA or CMAP guidelines.
52. **Limit on Spending New Generation Medication Funds.**
- a. It is the intent of the Legislature that the Department of Mental Health and Mental Retardation utilize funds appropriated for New Generation Medications for no other purpose than the provision of New Generation Medications. This limitation shall apply to funds

DEPARTMENT OF MENTAL HEALTH AND MENTAL RETARDATION
(Continued)

appropriated for New Generation Medications in the following strategies: A.1.1, Adult MH Community Services; A.1.2, Children's MH Community Services; A.1.4, NorthSTAR Behavioral Health Waiver; B.1.1, MH State Hospital Services; and D.1.1, MR State School Services.

- b. Notwithstanding the limitation described above, the department shall allow a local mental health or mental retardation authority to expend an amount not to exceed 15 percent of its New Generation Medication funds on support programs that are related to the administration of New Generation Medications, provided, however, that an authority using its New Generation Medication funds for support services must meet its contracted performance target for persons served with New Generation Medications and that the availability of New Generation Medication funds to expend on services must result from cost efficiencies achieved by the authority.
53. **Home and Community-Based Services Mid-Range Waiver.** The Department of Mental Health and Mental Retardation, in conjunction with the Health and Human Services Commission, is authorized to seek approval from the Centers for Medicare and Medicaid Services for a Home and Community-based Services 'mid-range' waiver to provide services and supports to persons with mental retardation who do not require out-of-home residential support. Services and supports in this waiver would be capped at \$25,000 per year. The Legislative Budget Board and the Governor must approve implementation of this waiver prior to expenditure of any funds on waiver placements.
54. **Provision of Information About All Care Alternatives.** The Department of Mental Health and Mental Retardation shall comply with the requirements of § 533.038 of the Health and Safety Code by specifically providing to a person with mental retardation who is seeking residential services, or that person's legally authorized representative, information regarding the full continuum of care alternatives that are available, as well as information regarding spaces available in all the care alternatives.
55. **Performance Measure Adjustment.** It is the intent of the Legislature that the department work with the Legislative Budget Board and the Governor, in accordance with the provision titled "Budgeting and Reporting" in the General Provisions of this Act to make appropriate adjustments to performance measure targets if, during the course of the 2004-05 biennium, it receives a decrease in federal earnings related to a reduction in the rates for Medicaid reimbursement for rehabilitation services.
56. **Performance Measure Targets.** The department, with assistance from local authorities, the Legislative Budget Board, and the Governor, shall develop uniform methodologies to be used in setting its biennial performance measure targets. The methodologies will take into consideration inflation and operating costs as well as the actual costs associated with delivering individual units of mental health and mental retardation services. The department will use the methodologies in developing measure targets in its 2006-07 Legislative Appropriations Request.
57. **Purchasing of Medication.** The Department of Mental Health and Mental Retardation shall require local mental health and mental retardation authorities to document their effort to make needed medications available to consumers at the lowest possible prices and to utilize the most cost effective medication purchasing arrangement available. It is the intent of the Legislature that the Department of Mental Health and Mental Retardation shall provide technical assistance to community centers as necessary to maximize efficiency.
58. **Appropriation of Bond Funds.** The appropriation of \$35,350,000 in bond funds included above in Strategy E.1.1 Capital Construction is subject to the following limitations and requirements. The Texas Public Finance Authority shall not issue debt to fund this appropriation at a rate that would cause the debt service on these bond funds to exceed \$1,000,000 during the fiscal year

DEPARTMENT OF MENTAL HEALTH AND MENTAL RETARDATION
(Continued)

2004-05 biennium. The Department shall reimburse, from its General Revenue appropriation, the Texas Public Finance Authority for the actual debt service incurred during the biennium related to the issuances under this appropriation and shall transfer these funds as instructed by the Comptroller of Public Accounts.

59. **Local Service Area Planning Pilot Project-Gulf Coast.** The Department of Mental Health and Mental Retardation may develop a pilot project, beginning in fiscal year 2004, negotiating a performance agreement with the Gulf Coast Center based on priorities identified by the community and expressed in a local service plan.

The performance agreement shall specify outcomes as established in the Appropriations Act for programs administered by the local authority, and financed by general revenue funds. Performance related to these outcomes must be verifiable by the Department. Measures relating to outputs and units of service delivered, which may be included in the performance agreement, shall be recorded in the local authority automated data systems. Copies of these reports shall be forwarded to the Department on a quarterly basis.

The Department shall develop criteria for evaluation of the pilot project and report on the effectiveness of the pilot project to the Legislative Budget Board and the Governor by December 31, 2004.

60. **Local Service Area Planning Pilot Project-El Paso.** The Department of Mental Health and Mental Retardation may develop a pilot project, beginning in fiscal year 2004, negotiating a performance agreement with the El Paso Mental Health and Mental Retardation Community Center authority based on priorities identified by the community and expressed in a local service plan.

The performance agreement shall specify outcomes as established in the Appropriations Act for programs administered by the local authority, and financed by general revenue funds. Performance related to these outcomes must be verifiable by the Department. Measures relating to outputs and units of service delivered, which may be included in the performance agreement, shall be recorded in the local authority automated data systems. Copies of these reports shall be forwarded to the Department on a quarterly basis.

The Department shall develop criteria for evaluation of the pilot project and report on the effectiveness of the pilot project to the Legislative Budget Board and the Governor by December 31, 2004.

61. **Recoupment of Funds from Local Authorities.** Notwithstanding other provisions of this Act, any state funds appropriated for fiscal year 2004 recouped by the Department from a local mental health or mental retardation authority for failing to fulfill its performance contract with the State, are hereby reappropriated to the Department to reallocate to other local mental health or mental retardation authorities to use for a related purpose in fiscal year 2005. In conjunction with the reallocation of funds, the Department shall provide a report to the Legislative Budget Board and the Governor on the amount of funds, the reasons for the recoupment, the local authorities involved, any performance contract requirements that were not met, and the purposes of the reallocation.

62. **Donations from Individuals, Community Groups and Volunteer Services Councils.** It is expressly provided that the Texas Department of Mental Health and Mental Retardation, in accordance with § 533.001 of the Health and Safety Code and to the extent permitted by law, may accept donations for permanent improvements at the state mental health facilities and the state mental retardation facilities from individuals, community groups and local Volunteer

DEPARTMENT OF MENTAL HEALTH AND MENTAL RETARDATION
(Continued)

Services Councils. Such funds are not subject to limitations on capital budget expenditures as contained in Article IX or any other similar provisions in this Act. Permanent improvements are defined as an improvement to a state facility that involves construction, building system(s), and/or landscaping.

63. **Contracted Medical Services.** It is the intent of the Legislature that the Texas Department of Mental Health and Mental Retardation (TDMHMR) will not pay more than the approved reimbursement rate set by the Health and Human Services Commission for hospital services provided to an indigent TDMHMR consumer in a private or public hospital.
64. **Cost Effective Study of TDMHMR Community Hospitals.** Out of funds appropriated the Department of Mental Health and Mental Retardation shall develop a study to identify the cost effectiveness of community hospitals across the state. The study shall include state, regional, and local factors affecting issues related to stabilization and long term care for mental health needs. The department will also review the reasons for closures of community hospitals, including costs associated with providing acute and long term care. The department shall submit the findings of the study to the Legislature, no later than September 1, 2005.
65. **Contingency Appropriation out of the Capital Trust Fund.** Included in amounts above is \$5,859,850 in Capital Trust Fund revenue for the 2004-05 biennium, contingent upon the department earning and depositing amounts above the \$4,599,000 that is identified in the Biennial Revenue Estimate. These funds above the revenue estimate shall be made available upon certification by the Comptroller of Public Accounts and used in accordance with their statutorily dedicated purpose.
66. **Contingency Appropriation for HB 2292.** Contingent upon the enactment of House Bill 2292, or similar legislation related to imposing a Quality Assurance Fee on facilities owned by the Department of Mental Health and Mental Retardation, by the Seventy-eighth Legislature, Regular Session, the amounts appropriated above from the Quality Assurance Account No. 5080 include an estimated \$27,779,438 in fiscal year 2004 and an estimated \$27,780,950 in fiscal year 2005 from fees collected pursuant to House Bill 2292.
67. **Authorization of Deferred Payments to Community MHMR Centers.**
 - a. The Department of Mental Health and Mental Retardation is hereby authorized to defer payments to community centers for services in fiscal year 2005 until September 2005 and those deferred payments will be paid from fiscal year 2006 appropriations in an amount not to exceed \$5,500,000 in General Revenue.
 - b. However, after and contingent upon the Comptroller providing notice to the Legislative Budget Board and the Governor regarding a finding of fact by the Comptroller (at the time of certification or after certification of this Act) that sufficient revenue is estimated to be available, and following approval by the Legislative Budget Board and Governor, there is hereby appropriated to the Texas Department of Mental Health and Mental Retardation such amounts as may be necessary for payment of the one-month deferred payments (estimated to be \$5,500,000 General Revenue) by August 31, 2005.
68. **Efficiencies at Local Mental Health and Mental Retardation Authorities.** It is the intent of the Legislature that the local mental health and mental retardation authorities that receive allocations from the funds appropriated above (in Goal 1, Community Mental Health Services and Goal 3, Community Mental Retardation Services) shall maximize the dollars available to provide services by minimizing overhead and administrative costs and achieving purchasing efficiencies. Among the strategies that should be considered in achieving this objective are consolidations

DEPARTMENT OF MENTAL HEALTH AND MENTAL RETARDATION
(Continued)

among local authorities and partnering among local authorities on administrative, purchasing, or service delivery functions where such partnering may eliminate redundancies or promote economies of scale. Local mental health and mental retardation authorities shall also maximize third party billing opportunities, including Medicare and Medicaid.

By November 30, 2004 the State Auditor's Office shall report to the Legislature on the progress in achieving such efficiencies and the opportunities for achieving further efficiencies, including structural efficiencies, in the local authority service delivery system. It is the Legislature's intent that local authorities not expend funds appropriated in Strategy C.1.1, Mental Retardation Community Center Services, to supplement the rate-based payments they receive to fund their costs as providers of waiver or ICF-MR services and that the State Auditor shall identify the amounts of any such supplementation occurring in fiscal year 2004 in its report to the Legislature.

69. **Expenditures on Bond Homes.** It is the intent of the Legislature that expenditures made for the provision of client services in bond homes operated by the Department of Mental Health and Mental Retardation shall not exceed the approved reimbursement rates.
70. **Feasibility Study for Six Bed Waiver Settings.** In order to make TDMHMR waiver services more cost effective and maximize the number of persons served, the Department shall study the feasibility, cost, and benefits of converting waiver residential services to six bed settings, with the intent that any feasible conversion begin in fiscal year 2006. The study shall consider required provider rates, the transition costs to providers, and the impact on consumers. The study shall be developed with the assistance of a workgroup which shall include members of the staff of the Department, representatives of public providers, private providers, and advocates. The Department will complete the study by March 31, 2004 and will report its findings to the Governor's Office of Budget and Planning, the House Appropriations Committee, the Senate Finance Committee, and the Legislative Budget Board.
71. **In-home and Family Support for Persons with Mental Retardation.** It is the intent of the Legislature that, out of funds appropriated to Strategy C.1.1, MR Community Services, the Department shall spend \$10 million in General Revenue Funds for the MR In-home and Family Support program.

DEPARTMENT OF PROTECTIVE AND REGULATORY SERVICES

For the Years Ending
August 31, August 31,
2004 2005

A. Goal: PROTECTIVE SERVICES

In collaboration with other public and private entities, protect children, elder adults, and persons with disabilities, from abuse, neglect and/or exploitation by providing an integrated service delivery system that results in quality outcomes, and reduce the incidence of abuse, neglect, and exploitation by maximizing resources for early intervention, prevention, and aftercare.

Outcome (Results/Impact):

Percent of Children in PRS Conservatorship for Whom Legal Resolution Was Achieved within 12 Months	62%	62.5%
Percent of Children in PRS Conservatorship for Whom Permanency Was Achieved within 18 Months	90%	90%
Percent of Adoptions Consummated within 18 Months of Termination of Parental Rights	77%	77%
Percent of CYD Youth Not Referred to Juvenile Probation	95%	95%
Child Protective Services Caseworker Turnover Rate	25%	25%

DEPARTMENT OF PROTECTIVE AND REGULATORY SERVICES
(Continued)

Percent of Elderly Persons and Persons with Disabilities Found to Be in a State of Abuse/Neglect/Exploitation Who Receive Protective Services	84%	84%
Incidence of Abuse/Neglect/Exploitation per 1,000 Persons Receiving Services in MHMR Settings	6.3	6.4
Percent of Validated Occurrences Where Children Are Placed at Serious Risk	33%	33%
Percent of CAPS Help Desk Calls Answered within the Related Service Level Agreement	90%	90%
A.1.1. Strategy: CPS STATEWIDE INTAKE	\$ 7,375,929	\$ 7,375,929
Provide a comprehensive and consistent system with automation support for receiving reports of children suspected to be at risk of abuse/neglect and assign for investigation those reports that meet the Texas Family Code definition of child abuse/neglect.		
Output (Volume):		
Number of CPS Reports of Child Abuse/Neglect	172,825	181,423
Explanatory:		
CPS Caseload Per Worker: Intake Stages of Service	95.1	99.4
A.1.2. Strategy: CHILD AND FAMILY SERVICES	\$ 212,314,128	\$ 220,299,822
Provide a comprehensive and consistent system for the direct delivery of investigations, regular family preservation and family reunification services, out-of-home care, and permanency planning for children who are at risk of abuse/neglect and their families.		
Output (Volume):		
Number of Completed CPS Investigations	128,697	131,722
Number of Confirmed CPS Cases of Child Abuse/Neglect	32,398	33,145
Average Number of Open CPS Investigations Per Month	26,609	27,186
Number of Children in PRS Conservatorship Who Are Adopted	2,160	2,167
Efficiencies:		
Average Monthly Cost Per Open CPS Investigation	137.39	135.66
Explanatory:		
CPS Workload Equivalency Measure (WEM)	27.5	27.4
CPS Caseload Per Worker: Investigation Stages of Service	54	54.4
CPS Caseload Per Worker: Family Based Stages of Service	21.3	21.6
CPS Caseload Per Worker: Substitute Care Stages of Service	36.3	37
CPS Caseload Per Worker: Foster/Adoptive Development Stages of Service	23	23.4
CPS Caseload Per Worker: Generic (No Specific Stage of Service)	33.1	33.7
A.1.3. Strategy: CPS PURCHASED CLIENT SERVICES	\$ 46,434,430	\$ 46,434,430
Provide purchased services to treat children who have been abused or neglected, to enhance the safety and well-being of children at risk of abuse and neglect, and to enable families to provide safe and nurturing home environments for their children.		
Output (Volume):		
Average Number of Days of TWC Child Care Paid Per Month	59,725	59,725
Efficiencies:		
Average Cost Per Day for TWC Child Care	18.53	18.53
A.1.4. Strategy: INTENSIFIED FAMILY PRESERVATION	\$ 16,068,645	\$ 16,068,645
Provide intensified family preservation services to prevent unnecessary removal from their homes of children at risk of abuse and neglect, and intensified family reunification services to enable the early and safe return of children to their homes.		

DEPARTMENT OF PROTECTIVE AND REGULATORY SERVICES
(Continued)

Output (Volume):		
Average Number of Families Receiving Intensified Family Preservation Services Per Month	1,745	1,782
Efficiencies:		
Average Cost Per Family Receiving Intensified Family Preservation/Reunification Services	695.44	680.33
Explanatory:		
CPS Caseload Per Worker: Intensive Family Based Stages of Service	14.5	15
A.1.5. Strategy: FOSTER CARE PAYMENTS	\$ 344,300,869	\$ 370,462,854
Provide funding for foster care services for children who need them.		
Output (Volume):		
Average Number of Days Per Month of Foster Care for All Levels of Care	497,547	532,048
Efficiencies:		
Average Expenditures for Foster Care Per Month for All Levels of Care	28,353,316	30,533,481
A.1.6. Strategy: ADOPTION SUBSIDY PAYMENTS	\$ 99,674,758	\$ 104,706,841
Provide funding for adoption subsidies for children who need them.		
Output (Volume):		
Average Number of Children Provided Adoption Subsidy Per Month	16,673	18,057
Efficiencies:		
Average Monthly Payment Per Adoption Subsidy	487.05	473.15
A.1.7. Strategy: AT-RISK PREVENTION SERVICES	\$ 49,973,376	\$ 49,973,375
Provide funding and support for community-based prevention programs to alleviate the conditions that lead to child abuse/neglect and juvenile crime.		
Output (Volume):		
Average Number of STAR Youth Served Per Month	5,367	5,367
Average Number of CYD Youth Served Per Month	5,772	5,772
Number of Case-managed Students Participating in Communities-in-Schools Program	59,577	59,577
Efficiencies:		
Average State Cost Per Communities-in-Schools Participant	296.3	296.3
A.2.1. Strategy: ADULT PROTECTIVE SERVICES	\$ 30,046,634	\$ 30,046,634
Provide a comprehensive and consistent system for the investigation of reports of abuse, neglect, and exploitation of vulnerable adults and provide services to alleviate and prevent the recurrence of cases of maltreatment.		
Output (Volume):		
Number of Completed APS Investigations	58,429	58,902
Number of Confirmed APS Cases	42,457	43,341
Number of APS Clients Receiving Guardianship Services	709	732
Efficiencies:		
Average Monthly Cost Per APS Investigation	116.76	115.18
A.2.2. Strategy: MHMR INVESTIGATIONS	\$ 4,285,144	\$ 4,285,144
Provide a comprehensive and consistent system for the investigation of reports of abuse, neglect, and exploitation of persons receiving services in MHMR settings.		
Output (Volume):		
Number of Completed MHMR Investigations	9,977	10,215
Efficiencies:		
Average Monthly Cost Per MHMR Investigation	312.97	305.73
A.3.1. Strategy: CHILD CARE REGULATION	\$ 18,997,105	\$ 18,997,105
Provide a comprehensive system of consultation, licensure, and regulation which ensures the maintenance of minimum standards by day care		

DEPARTMENT OF PROTECTIVE AND REGULATORY SERVICES
(Continued)

Object-of-Expense Informational Listing:

Salaries and Wages	\$ 231,562,701	\$ 236,912,153
Other Personnel Costs	5,340,161	5,340,161
Professional Fees and Services	14,504,677	14,606,855
Fuels and Lubricants	9,039	9,039
Consumable Supplies	1,397,396	1,643,662
Utilities	5,852,440	5,852,440
Travel	16,399,339	16,924,245
Rent - Building	16,254,163	16,254,163
Rent - Machine and Other	6,765,382	6,959,520
Other Operating Expense	23,042,720	24,611,474
Client Services	528,856,417	560,050,484
Food for Persons - Wards of State	39,256	39,256
Grants	14,898,341	14,898,341
Capital Expenditures	<u>211,258</u>	<u>187,985</u>
Total, Object-of-Expense Informational Listing	<u>\$ 865,133,290</u>	<u>\$ 904,289,778</u>

1. **Capital Budget.** None of the funds appropriated above may be expended for capital budget items except as listed below. The amounts shown below shall be expended only for the purposes shown and are not available for expenditure for other purposes. Amounts appropriated above and identified in this provision as appropriations either for "Lease Payments to the Master Lease Purchase Program" or for items with an "(MLPP)" notation shall be expended only for the purpose of making lease-purchase payments to the Texas Public Finance Authority pursuant to the provisions of Government Code § 1232.103.

	<u>2004</u>	<u>2005</u>
a. Acquisition of Information Resource Technologies		
(1) Lease Payments to the Master Lease Purchase Program (1998-99)	\$ 64,709	\$ 41,436
(2) Desktop Services Lease for Computer Hardware and Software	<u>\$ 4,903,324</u>	<u>\$ 5,097,462</u>
Total, Acquisition of Information Resource Technologies	<u>\$ 4,968,033</u>	<u>\$ 5,138,898</u>
Total, Capital Budget	<u>\$ 4,968,033</u>	<u>\$ 5,138,898</u>

Method of Financing (Capital Budget):

General Revenue Fund		
General Revenue Fund	\$ 337,460	\$ 325,274
GR Match for Medicaid	730,456	765,647
GR Match for Title IV-E Foster Care/Adoption Payments	12,509	21,220
Subtotal, General Revenue Fund	<u>\$ 1,080,425</u>	<u>\$ 1,112,141</u>
Federal Funds	3,887,608	4,026,757
Total, Method of Financing	<u>\$ 4,968,033</u>	<u>\$ 5,138,898</u>

2. **Substitute Care Permanency Goal.** In order to comply with 45 CFR 1356.21, it is the intent of the Legislature that the Department of Protective and Regulatory Services actively seek permanent homes for the children who are in the department's substitute care program for long periods. To this end, the department shall seek to limit the number of children under the department's responsibility who are in substitute care for a period longer than 24 months. The

DEPARTMENT OF PROTECTIVE AND REGULATORY SERVICES
(Continued)

department shall strive to assure that no more than 45 percent of the children in paid placements are in substitute care for more than 24 months for fiscal years 2004 and 2005.

Further, it is the intent of the Legislature that whenever possible, the department shall utilize state and/or federal funds currently being expended for substitute care to cover the cost of assuring permanent homes where appropriate for foster children.

3. **Limitation on Expenditures for Conservatorship Suits.** To the extent allowed by federal regulation, federal funds may be used by the department in conjunction with funds provided by counties with which the department has child welfare contracts, to pay for legal representation for children or their parents in suits in which the department is seeking to be named conservator. No general revenue funds appropriated to the department may be used to make such payments.
4. **Appropriation of Funds.** All funds received by the department from counties, cities, and other local sources and all balances from such sources as of August 31, 2003, are hereby appropriated for the biennium ending August 31, 2005, for the purpose of carrying out the provisions of this Act. (Estimated to be \$0)
5. **Accounting of Support Costs.** The State Comptroller shall establish separate accounts from which certain support costs shall be paid. The Department of Protective and Regulatory Services is hereby authorized to make transfers into separate accounts from line item strategies in order to pay for these expenses in an efficient and effective manner. Only costs not directly attributable to a single program may be budgeted in or paid from these accounts. Items to be budgeted in and paid from these accounts include but are not limited to: postage, occupancy costs, equipment repair, telephones, office printing costs, supplies, freight and transport costs, telephone system costs, and salary and travel costs of staff whose function supports several programs. The department shall be responsible for monthly allocations of these costs to the original strategies.
6. **Tertiary Prevention of Child Abuse Programs.** From the amounts appropriated above, the Department of Protective and Regulatory Services shall allocate up to \$120,000 each fiscal year of the biennium for continuation of a statewide network of community-based, volunteer-driven programs for prevention, intervention, and aftercare services of abused children.
7. **Foster Care Rates.**
 - a. It is the intent of the Legislature that the Department of Protective and Regulatory Services reimburse foster families at least \$17.12 per day for children under 12 years old and \$17.50 per day for children age 12 and older during the 2004-05 biennium. The department may transfer funds into Strategy A.1.5, Foster Care Payments, for the purpose of maintaining these rates. The department may not transfer funds out of Strategy A.1.5, Foster Care Payments.
 - b. The department may also use funds in Strategy A.1.5, Foster Care Payments, to recommend alternate service provision intake and investigation that will consider expansion of contract services, regional planning, service outcomes, and appropriate funding mechanisms to be tested in pilot projects. Such pilot approaches to innovative service delivery shall be designed in conjunction with providers, approved by the Health and Human Services Commission, and funded at no increased cost to the State. The department may include a modification of rates for existing and new pilot approaches implemented in this manner.
 - c. The department may utilize up to \$250,000 from funds appropriated above in Strategy A.1.5, Foster Care Payments, to develop and implement a relative placement reimbursement pilot program in one region of the state. The department shall conduct an evaluation of the pilot.

DEPARTMENT OF PROTECTIVE AND REGULATORY SERVICES
(Continued)

8. **Fund Transfers for Funds Consolidation.** For the purpose of funds consolidation, federal and other funds may be transferred into the General Revenue Fund from Department of Protective and Regulatory Services Fund 37. The initial deposit of federal funds shall be made into Fund 37 and no direct expenditures shall be made from this fund.
9. **Reimbursement of Advisory Committees.** Pursuant to Government Code § 2110.004, reimbursement of expenses for advisory committee members, out of funds appropriated above not to exceed \$6,500 per year, is limited to the Texas Multidisciplinary Task Force on Children's Justice.

To the maximum extent possible, the department shall encourage the use of videoconferencing and teleconferencing and shall schedule meetings and locations to facilitate the travel of participants so that they may return the same day and reduce the need to reimburse members for overnight stays.

10. **Earned Federal Funds.**
 - a. The Department of Protective and Regulatory Services shall submit a monthly report to the Legislative Budget Board and the Governor which details revenues, expenditures, and balances for earned federal funds as of the last day of the prior month. The report shall be prepared in a format approved by the Legislative Budget Board.
 - b. The authority to receive and expend earned federal funds in excess of those appropriated above is subject to the following limitations:
 - (1) At least 14 days prior to any expenditure of earned federal funds in excess of those appropriated, the department shall report the earned federal funds received and provide documentation of the proposed use of these funds to the Legislative Budget Board, Governor, and Health and Human Services Commission. At least 14 days prior to any meeting of the Board of Protective and Regulatory Services to consider a budget adjustment of any use of earned federal funds above levels indicated in the appropriation above or to consider any program expansion, the department shall report the earned federal funds received and provide documentation of the proposed use of these funds to the Legislative Budget Board, Governor, and Health and Human Services Commission.
 - (2) Notifications shall include information regarding the need which will be served with the additional revenue. In the event program expansions are under consideration, information shall be forwarded regarding the population to be served; criteria for eligibility; and impact upon existing programs.
 - (3) The report shall include the information detailed in "b" and identify the impact on established performance targets, measures, and full-time equivalent positions.
 - c. The method of financing item, Earned Federal Funds, for appropriations made above includes unexpended and unobligated balances of earned federal funds remaining as of August 31, 2003 (estimated to be \$0), and receipts earned in fiscal years 2004 and 2005 .
11. **Medical and Other Reporting Requirements.**
 - a. None of the funds appropriated by this Act to the Department of Protective and Regulatory Services may be expended or distributed by the department unless:

DEPARTMENT OF PROTECTIVE AND REGULATORY SERVICES
(Continued)

- (1) the department submits to the Legislative Budget Board and the Governor a copy of each report submitted to the federal government relating to the Medicaid program, the Foster Care and Adoption Assistance program, Temporary Assistance for Needy Families, and the Child Welfare Services program. This shall include, but is not limited to:
- i. expenditure data;
 - ii. caseload data;
 - iii. cost allocation revisions;
 - iv. State plan amendments; and
 - v. State plan waivers, including, but not limited to applications for new waivers and changes to existing waiver services, costs or authorized number of clients.

Such reports shall be submitted to the Legislative Budget Board and the Governor no later than the date the respective report is submitted to the federal government.

- (2) the department submits to the Legislative Budget Board and the Governor quarterly:
- i. a report detailing the foster care caseload figures and related expenditure amounts, by level of care, for the preceding months;
 - ii. a report detailing the adoption assistance caseload figures and related expenditure amounts for the preceding months; and
 - iii. a report projecting the anticipated foster care and adoption assistance caseloads for the 36 month period beginning with the first month after the report is due.
- (3) the department submits data to the Legislative Budget Board and the Governor by the end of each month pertaining to forecasts of caseloads and costs for the programs identified in subsection a(2). The data shall be sent in a manner to be specified by the Legislative Budget Board and the Governor.
- b. Each report submitted to the Legislative Budget Board and the Governor pursuant to this provision must be accompanied by supporting documentation detailing the sources and methodologies utilized to develop any caseload or cost projections contained in each respective report and any other supporting materials as specified by the Legislative Budget Board and the Governor.
 - c. Each report submitted pursuant to this provision must contain a certification by the person submitting the report, that the information provided is true and correct based upon information and belief together with supporting documentation.
 - d. The Comptroller of Public Accounts shall not allow the expenditure of funds appropriated by this Act to the Department of Protective and Regulatory Services if the Legislative Budget Board and the Governor certify to the Comptroller of Public Accounts that the Department of Protective and Regulatory Services is not in compliance with this provision.
12. **Appropriation Transfer Between Fiscal Years.** In addition to the transfer authority provided elsewhere in this Act, the Department of Protective and Regulatory Services may transfer appropriations made above for Strategy A.1.5, Foster Care Payments and Strategy A.1.6, Adoption Subsidy Payments, for fiscal year 2005 to fiscal year 2004, subject to the following conditions provided by this section:
- a. Transfers under this section may be made only if costs associated with providing foster care or adoption subsidy payments exceed the funds appropriated for these payments for fiscal year 2004;

DEPARTMENT OF PROTECTIVE AND REGULATORY SERVICES
(Continued)

- b. Transfers may not exceed \$10,000,000 in general revenue;
 - c. A transfer authorized by this section must receive the prior approval of the Legislative Budget Board and the Governor; and
 - d. The Comptroller of Public Accounts shall cooperate as necessary to assist the completion of a transfer and spending made under this section.
13. **At-Risk Prevention Services.** Out of funds appropriated above in Strategy A.1.7, At-Risk Prevention Services, in each year of the biennium the department shall allocate up to \$18,581,994 for the STAR Program; and up to \$7,065,945 for Community Youth Development Grants.
14. **Limitation on Expenditures for Administrative Overhead.** Out of the funds appropriated above in Strategy A.1.3, CPS Purchased Client Services, \$13,979,163 in fiscal year 2004 and \$13,979,163 in fiscal year 2005 may be used only to purchase child day care services through the Texas Workforce Commission.

The Department of Protective and Regulatory Services' expenditures for administrative overhead payments to the Texas Workforce Commission and local workforce boards in connection with any agreement to provide child day care services out of funds appropriated above shall be limited to no more than 5 percent of all amounts paid for child day care services out of funds appropriated above.

15. **Communities In Schools Program.** Out of the funds appropriated above in Strategy A.1.7, At-Risk Prevention Services, \$4,842,341 in TANF Federal Funds for fiscal year 2004 and \$4,842,341 in TANF Federal Funds for fiscal year 2005, may be used only for the Communities in Schools program.
16. **Human Resources Management Plan.** From funds appropriated above, the Texas Department of Protective and Regulatory Services shall develop a Human Resources Management Plan designed to improve employee morale and retention. The plan must focus on reducing employee turnover through better management. The Texas Department of Protective and Regulatory Services shall report, by October 1 of each year of the biennium, to the Senate Finance Committee, the House Committee on Appropriations, the Legislative Budget Board, and the Governor the employee turnover rate, by job category, at the agency during the preceding fiscal year. The effectiveness of the agency's plan shall be measured by whether or not there is a reduction in annual employee turnover rates at the agency, specifically by the reduction in the turnover rates for caseworkers.
17. **Use of Personal Cellular Telephones.** Out of funds appropriated above, the Department of Protective and Regulatory Services shall pay child and adult protective services program caseworkers, supervisors, and directors an amount not to exceed \$50 per month for work-related use of their personal cellular telephones.
18. **Rate Analysis and Reporting Requirements.**
- a. None of the funds appropriated by this Act to the Department of Protective and Regulatory Services may be expended or distributed by the department unless:
 - (1) At least 45 days prior to any action by the Department of Protective and Regulatory Services to increase foster care rates or adoption subsidy rates, the department shall notify the Legislature Budget Board, the Governor, and the Office of the State Auditor, about the proposed rates and submit a five-year cost impact analysis using the most current caseload forecast.

DEPARTMENT OF PROTECTIVE AND REGULATORY SERVICES
(Continued)

- (2) The cost impact analysis shall be prepared in a format approved by the Legislative Budget Board.
- b. Reports submitted pursuant to this provision must contain a certification by the Chief Financial Officer and the Chair of the Board of Protective and Regulatory Services that the information provided is true and correct based upon information and belief together with supporting documentation. Additionally, the Chief Financial Officer and the Chair of the Board of Protective and Regulatory Services must either indicate that the proposed action is within biennial appropriated/available funding or estimate the amounts (including General Revenue, Temporary Assistance for Needy Families, and All Funds) by which the proposed action will exceed biennial appropriated/available funding.
 - c. The Office of the State Auditor shall review the cost impact analysis prepared under subsection (a) along with supporting documentation, supporting records, and justification for the rate increase provided by the Department of Protective and Regulatory Services and report back to the Legislative Budget Board and the Governor prior to the rate increase.
 - d. The Comptroller of Public Accounts shall not allow the expenditure of funds appropriated by this Act to the Department of Protective and Regulatory Services if the Legislative Budget Board and the Governor certify to the Comptroller of Public Accounts that the department (or the Health and Human Services Commission in the event that authority to set foster care rates or adoption subsidy rates is transferred to the Health and Human Services Commission) is not in compliance with the provision.
 - e. Any requirement for the Department of Protective and Regulatory Services to provide a cost analysis under subsection (a), a certification under subsection (b), or supporting documentation and justification under subsection (c) shall mean the Health and Human Services Commission or the Commissioner of Health and Human Services, in the event that authority to set foster care rates or adoption subsidy rates is transferred to the Health and Human Services Commission.
19. **Provision of Direct Services.** The Children's Trust Fund state plan for child abuse and neglect primary prevention programs shall emphasize funding for programs that provide direct services such as mentoring, parenting skills, early intervention and prevention, services for high-risk parents, and services to families in crisis.
20. **Unexpended Balances.** All unexpended balances appropriated above to Strategy A.1.7, At-Risk Prevention Services, for the fiscal year ending August 31, 2004, are hereby appropriated for the same purposes for the fiscal year beginning September 1, 2004.
21. **Foster Care Payments.** The funds appropriated above for Strategy A.1.5, Foster Care Payments, assume \$22,231,477 in savings due to redesign of the Foster Care Levels of Care (LOC) system to one based on services provided. It is the intent of the Legislature that the Department of Protective and Regulatory Services work with the Health and Human Services Commission to create a LOC rate system that merges certain of the current LOCs used in fiscal year 2003 to attain greater efficiencies in classifying of foster care children and reduce costs. The Department of Protective and Regulatory Services shall submit a proposed plan for LOC restructuring to the Governor and the Legislative Budget Board to allow it to have the new rates in effect no later than October 1, 2003.
22. **Adult Protective Services and MHMR Investigations.** Out of the funds appropriated above for Strategy A.2.1, Adult Protective Services, and Strategy A.2.2, MHMR Investigations, the Department of Protective and Regulatory Services shall maximize the use of federal Medicaid funding.

DEPARTMENT OF PROTECTIVE AND REGULATORY SERVICES
(Continued)

23. **Training for CPS Caseworkers.** It is the intent of the Legislature that the training curriculum for CPS Caseworkers funded out of Strategy A.1.2, Child and Family Services, include instruction in the Fourth Amendment to the U.S. Constitution and parents' rights.
24. **Faith-based Foster Family Recruitment and Training.** From funds appropriated above, up to \$500,000 in fiscal year 2004 and up to \$706,000 in fiscal year 2005 shall be used for the purposes of developing and implementing a program to recruit and train foster families from faith-based communities.
25. **Buffalo Soldiers Heritage Program.** Out of funds appropriated above in Strategy A.1.7, At-Risk Prevention Services, in each year of the biennium the Department of Protective and Regulatory Services shall use up to \$250,000 for the Dan Kubiak Buffalo Soldiers Program. Contract(s) are to be awarded through statewide procurement.
26. **Adoption Subsidy Payments.** As a means to limit appropriations and agency expenditures, it is the intent of the Legislature that within the funds appropriated above for Strategy A.1.6, Adoption Subsidy Payments, the Department of Protective and Regulatory Services shall establish a tiered payment schedule that is based on the child's service level needs at the time of placement into adoption. The tiered payment schedule shall apply only to children placed after September 1, 2003.

REHABILITATION COMMISSION

	For the Years Ending	
	August 31, 2004	August 31, 2005
A. Goal: SERVICE DELIVERY SYSTEM		
To provide an integrated system of service delivery options which promotes informed client choice in the delivery of services leading to employment of choice, living as independently as possible, and accessing high quality services.		
Outcome (Results/Impact):		
Percent of Employed Rehabilitants Earning at Least Minimum Wage		
A.1.1. Strategy: REHABILITATION SERVICES	97.3%	97.3%
Rehabilitate and place people with disabilities in competitive employment or other appropriate settings, consistent with informed consumer choice and abilities.	\$ 170,623,949	\$ 170,623,949
Output (Volume):		
Number of Eligible Clients Provided Vocational Rehabilitation Services	126,195	126,196
Number of Eligible Clients Rehabilitated and Employed	20,000	20,000
Number of Individuals Whose TRC-supported Training and Education Extended past Two Years	1,700	1,700
Efficiencies:		
Cost per Client Rehabilitated and Employed	8,531	8,531
Average Number of Months of TRC-supported Training and Education Courses Before Employment	12	12
Average Cost per Individual in a TRC-supported Training and Education Course	1,033	1,085
A.3.1. Strategy: INDEPENDENT LIVING CENTERS	\$ 1,439,283	\$ 1,439,283
Work with independent living centers and the State Independent Living Council (SILC) to establish the centers as financially and programmatically independent from Texas Rehabilitation Commission and financially and		

REHABILITATION COMMISSION
(Continued)

programmatically accountable for achieving independent living outcomes with their clients.

Output (Volume):

Number of People Receiving Services from Texas Rehabilitation Commission Supported Independent Living Centers

	3,821		3,822
A.3.2. Strategy: INDEPENDENT LIVING SERVICES	\$ 2,569,459		\$ 2,569,459

Provide consumer-driven and Texas

Rehabilitation Commission counselor-supported independent living services to people with severe disabilities statewide.

Output (Volume):

Number of People Receiving Texas Rehabilitation Commission Supported Independent Living Services

	2,237		2,237
A.3.3. Strategy: COMPREHENSIVE REHABILITATION	\$ 10,067,354		\$ 10,067,355

Provide consumer-driven and counselor-supported Comprehensive Rehabilitation Services for people with traumatic brain injuries or spinal cord injuries.

Output (Volume):

People Receiving Comprehensive Rehabilitation Services	380		363
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Efficiencies:

Cost Per CRS Client	26,391		27,627
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Total, Goal A: SERVICE DELIVERY SYSTEM	\$ 184,700,045		\$ 184,700,046
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B. Goal: DISABILITY DETERMINATION

Enhance service to persons with disabilities by achieving accuracy and timeliness within the Social Security Administration Disability Program guidelines and improving the cost-effectiveness of the decision making process in the disability determination services.

Outcome (Results/Impact):

Percent of Case Decisions That Are Accurate

	95%		95%
B.1.1. Strategy: DDS DETERMINATION	\$ 85,637,192		\$ 89,062,680

Enhance cost-effective methods in administering disability determination services.

Output (Volume):

Number of Disability Cases Determined	238,430		248,085
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Efficiencies:

Cost Per Disability Case Determination	359		359
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C. Goal: PROGRAM INITIATIVES

Strengthen our continuum of direct service programs with legislative and strategic initiatives which promote innovation in meeting the needs of Texans with disabilities and emphasize effective interaction with consumers and advocates.

Outcome (Results/Impact):

Percent of Total Developmental Disabilities Plan Activities Initiated

	87%		87%
C.1.1. Strategy: PROMOTE INDEPENDENCE	\$ 4,586,100		\$ 4,677,800

Promote the independence, productivity, and integration of people with developmental disabilities in Texas.

D. Goal: INDIRECT ADMINISTRATION

D.1.1. Strategy: CENTRAL ADMINISTRATION	\$ 7,871,173		\$ 7,871,173
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D.1.2. Strategy: INFORMATION RESOURCES	\$ 5,942,549		\$ 5,942,549
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D.1.3. Strategy: OTHER SUPPORT SERVICES	\$ 5,211,277		\$ 5,211,277
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Total, Goal D: INDIRECT ADMINISTRATION	\$ 19,024,999		\$ 19,024,999
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Grand Total, REHABILITATION COMMISSION	\$ 293,948,336		\$ 297,465,525
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REHABILITATION COMMISSION
(Continued)

Method of Financing:		
<u>General Revenue Fund</u>		
General Revenue Fund	\$ 832,516	\$ 832,516
Earned Federal Funds	2,328,231	2,328,231
GR for Vocational Rehabilitation	37,375,782	37,375,782
Subtotal, General Revenue Fund	\$ 40,536,529	\$ 40,536,529
GR Dedicated - Comprehensive Rehabilitation Account No. 107	10,439,439	10,439,440
Federal Funds	241,462,621	244,868,309
<u>Other Funds</u>		
Interagency Contracts	1,009,747	1,121,247
Subrogation Receipts	500,000	500,000
Subtotal, Other Funds	\$ 1,509,747	\$ 1,621,247
Total, Method of Financing	\$ 293,948,336	\$ 297,465,525
Number of Full-Time-Equivalent Positions (FTE):	2,602.5	2,602.5
Schedule of Exempt Positions:		
Commissioner, Group 4	\$104,000	\$104,000
Object-of-Expense Informational Listing:		
Salaries and Wages	\$ 91,675,000	\$ 93,065,849
Other Personnel Costs	3,721,538	3,771,581
Professional Fees and Services	8,645,928	8,645,928
Consumable Supplies	634,209	634,209
Utilities	4,332,187	5,132,330
Travel	1,332,637	1,335,422
Rent - Building	6,797,935	6,798,093
Rent - Machine and Other	3,502,458	3,502,458
Other Operating Expense	8,977,141	9,442,830
Client Services	2,309,752	2,309,752
Client Services	154,390,504	155,868,826
Grants	5,346,790	5,438,490
Capital Expenditures	2,282,257	1,519,757
Total, Object-of-Expense Informational Listing	\$ 293,948,336	\$ 297,465,525

1. **Capital Budget.** None of the funds appropriated above may be expended for capital budget items except as listed below. The amounts shown below shall be expended for the purposes shown and are not available for expenditures for other purposes. Amount appropriated above have been identified in this provision as appropriations either for "Lease payments to Master Lease Purchase Program" or for items with an "(MLPP)" notation shall be expended only for the purpose of making lease-purchase payments to the Texas Public Finance Authority pursuant to the provisions of Government Code § 1232.103.

	<u>2004</u>	<u>2005</u>
Out of Federal Funds:		
a. Acquisition of Information Resource Technologies		
(1) SSA Redesign and Reconfiguration of State DDS	\$ 937,257	\$ 974,747

REHABILITATION COMMISSION
(Continued)

(2) Infrastructure and Development Platform Update	545,000	545,000
(3) Workstation upgrade	\$ 2,078,067	\$ 2,078,067
Total, Acquisition of Information Resource Technologies	\$ 3,560,324	\$ 3,597,814
b. Acquisition of Capital Equipment and Items		
(1) Uninterruptible Power Supply	\$ 800,000	\$ 0
Total, Capital Budget	\$ 4,360,324	\$ 3,597,814

2. **Reimbursement of Advisory Committee Members.** Pursuant to Government Code § 2110.004, reimbursement of expenses for Advisory Committee Members, out of funds appropriated above, not to exceed \$61,920 per year, is limited to the following advisory committees: State Independent Living Council and the Rehabilitation Council of Texas.

To the maximum extent possible, the agency shall encourage the use of videoconferencing and teleconferencing and shall schedule meetings and locations to facilitate the travel of participants so they may return the same day and reduce the need to reimburse members for overnight stays.

3. **Subrogation Receipts.** Included in amounts appropriated above in Strategy A.1.1, Rehabilitation Services, are subrogation collections received during the 2004-05 biennium, \$500,000 annually. Amounts collected above \$500,000 in each year are hereby appropriated to the agency for client services in the Vocational Rehabilitation program (estimated to be zero).
4. **Notification of Federal Funds Distribution.**
- a. **Redirection of General Revenue Funds.** The Rehabilitation Commission shall notify the Legislative Budget Board and the Governor of its intent to redirect General Revenue funds to obtain additional federal funds for the Vocational Rehabilitation program. The notification shall include the original purpose and item of appropriation for which the General Revenue Funds were appropriated, and the effect on measures and/or full-time equivalent positions for all affected strategies. The notification shall be made at least 30 days prior to requesting additional federal funding for the Vocational Rehabilitation program.
- b. **Budgeting of Additional Federal Dollars.** The Rehabilitation Commission shall notify the Legislative Budget Board and the Governor at least 14 days prior to the budgeting of more than \$135,892,170 in fiscal year 2004 and \$135,883,151 in fiscal year 2005 in federal Vocational Rehabilitation funds (CFDA 84.126) included in the "Method of Financing" above. At least 14 days prior to the expenditure of amounts greater than those listed above, the agency shall notify the Legislative Budget Board and the Governor. Amounts noted above include any amounts expended in fiscal year 2004 or 2005 that were carried forward from previous year's allotments.
5. **FTE Designation: Disability Council.** The Texas Rehabilitation Commission is authorized up to 2,602.5 in 2004 and 2,602.5 in 2005 in Full-Time Equivalent (FTE) positions. It is the intent of the Legislature that 17 FTEs each fiscal year are designated for Strategy C.1.1, Promote Independence, for the Developmental Disabilities Council.
6. **General Revenue Fund Dedicated: Comprehensive Rehabilitation Revenue.** The method of financing noted above, General Revenue Fund-Dedicated, Comprehensive Rehabilitation Account No. 107, includes unexpended and unobligated balances of Comprehensive Rehabilitation funds remaining as of August 31, 2003, and receipts earned in fiscal year 2004

REHABILITATION COMMISSION
(Continued)

and fiscal year 2005, not to exceed \$20,878,879 for the biennium. Revenues deposited into General Revenue-Dedicated Account No. 107 are statutorily dedicated for comprehensive rehabilitation services and may not be used for any other purpose.

7. **Earned Federal Funds.** Included in the method of financing above are Earned Federal Funds in the amount of \$2,328,231 in 2004 and \$2,238,231 in 2005, contingent upon the agency earning and depositing funds which constitute Earned Federal Funds, as defined elsewhere in this Act, into the General Revenue Fund Appropriation Number 70000 established by the Comptroller of Public Accounts for this purpose.

RETIREMENT AND GROUP INSURANCE

	For the Years Ending	
	August 31, 2004	August 31, 2005
A. Goal: EMPLOYEES RETIREMENT SYSTEM		
A.1.1. Strategy: RETIREMENT CONTRIBUTIONS	\$ 89,428,060	\$ 90,320,822
Provide an actuarially sound level of funding as defined by state law. Estimated.		
A.1.2. Strategy: GROUP INSURANCE	\$ 272,558,401	\$ 276,652,388
Provide a basic health care and life insurance program for general state employees. Estimated.		
Total, Goal A: EMPLOYEES RETIREMENT SYSTEM	<u>\$ 361,986,461</u>	<u>\$ 366,973,210</u>
Grand Total, RETIREMENT AND GROUP INSURANCE	<u>\$ 361,986,461</u>	<u>\$ 366,973,210</u>
Method of Financing:		
General Revenue Fund, estimated	\$ 187,814,296	\$ 190,340,257
General Revenue Dedicated Accounts, estimated	3,158,553	3,183,039
Federal Funds, estimated	<u>171,013,612</u>	<u>173,449,914</u>
Total, Method of Financing	<u>\$ 361,986,461</u>	<u>\$ 366,973,210</u>

SOCIAL SECURITY AND BENEFIT REPLACEMENT PAY

	For the Years Ending	
	August 31, 2004	August 31, 2005
A. Goal: SOCIAL SECURITY/BENEFIT REPLACEMENT		
To provide funding to the Comptroller of Public Accounts for Social Security Contributions and Benefit Replacement Pay.		
A.1.1. Strategy: STATE MATCH - EMPLOYER	\$ 112,429,405	\$ 113,551,789
Provide an employer match for Social Security contributions. Estimated.		

SOCIAL SECURITY AND BENEFIT REPLACEMENT PAY
(Continued)

A.1.2. Strategy: BENEFIT REPLACEMENT PAY	\$ <u>24,054,165</u>	\$ <u>22,827,402</u>
Provide Benefit Replacement Pay to eligible employees. Estimated.		
Total, Goal A: SOCIAL SECURITY/BENEFIT REPLACEMENT	\$ <u>136,483,570</u>	\$ <u>136,379,191</u>
Grand Total, SOCIAL SECURITY AND BENEFIT REPLACEMENT PAY	\$ <u>136,483,570</u>	\$ <u>136,379,191</u>
Method of Financing:		
General Revenue Fund, estimated	\$ 68,051,892	\$ 67,775,689
General Revenue Dedicated Accounts, estimated	1,333,044	1,334,249
Federal Funds, estimated	<u>67,098,634</u>	<u>67,269,253</u>
Total, Method of Financing	\$ <u>136,483,570</u>	\$ <u>136,379,191</u>

BOND DEBT SERVICE PAYMENTS

	For the Years Ending	
	August 31, 2004	August 31, 2005
A. Goal: FINANCE CAPITAL PROJECTS		
To provide funding to the Texas Public Finance Authority for the payment of general obligation bond debt service requirements.		
A.1.1. Strategy: BOND DEBT SERVICE	\$ 18,150,356	\$ 19,513,831
Make general obligation bond debt service payments in compliance with bond covenants.		& UB
Grand Total, BOND DEBT SERVICE PAYMENTS	\$ <u>18,150,356</u>	\$ <u>19,513,831</u>
Method of Financing:		
General Revenue Fund	\$ 15,319,522	\$ 16,683,587
Federal Funds	2,362,984	2,361,154
Other Funds		
Current Fund Balance	14,000	15,000
MHMR Collections for Patient Support and Maintenance	232,081	232,290
MHMR Appropriated Receipts	32,767	32,786
MHMR Medicare Receipts	189,002	189,014
Subtotal, Other Funds	\$ <u>467,850</u>	\$ <u>469,090</u>
Total, Method of Financing	\$ <u>18,150,356</u>	\$ <u>19,513,831</u>

LEASE PAYMENTS

For the Years Ending	
August 31, <u>2004</u>	August 31, <u>2005</u>

Out of the General Revenue Fund:

A. Goal: FINANCE CAPITAL PROJECTS

To provide funding to the Building and Procurement Commission for payment to the Texas Public Finance Authority for the payment of revenue bond debt service requirements.

A.1.1. Strategy: LEASE PAYMENTS

\$	7,449,926	\$	7,455,848
			& UB

Make lease payments to the Texas Public Finance Authority on facilities financed through the Texas Public Finance Authority.

Grand Total, LEASE PAYMENTS

\$	<u>7,449,926</u>	\$	<u>7,455,848</u>
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SPECIAL PROVISIONS RELATING TO ALL HEALTH AND HUMAN SERVICES AGENCIES

Sec. 1. Night Shift and Weekend Differential.

- a. **Clinical and Support Personnel.** The Department of Mental Health and Mental Retardation and the Department of Health are authorized to pay an additional night shift salary differential not to exceed 15 percent of the monthly pay rate to personnel who work the 3 p.m. to 11 p.m. or the 11 p.m. to 7 a.m. shift or its equivalent. A weekend shift salary differential not to exceed 5 percent of the monthly pay rate may be paid to persons who work weekend shifts. The evening or night shift salary differential may be paid in addition to the weekend shift salary differential for persons working weekend, evening, or night shifts.
- b. **Data Processing Personnel.** The Department of Health, Department of Human Services, Department of Mental Health and Mental Retardation, the Department of Protective and Regulatory Services, and the Health and Human Services Consolidated Print Shop may pay an evening or night shift salary differential not to exceed 15 percent of the monthly pay rate to personnel in data processing or printing operations who work the 3:00 p.m. to 11:00 p.m. shift or 11:00 p.m. to 7:00 a.m. shift, or their equivalents. A weekend shift salary differential not to exceed 5 percent of the monthly pay rate may be paid to persons who work weekend shifts. The evening or night shift salary differential may be paid in addition to the weekend shift salary differential for persons working weekend, evening, or night shifts.

Sec. 2. Services to Employees. Out of the appropriations authorized, the Department of Mental Health and Mental Retardation and Department of Health may expend funds for the provision of first aid or other minor medical attention for employees injured in the course and scope of their employment and for the repair and/or replacement of employees' items of personal property which are damaged or destroyed in the course and scope of their employment so long as such items are medically prescribed equipment. Expenditures for such equipment may not exceed \$500 per employee per incident.

Sec. 3. Charges to Employees and Guests. Collections for services rendered employees and guests shall be made by a deduction from the recipient's salary or by cash payment in advance. Such deductions and other receipts for these services from employees and guests are hereby appropriated to the facility. Refunds of excess collections shall be made from the appropriation to which the collection was deposited.

As compensation for services rendered and notwithstanding any other provision in this Act, any facility under the jurisdiction of the respective governing boards may provide free meals for food service personnel and volunteer workers, and may furnish housing facilities, meals and laundry service in exchange for services rendered by interns, chaplains in training, and student nurses.

Sec. 4. New or Additional Facilities. No funds appropriated may be spent for constructing new or additional facilities or for the purchase of sites without specific authorization of the Legislature. All facilities shall be kept where they are located by the Legislature, and all new buildings to be constructed shall be on these sites unless otherwise specifically authorized by the Legislature. For the purpose of this subsection, specific authorization may be granted either by basic statute or special authorization in this Act.

Sec. 5. Revolving Petty Cash Funds. Each facility under the Board of Health and Board of Mental Health and Mental Retardation may establish a petty cash fund to be maintained in cash or at a local bank. The petty cash fund, not to exceed \$25,000, shall be used only for making emergency payments and small purchases which will increase the efficiency of the operation; for payments to client workers on a regular payday basis; for use as change funds in specific locations where financial activities of the agency require a change fund, and for supplies and equipment purchases for sheltered workshops.

**SPECIAL PROVISIONS RELATING
TO ALL HEALTH AND HUMAN SERVICES AGENCIES
(Continued)**

Sec. 6. Approval of Transfers of Medicaid - Title XIX Funds. As an exception to other provisions of this Act, a transfer that exceeds \$1 million in all funds, state and federal, appropriated for Medicaid - Title XIX purposes between strategies of an agency receiving appropriations in this article cannot be made without the prior approval of the Commissioner of Health and Human Services established in Chapter 531 of the Government Code. The Commissioner shall establish procedures that expedite the approval process. Within 14 days of the transfer, agencies are to submit a report to the Legislative Budget Board, the Governor, and the Comptroller of Public Accounts. The report shall include information regarding affected strategies; method of finance; performance measure changes; and full-time equivalent positions due to the transfer of Medicaid funding.

Sec. 7. Annual Report - Professional Fee Exemption. It is the intent of the Legislature that the Annual Report required by the General Provisions of this Act shall not include professional fees paid for routine or special examinations for the purpose of determining eligibility of individuals for any of the programs administered by the agencies in this article, professional fees for treatment, services or care for individual recipients, or for providing special needs or appliances for individual recipients, but shall include fees for professional services or consultative services rendered for the general administration of the department.

Sec. 8. Disposition of State Funds Available Resulting from Federal Match Ratio Change. In the event the Federal Medical Assistance Percentage should be greater than 60.82 percent for federal fiscal year 2005, or the Enhanced Federal Medical Assistance Percentage should be greater than 72.57 percent for federal fiscal year 2005, the following departments shall be authorized to expend the state funds thereby made available only to the extent authorized in writing by the Legislative Budget Board and Governor: Health and Human Services Commission; Department of Health; Department of Human Services; Department of Mental Health and Mental Retardation; and Department of Protective and Regulatory Services. A copy of such authorization shall be provided to the Comptroller of Public Accounts to assist in monitoring compliance with this provision.

Sec. 9. Costs Related to Co-location of Services and to Inter-agency Sharing of Support Functions and Services. To provide an efficient and effective method of paying common support costs related to co-location of human services as required pursuant to the provision of Chapter 531 of the Government Code, and/or costs of performing support functions for multiple agencies, funds may be transferred between agencies for payment of such costs and agencies are authorized to deposit those funds into separate accounts for the purpose of paying shared costs including, but not limited to, postage, occupancy costs, equipment repair, telephones and telephone system costs, office printing costs, supplies, freight and transport costs, electronic data processing systems, or other business functions. Each agency shall be responsible for monthly allocations of these costs to the original strategies.

Sec. 10. Contracts for Purchase of Client Services. No funds appropriated to an agency covered by this article may be utilized for contracts for the purchase of program-related client services unless:

- a. such contracts include clearly defined goals, outputs, and measurable outcomes which directly relate to program objectives;
- b. such contracts include clearly defined sanctions or penalties for noncompliance with contract terms and conditions;
- c. such contracts specify the accounting, reporting, and auditing requirements applicable to funds received under the contract;
- d. the agency has implemented a formal program using a risk assessment methodology to monitor compliance with financial and performance requirements under the contract, including a determination of whether performance objectives have been achieved; and

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- e. the agency has implemented a formal program to obtain and evaluate program costs information to ensure that all costs, including administrative costs, are reasonable and necessary to achieve program objectives.

Sec. 11. Attorney General Representation. The Attorney General and the respective head of an agency identified in this provision are hereby authorized to jointly select one or more Assistant Attorneys General to be assigned to the respective agency. The following agencies are subject to this provision: Department of Health, Department of Human Services, Department of Mental Health and Mental Retardation, Health and Human Services Commission, and Department of Protective and Regulatory Services.

Sec. 12. Medicaid Managed Care Contracts. The Health and Human Services Commission, Department of Health, Department of Human Services and the Department of Mental Health and Mental Retardation shall include and award value added points in the scoring of applications submitted for Medicaid managed care contracts. At a minimum, the following considerations are to be considered as items for value added points:

- a. Continuity of care for the Medicaid client;
- b. Graduate Medical Education as part of the delivery system; and
- c. Amount of charity care provided by the party applying for a contract award.

Sec. 13. Transfer of Fund Balances. Any interest, payments on principal, or balances remaining as of August 31, 2003, in Fund Numbers 15, 16, 17, and 18 are to be transferred by the State Comptroller of Public Accounts to the General Revenue Fund either annually or semiannually.

Sec. 14. Consolidated Waiver Pilot Project Authorization. From funds appropriated in Article II for Medicaid waivers that serve people with disabilities, the Department of Human Services is authorized to utilize up to \$5,738,858 in Interagency Contracts and \$7,963,364 in matching federal funds for the biennium to continue implementation of a pilot waiver program that would consolidate waiver services provided to eligible clients. Waiver programs affected under this provision include the Community Based Alternatives, Community Living Assistance and Support Services, and Medically Dependent Children's program at the Department of Human Services and the Home and Community Services waiver at the Department of Mental Health and Mental Retardation.

Sec. 15. Children's Medicaid Review. The Department of Human Services and other agencies determining Medicaid eligibility shall implement procedures to automatically review children's eligibility for Medicaid when their families become ineligible for Temporary Assistance for Needy Families (TANF) and to ensure that their Medicaid coverage continues uninterrupted if they are eligible. The Department of Health, the Health and Human Services Commission, the Department of Mental Health and Mental Retardation, and the Department of Human Services shall cooperate to ensure that the child continues to receive medical assistance without a gap in eligibility if the review required by this rider indicates that the child is eligible for medical assistance on another basis. The Department of Health, the Department of Mental Health and Mental Retardation, and the Health and Human Services Commission shall make expenditures, out of funds appropriated above, in the Medicaid program for children determined to be eligible for the Medicaid program. No child shall receive Medicaid unless they are eligible because of their income level.

Sec. 16. Transfer Authority. The Commissioner of Health and Human Services is authorized to make the following transfers, notwithstanding any other provision in this Act and subject to prior approval by the Legislative Budget Board and the Governor, between health and human services agencies listed in Chapter 531, Government Code, including the Health and Human Services Commission, and between the strategies of each such agency. Any such transfers shall be made solely for purpose of creating an efficient, integrated system of business operations across health and human service agencies, for achieving the efficient and effective operation of the Medicaid program, to maximize federal funds, or for other purposes specifically described in Chapter 531, Government Code.

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- a. For the purposes of this Section, 'agency' means an agency listed in Chapter 531, Government Code, and 'agencies' means the agencies listed in Chapter 531, Government Code;
- b. The Commissioner of Health and Human Services is authorized to transfer funds between health and human services agencies including the Health and Human Services Commission, and between the strategies of each such agency, for the purpose of implementing the purposes outlined in Chapter 531, Government Code, subject to prior approval by the Legislative Budget Board and the Governor. No one transfer action between agencies may exceed ten percent of the total yearly appropriation amount of the agency from which funds are being transferred. All approved transfers made pursuant to this provision shall be reported to the Governor and the Legislative Budget Board within 14 days of the transfer action.
- c. Notwithstanding any other provision in this Act, no agency may make a transfer between Medicaid strategies unless
 - (1) a balance is projected by the agency operating that Medicaid program for the Medicaid program operated by that agency for the biennium overall;
 - (2) the forecast and data supporting that assessment are provided to the Legislative Budget Board and the Governor at least 30 days prior to the intended transfer; and
 - (3) prior approval is granted by the Legislative Budget Board and the Governor.
- d. The Commissioner of Health and Human Services is authorized to transfer full-time equivalent positions 1) between agencies and 2) from agencies to the Health and Human Services Commission, provided that such approved transfers shall not result in a net increase in the total number of full-time equivalent positions authorized for those agencies in this Act. These transfers are subject to the prior approval of the Legislative Budget Board and the Governor.
- e. Notwithstanding other limitations on transfers contained in the General Provisions of this Act, the Commissioner of Health and Human Services is authorized to make the following transfers, subject to the prior approval of the Legislative Budget Board and the Governor:
 - (1) funds appropriated for capital budget items to agencies may be transferred between agencies for existing capital budget purposes; or
 - (2) funds appropriated for capital budget items to agencies may be transferred from a capital budget item to a non-capital item at the agency or from one agency to another agency.
- f. All approved fund transfers, transfers of full-time equivalent employees, transfer of appropriation authority for capital budget items, and travel limitations made pursuant to this section shall be reported to the Governor and the Legislative Budget Board no later than 30 days prior to the transfer action. Notifications shall include information regarding the source of funds to be transferred, and any changes in federal funds related to the proposed transfer, the agency and strategy from which the transfer is to be made and the agency and strategy to which the transfer is to be made, the need which was to be served through the original appropriation and the basis for the decrease in need, the need to be served in the strategy receiving the funds and the basis for selecting the strategy, and the purpose established in Chapter 531, Government Code, to be achieved by the transfer. In the event that the transfer could potentially impact client services, the notification shall include information regarding the client population potentially impacted and the impacted

**SPECIAL PROVISIONS RELATING
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(Continued)**

agencies' ability to operate existing programs. The proposed transfer shall be considered to be approved unless the Legislative Budget Board or the Governor deny the request within 30 days of the date of the request.

Sec. 17. Payment for Compensatory Time. It is expressly provided that the Department of Mental Health and Mental Retardation and the Texas Department of Health's State Healthcare Facilities, to the extent permitted by law, may pay FLSA exempt and FLSA non-exempt employees on a straight-time basis for work on a holiday or for regular compensatory time hours when the taking of regular compensatory time off would be disruptive to normal business functions.

Sec. 18. Limitation on Appropriations for Long-term Care Waiver Slots. None of the funds appropriated above to the Department of Human Services and the Department of Mental Health and Mental Retardation for long-term care waiver slots may be utilized for purposes other than the following unless the alternative purpose was previously authorized by the Legislative Budget Board and the Governor:

- a. the establishment and maintenance of long-term care waiver slots;
- b. the provision of wraparound services that are specifically associated with such slots and that relate to transitional services, access to immediate housing, and transportation services; or
- c. the development of family-based alternatives for children leaving institutions as authorized in Government Code § 531.055, as added by Acts 2001, Seventy-seventh Legislature, Chapter 590, § 2.

This provision applies to funds appropriated for the Mental Retardation (MR) Medicaid Waiver program at the Department of Mental Health and Mental Retardation and the following waiver programs at the Department of Human Services: Community-based Alternatives (CBA), Community Living Assistance and Support Services (CLASS), Medically Dependent Children's Program (MDCP) and Deaf-Blind with Multiple Disabilities Waiver.

Sec. 19. Salary Recommendations. Before the beginning of each session of the Legislature, the Commissioner of Health and Human Services may recommend to the members of the Legislature, the Legislative Budget Board, and the State Auditor that the salaries of the chief executive officer of an agency named under Chapter 531, Government Code, be adjusted.

Sec. 20. Access to Health Care Services. It is the intent of the Legislature that all agencies administering or responsible for any part of the medical assistance program under Chapter 32, Human Resources Code or referenced in Chapter 531, Government Code, work together to maximize the number of providers, including providers of pediatric care, primary care, nursing home care, and home health services to promote access to quality health care services for all enrollees.

Sec. 21. Leases. No funds appropriated under this Act may be expended by Article II agencies for leased office or for building where the agency determines that the leased space is no longer needed due to 1) the implementation of changes that result in a reduction in staff, 2) consolidations of office or building space to achieve cost efficiencies, or 3) a change in client demographics resulting in the need to relocate staff to other locations. Prior to lease cancellation the agency will

- a. provide written notice to the lessor at least 180 days prior to the date of lease cancellation, and
- b. notify the Texas Building and Procurement Commission that space is available for use by another state tenant.

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Sec. 22. Limitation on Use of Funds.

- a. State agencies that are appropriated funds from the receipts collected pursuant to the Comprehensive Tobacco Settlement Agreement and Release in this Article, including distributions from funds, shall submit a budget by November 1 of each year of the biennium to the Legislative Budget Board and the Governor. This budget shall describe the purposes and amounts for which such funds will be expended by the state agency. No funds described in this budget may be expended by the state agency or institution of higher education until the Legislative Budget Board and the Governor receive the budget.
- b. Authorized managers of permanent funds and endowments whose earnings are appropriated to the Texas Department of Health in this article shall provide a copy of year-end financial reports to the Legislative Budget Board and the Governor by November 1 of each year of the biennium. These reports should include, at a minimum, an income statement and balance sheet for each fund, and a summary of the investment return of the fund during the preceding fiscal year.
- c. Agencies directly appropriated tobacco settlement receipts, tobacco settlement receipts match for Medicaid, tobacco settlement receipts match for CHIP in this Article shall only expend funds for direct client services.

Sec. 23. Review of Reports and Studies Required by Article II Agencies. Notwithstanding any other provisions of this Act, it is the intent of the Legislature that the Health and Human Services Commission works with the Legislative Budget Board and the Governor's Office to consolidate the reports and studies required by this Act.

Sec. 24. Alternative Delivery Model. From funds appropriated in Article II, the Health and Human Services Commission is authorized to expend state and/or federal funds, if available, through the Texas Commission on Alcohol and Drug Abuse and other enterprise agencies to conduct a pilot project using an alternative service delivery model in Dallas County that uses a school-based youth and family center with existing primary and behavioral health programs. The targeted population is high-risk students. In addition to treatment, the program shall provide information, education, early intervention and care. In conducting the pilot project, the Health and Human Services Commission shall not negatively affect existing programs.

Sec. 25. Medicaid Informational Rider. This rider is informational only and does not make any appropriations. The Health and Human Services Commission is the single state agency for Title XIX, the Medical Assistance Program (Medicaid) in Texas. Other agencies receive appropriations for and responsibility for the operations of various Medicaid programs. Appropriations made elsewhere in this Act, related to the Medicaid program, include the following:

Agency Name	2004	2005
Texas Commission for the Blind	\$ 455,873	\$ 457,499
Interagency Council on Early Childhood Intervention	\$ 17,213,069	\$ 18,159,650
Texas Department of Health	\$ 474,006,954	\$ 505,279,110
Health and Human Services Commission	\$ 9,359,915,710	\$ 9,166,708,863
Department of Human Services	\$ 3,731,333,409	\$ 3,362,740,493

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Department of Mental Health and Mental Retardation	\$ 1,237,316,679	\$ 1,234,570,730
Department of Protective and Regulatory Services	\$ 107,202,473	\$ 110,873,415
Total, Medical Assistance Program	\$ 14,927,444,167	\$ 14,398,789,760
Method of Financing:		
General Revenue for Medicaid	\$ 5,354,006,848	\$ 5,098,985,871
Tobacco Settlement Receipts for Medicaid	\$ 402,093,000	\$ 397,753,000
Subtotal, General Revenue Funds	\$ 5,756,099,848	\$ 5,496,738,871
GR-Dedicated	\$ 49,212,436	\$ 49,206,003
Federal Funds	\$ 9,010,730,784	\$ 8,761,528,639
Other Funds	\$ 111,401,099	\$ 91,316,247
Total, All Funds	\$ 14,927,444,167	\$ 14,398,789,760

Sec. 26. Contingency Reduction for Transportation Services. Contingent upon the enactment of House Bill 2292, House Bill 3343, or similar legislation by the Seventy-eighth Legislature, Regular Session, authorizing the coordination of statewide public transportation, the Commissioner of Health and Human Services, or appropriate designee, shall enter into a memorandum of understanding with the Texas Department of Transportation for the provision of transportation services for health and human services clients in Article II. The Department of Transportation shall provide transportation services during the 2004-05 biennium.

- a. The General Revenue appropriations of the Health and Human Services Commission, or the appropriate designated agency as defined in the memorandum of understanding, are reduced by \$104,271,604 for the biennium.
- b. The Health and Human Services Commission, or the appropriate designated agency, shall reduce, if necessary, provider reimbursements to obtain the savings.
- c. The Health and Human Services Commission, or the appropriate designated agency, shall report the reduction amounts and affected strategies to the Comptroller, Legislative Budget Board, and the Governor by January 1, 2004.

Sec. 27. Contingency Reduction in Appropriations for House Bill 727. Contingent upon the enactment of House Bill 727, or similar legislation by the Seventy-eighth Legislature, Regular Session, implementing the recommendations in e-Texas issue HHS 4, *Implement a Disease Management Program for Medicaid Patients*, appropriations made by this Act to the Health and Human Services Commission for the medical assistance program are hereby reduced by \$2,851,000 in General Revenue and \$4,282,000 in Federal Funds for fiscal year 2004 and \$5,732,000 in General Revenue and \$8,595,000 in Federal Funds for fiscal year 2005.

**SPECIAL PROVISIONS RELATING
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(Continued)**

Sec. 28. Contingency Appropriation for House Bill 2292. Contingent upon enactment of House Bill 2292 or similar legislation by the Seventy-eighth Legislature, Regular Session, relating to the provision of health and human services, including the powers and duties of the Health and Human Services Commission and other state agencies, reorganizing the structure of Health and Human Services agencies, changing program eligibility and service levels, and establishing client financial contributions, the following provisions shall be implemented on the effective date or dates specified in that Act, only for the purpose of implementing the provisions of House Bill 2292 or similar legislation:

- a. **Transfers.** All powers, duties, obligations, rights, contracts, leases, records, personnel, property, Full-time-equivalents (FTEs), appropriations, and other funds of health and human services agencies to be abolished by House Bill 2292 are transferred to the Health and Human Services Commission or to the appropriate agency or agencies established by House Bill 2292.
- b. **Appropriations to Article II Agencies.**
 - (1) Appropriations to the Health and Human Services Commission for the 2004–05 biennium are hereby reduced by \$180.1 million in General Revenue and by the appropriate amount of matching or related Federal Funds. The number of authorized FTE positions for the Health and Human Services Commission is hereby reduced by 985.6 for fiscal year 2004 and by 2,116.5 for fiscal year 2005. The Health and Human Services Commission shall allocate funding and FTE reductions to the appropriate health and human services agencies and strategies.
 - i. **Preliminary Plan.** The Commission shall provide a preliminary allocation plan in a manner specified by the Legislative Budget Board to the Governor, the Legislative Budget Board, the Comptroller of Public Accounts, and State Auditor's Office by February 1, 2004.
 - ii. **Final Plan.** The Commission shall provide a final allocation plan in a manner specified by the Legislative Budget Board to the Governor, the Legislative Budget Board, the Comptroller of Public Accounts, and State Auditor's Office by February 1, 2005. The Comptroller of Public Accounts shall implement funding reductions as allocated by the Health and Human Services Commission's final plan and modified by the Legislative Budget Board and the Governor by March 1, 2005.
 - (2) Contingent upon enactment of House Bill 2292, or similar legislation relating the applicability of certain premium maintenance, and other insurance related taxes to certain health benefit plans, a) the Health and Human Services Commission shall ensure that premium rates for health plans under contract with the commission for services to Medicaid and CHIP recipients take into consideration the enacted legislation and b) the Health and Human Services Commission is hereby appropriated \$11,810,207 for 2004 and \$11,815,778 for 2005 from the General Revenue Fund.
 - (3) General Revenue Fund appropriations to the Department of Human Services for TANF maintenance of effort in Strategy B.1.1, TANF Grants, are hereby reduced by \$10,881,000 for fiscal year 2004 and by \$7,027,000 for fiscal year 2005 and General Revenue Fund appropriations for TANF maintenance of effort in Strategy B.1.2, CSS Eligibility and Issuance Services, are hereby reduced by \$941,000 for fiscal year 2004 and by \$1,506,000 for fiscal year 2005. General Revenue Fund appropriations made elsewhere in this Act for employee benefit costs are hereby reduced by \$266,000 for fiscal year 2004 and by \$426,000 for fiscal year 2005. The authorized FTE figure indicated in the bill pattern for the Department of Human

**SPECIAL PROVISIONS RELATING
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(Continued)**

Services is hereby reduced by 30.8 positions for fiscal year 2004 and by 49.3 positions for fiscal year 2005.

- c. **Appropriations to the End of Article II for Employee Benefits.** Appropriations for employee benefits associated with the decrease in FTEs at the Health and Human Services Commission or appropriate health and human services agency in subsection (b) (i) for the 2004-05 biennium are hereby reduced by \$15.2 million in General Revenue and by the appropriate amount of matching or related Federal Funds.
- d. **Appropriations to the Office of the Attorney General.** Appropriations to the Office of the Attorney General in Article I of this Act are hereby increased by \$5.5 million in General Revenue and matching Federal Funds for the 2004-05 biennium and the number of FTE positions authorized for the Office of the Attorney General is hereby increased by 200.0 for each year of the biennium for the purpose of reducing Medicaid fraud and overpayments.
- e. **Appropriations to the End of Article I for Employee Benefits.** Appropriations for employee benefits associated with the increase in FTEs at the Office of the Attorney General in subsection (d) for the 2004-05 biennium are hereby increased by \$1.6 million in General Revenue and by the appropriate amount of matching or related Federal Funds.
- f. **e-Texas Recommendations.** Appropriations made by this provision, as well as appropriations made elsewhere in this Act, are intended to partially implement the following recommendations presented in *e-Texas: Limited Government, Unlimited Opportunity* and in *e-Texas: Special Report to the Legislature - Additional e-Texas Recommendations*:
 - (1) GG-3: Consolidate Health and Human Service Agencies to Reduce Cost and Improve Service Delivery
 - (2) GG-10: Reduce Management Costs in State Government
 - (3) GG-11: Reduce Human Resource Management Costs
 - (4) GG-12: Use Call Centers to Determine Eligibility for Children's Medicaid; Consider an Internet-based, Combined Application for Human Services Programs
 - (5) GG-14: Use Innovative Asset Management Techniques for State Real Property
 - (6) HHS-1: Contract for Quality Nursing Home Care
 - (7) HHS-3: Use Transportation Brokers to Improve the State's Medical Transportation Program
 - (8) HHS-7: Maintain the Current Period of Medicaid Eligibility for Children; Postpone the Implementation of Expanded Eligibility Until Fiscal Year 2006
 - (9) HHS-8: Improve Purchasing of Prescription Drugs
 - (10) HHS-11: Increase Medicaid Patient Responsibility for Health Care Use
 - (11) HHS-12: Increase Third-party Liability Reimbursements for Medicaid
 - (12) HHS-13: Strengthen Efforts to Reduce Medicaid Fraud and Overpayment
 - (13) HHS-14: Achieve Greater Savings in Medicaid Managed Care
 - (14) HHS-15: Ensure Texas' Neediest Children Keep Health Insurance
 - (15) HHS-21: Inforce Requirements that Welfare Recipients Attempt to Find Work.
- g. In the event that provisions relating to reorganizing the structure of Health and Human Services agencies, changing program eligibility and service levels, establishing client financial contributions, or authorizing increased fraud recoveries are not in the enacted version of House Bill 2292 or similar legislation, the Health and Human Services Commission may forward revised estimates of the fiscal and Full-Time-Equivalent position impact to the Legislative Budget Board and the Governor. The Legislative Budget Board and Governor may consider this information when developing any budget adjustment plans or actions during the biennium.

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Sec. 29. Contingency Rider for House Bill 2298. Contingent upon the enactment by the Seventy-eighth Legislature, Regular Session, of House Bill 2298 or similar legislation, relating to the authority of certain state agencies to purchase prescription drugs and other medications jointly with other states, the Comptroller of Public Accounts is hereby directed to reduce appropriations made by this Act to the Health and Human Services Commission by \$2,662,932 in General Revenue and \$4,027,852 in Federal Funds for fiscal year 2004 and \$2,682,755 in General Revenue and \$4,119,363 in Federal Funds for fiscal year 2005. The Health and Human Services Commission is hereby authorized to reduce the appropriations made pursuant to this provision in the appropriate strategy items of the commission's bill pattern and allocate the reduction to the appropriate health and human services agencies.

**RECAPITULATION - ARTICLE II
HEALTH AND HUMAN SERVICES
(General Revenue)**

	For the Years Ending	
	August 31, 2004	August 31, 2005
Department on Aging	\$ 6,789,384	\$ 6,789,383
Commission on Alcohol and Drug Abuse	17,214,474	27,214,474
Commission for the Blind	10,588,393	10,587,143
Commission for the Deaf and Hard of Hearing	1,051,220	1,051,221
Interagency Council on Early Childhood Intervention	32,432,043	32,432,044
Department of Health	443,108,502	442,257,078
Contingency Appropriations	<u>630,135</u>	<u>507,464</u>
Total	443,738,637	442,764,542
Health and Human Services Commission	3,761,821,634	3,657,483,328
Department of Human Services	1,731,159,591	1,577,721,831
Contingency Appropriations	<u>(3,568,239)</u>	<u>(3,570,798)</u>
Total	1,727,591,352	1,574,151,033
Department of Mental Health and Mental Retardation	1,055,694,321	1,041,304,901
Department of Protective and Regulatory Services	235,804,774	247,904,800
Rehabilitation Commission	<u>40,536,529</u>	<u>40,536,529</u>
Subtotal, Health and Human Services	<u>\$ 7,333,262,761</u>	<u>\$ 7,082,219,398</u>
Retirement and Group Insurance	187,814,296	190,340,257
Social Security and Benefit Replacement Pay	<u>68,051,892</u>	<u>67,775,689</u>
Subtotal, Employee Benefits	<u>\$ 255,866,188</u>	<u>\$ 258,115,946</u>
Bond Debt Service Payments	15,319,522	16,683,587
Lease Payments	<u>7,449,926</u>	<u>7,455,848</u>
Subtotal, Debt Service	<u>\$ 22,769,448</u>	<u>\$ 24,139,435</u>
Article II, Special Provisions, Contingency Appropriations	(117,549,734)	(186,250,557)
TOTAL, ARTICLE II - HEALTH AND HUMAN SERVICES	<u>\$ 7,494,348,663</u>	<u>\$ 7,178,224,222</u>

**RECAPITULATION - ARTICLE II
HEALTH AND HUMAN SERVICES
(General Revenue - Dedicated)**

	For the Years Ending	
	August 31, <u>2004</u>	August 31, <u>2005</u>
Commission for the Blind	\$ 1,872,183	\$ 1,872,183
Department of Health	239,626,924	239,126,925
Contingency Appropriations	<u>59,523,883</u>	<u>112,756,915</u>
Total	299,150,807	351,883,840
Department of Human Services	46,785,167	19,789,167
Department of Mental Health and Mental Retardation	52,142,360	52,135,929
Department of Protective and Regulatory Services	36,080,709	36,080,709
Rehabilitation Commission	<u>10,439,439</u>	<u>10,439,440</u>
Subtotal, Health and Human Services	\$ <u>446,470,665</u>	\$ <u>472,201,268</u>
Retirement and Group Insurance	3,158,553	3,183,039
Social Security and Benefit Replacement Pay	<u>1,333,044</u>	<u>1,334,249</u>
Subtotal, Employee Benefits	\$ <u>4,491,597</u>	\$ <u>4,517,288</u>
TOTAL, ARTICLE II - HEALTH AND HUMAN SERVICES	\$ <u>450,962,262</u>	\$ <u>476,718,556</u>

**RECAPITULATION - ARTICLE II
HEALTH AND HUMAN SERVICES
(Federal Funds)**

	For the Years Ending	
	August 31, <u>2004</u>	August 31, <u>2005</u>
Department on Aging	\$ 67,717,301	\$ 68,779,047
Commission on Alcohol and Drug Abuse	136,513,896	122,275,222
Commission for the Blind	35,546,925	36,752,090
Interagency Council on Early Childhood Intervention	74,641,475	80,202,124
Department of Health	976,792,422	1,000,838,645
Health and Human Services Commission	5,896,249,321	5,829,411,834
Department of Human Services	2,957,809,608	2,711,114,150
Contingency Appropriations	<u>3,568,239</u>	<u>3,570,798</u>
Total	<u>2,961,377,847</u>	<u>2,714,684,948</u>
Department of Mental Health and Mental Retardation	792,926,669	799,459,892
Department of Protective and Regulatory Services	576,594,393	603,650,855
Rehabilitation Commission	<u>241,462,621</u>	<u>244,868,309</u>
Subtotal, Health and Human Services	<u>\$ 11,759,822,870</u>	<u>\$ 11,500,922,966</u>
Retirement and Group Insurance	171,013,612	173,449,914
Social Security and Benefit Replacement Pay	<u>67,098,634</u>	<u>67,269,253</u>
Subtotal, Employee Benefits	<u>\$ 238,112,246</u>	<u>\$ 240,719,167</u>
Bond Debt Service Payments	<u>2,362,984</u>	<u>2,361,154</u>
Subtotal, Debt Service	<u>\$ 2,362,984</u>	<u>\$ 2,361,154</u>
Article II, Special Provisions, Contingency Appropriations	(8,309,852)	(12,714,363)
TOTAL, ARTICLE II - HEALTH AND HUMAN SERVICES	<u>\$ 11,991,988,248</u>	<u>\$ 11,731,288,924</u>

**RECAPITULATION - ARTICLE II
HEALTH AND HUMAN SERVICES
(Other Funds)**

	For the Years Ending	
	August 31, 2004	August 31, 2005
Commission on Alcohol and Drug Abuse	\$ 1,651,838	\$ 1,651,838
Commission for the Blind	274,149	274,149
Commission for the Deaf and Hard of Hearing	1,465,490	1,465,490
Interagency Council on Early Childhood Intervention	13,009,485	16,598,102
Department of Health	52,546,644	24,671,937
Contingency Appropriations	93,750	163,419
Total	<u>52,640,394</u>	<u>24,835,356</u>
Health and Human Services Commission	121,758,538	100,996,082
Department of Human Services	48,347,477	32,703,580
Department of Mental Health and Mental Retardation	95,284,755	107,047,680
Department of Protective and Regulatory Services	16,653,414	16,653,414
Rehabilitation Commission	<u>1,509,747</u>	<u>1,621,247</u>
Subtotal, Health and Human Services	<u>\$ 352,595,287</u>	<u>\$ 303,846,938</u>
Bond Debt Service Payments	<u>467,850</u>	<u>469,090</u>
Subtotal, Debt Service	<u>\$ 467,850</u>	<u>\$ 469,090</u>
Less Interagency Contracts	<u>\$ 95,004,878</u>	<u>\$ 99,686,745</u>
TOTAL, ARTICLE II - HEALTH AND HUMAN SERVICES	<u>\$ 258,058,259</u>	<u>\$ 204,629,283</u>

**RECAPITULATION - ARTICLE II
HEALTH AND HUMAN SERVICES
(All Funds)**

	For the Years Ending	
	August 31, 2004	August 31, 2005
Department on Aging	\$ 74,506,685	\$ 75,568,430
Commission on Alcohol and Drug Abuse	155,380,208	151,141,534
Commission for the Blind	48,281,650	49,485,565
Commission for the Deaf and Hard of Hearing	2,516,710	2,516,711
Interagency Council on Early Childhood Intervention	120,083,003	129,232,270
Department of Health	1,712,074,492	1,706,894,585
Contingency Appropriations	<u>60,247,768</u>	<u>113,427,798</u>
Total	1,772,322,260	1,820,322,383
Health and Human Services Commission	9,779,829,493	9,587,891,244
Department of Human Services	4,784,101,843	4,341,328,728
Department of Mental Health and Mental Retardation	1,996,048,105	1,999,948,402
Department of Protective and Regulatory Services	865,133,290	904,289,778
Rehabilitation Commission	<u>293,948,336</u>	<u>297,465,525</u>
Subtotal, Health and Human Services	<u>\$ 19,892,151,583</u>	<u>\$ 19,359,190,570</u>
Retirement and Group Insurance	361,986,461	366,973,210
Social Security and Benefit Replacement Pay	<u>136,483,570</u>	<u>136,379,191</u>
Subtotal, Employee Benefits	<u>\$ 498,470,031</u>	<u>\$ 503,352,401</u>
Bond Debt Service Payments	18,150,356	19,513,831
Lease Payments	<u>7,449,926</u>	<u>7,455,848</u>
Subtotal, Debt Service	<u>\$ 25,600,282</u>	<u>\$ 26,969,679</u>
Article II, Special Provisions, Contingency Appropriations	(125,859,586)	(198,964,920)
Less Interagency Contracts	<u>\$ 95,004,878</u>	<u>\$ 99,686,745</u>
TOTAL, ARTICLE II - HEALTH AND HUMAN SERVICES	<u>\$ 20,195,357,432</u>	<u>\$ 19,590,860,985</u>
Number of Full-Time-Equivalent Positions (FTE)	48,133.4	47,035.5

ARTICLE III

EDUCATION

Sec. 1. The several sums of money herein specified, or so much thereby as may be necessary, are appropriated out of any funds in the State Treasury not otherwise appropriated, or out of special funds as indicated, for the support, maintenance, or improvement of the designated agencies and institutions of education.

TEXAS EDUCATION AGENCY

	For the Years Ending	
	August 31, 2004	August 31, 2005
A. Goal: PROGRAM LEADERSHIP		
To fulfill the promise for all Texas children, the Texas Education Agency will provide program leadership to the state public education system, ensuring all students achieve the state's public education goals and objectives.		
Outcome (Results/Impact):		
Percent of Students Completing High School	94.2%	94.5%
Percent of African-American Students Completing High School	91.8%	91.8%
Percent of Hispanic Students Completing High School	91.8%	91.8%
Percent of White Students Completing High School	96.9%	96.9%
Percent of Asian-American Students Completing High School	97.1%	97.2%
Percent of Native American Students Completing High School	92%	92.3%
Percent of Economically Disadvantaged Students Completing High School	90.3%	90.5%
Percent of Equalized Revenue in the Foundation School Program	98%	98%
Percent of Students in Districts with Substantially Equal Access to Revenues	85%	85%
Percent of Students Graduating under the Recommended or Distinguished Achievement High School Program	54%	57%
Percent of Students with Auditory Impairment in Regional Day Schools for the Deaf Who Graduate from High School	93%	94%
Percent of Students with Disabilities Who Complete High School	91%	92%
Percent of Eligible Students Taking Advanced Placement/International Baccalaureate Exams	19%	22%
Percentage of AP/IB Exams Taken on Which the Score Qualifies for College Credit or Advanced Placement	58%	59%
Percent of Students Exiting Bilingual/English as a Second Language Programs Successfully	70%	71%
Percent of Students Retained in Grade 3	2.7%	2.6%
Percent of Students Retained in Grade	5.4%	5.4%
Percent of Students in State-funded Optional Extended-year Programs Promoted to the Next Grade Level as a Result of the Program	90%	91%
Percent of Adult Learners Who Complete the Level in Which They Are Enrolled	66%	68%
Percent of Campuses Receiving Investment Capital Fund Grants Which Demonstrate Texas Learning Index Growth in Reading	76%	78%
Percent of Parents Participating in AVANCE Programs Who Complete the Adult Education Level at Which They Are Enrolled	61%	63%
A.1.1. Strategy: FSP - EQUALIZED OPERATIONS	\$ 10,417,700,000	\$ 9,529,900,000
Ensure all Texas students graduate from high school with a world-class education funded by an efficient and equitable school finance system; ensure that formula allocations support		

TEXAS EDUCATION AGENCY
(Continued)

the state's public education goals and objectives and are accounted for in an accurate and appropriate manner.

Output (Volume):

Total Average Daily Attendance (ADA)	3,957,827	4,035,033
Total Average Daily Attendance (ADA) of Open-enrollment Charter Schools	52,328	56,431

Number of Students Served by Compensatory Education Programs and Services	1,679,600	1,712,900
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Explanatory:

Special Education Full-time Equivalents (FTEs)	168,244	171,313
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Compensatory Education Average Daily Attendance	2,138,793	2,181,568
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Career and Technology Education Full-time Equivalents (FTEs)	160,906	163,973
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Bilingual Education/English as a Second Language Average Daily Attendance	523,976	544,935
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Gifted and Talented Average Daily Attendance	198,042	201,907
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A.1.2. Strategy: FSP - EQUALIZED FACILITIES	\$ 755,000,000	\$ 740,000,000
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Operate an equalized school facilities program by ensuring the allocation of a guaranteed yield of existing debt and disbursing facilities funds.

Output (Volume):

Number of Districts Receiving IFA	410	410
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Total Amount of State and Local Funds Allocated for Debt for Facilities (Billions)	2.3	2.3
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A.2.1. Strategy: ACADEMIC EXCELLENCE	\$ 198,242,769	\$ 198,242,769
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Plan and implement challenging academic, advanced academic, career and technology education, and bilingual/English as a second language educational programs to ensure that all Texas students graduate from high school with a world-class education.

Output (Volume):

Number of Students in Tech-prep Programs	105,000	110,000
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Number of Students Served in Summer School Programs for Limited English-proficient Students	42,500	43,000
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A.2.2. Strategy: STUDENT SUCCESS	\$ 318,879,803	\$ 318,879,803
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Build the capacity of school districts to ensure that all Texas students have the skills they need to succeed; that all third grade students read at least at grade level and continue to read at grade level; and that all secondary students have sufficient credit to advance and ultimately graduate on time with their class.

Output (Volume):

Number of Students Served by the Kindergarten and Prekindergarten Grant Programs	47,000	47,000
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Number of Students Participating in the Student Success Initiative Accelerated Reading Program	440,000	480,000
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A.2.3. Strategy: ACHIEVEMENT OF STUDENTS AT RISK	\$ 1,055,629,244	\$ 1,055,629,244
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Develop and implement instructional support programs that take full advantage of flexibility to support student achievement and ensure that all at-risk students graduate from high school with a world-class education.

Output (Volume):

Number of Title I Campuses Rated Exemplary or Recognized	832	1,199
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A.2.4. Strategy: STUDENTS WITH DISABILITIES	\$ 796,599,938	\$ 800,188,555
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Develop and implement programs that ensure all students with disabilities graduate from high school with a world-class education.

TEXAS EDUCATION AGENCY
(Continued)

Output (Volume):

Number of Students Served by Regional Day Schools for the Deaf	4,600	4,630
Number of Students Served by Statewide Programs for the Visually Impaired	7,289	7,466

A.2.5. Strategy: SCHOOL IMPROVEMENT & SUPPORT PGMS

\$ 110,549,676 \$ 110,549,676

Encourage educators, parents, community members, and university faculty to improve student learning and develop and implement programs that meet student needs. Develop and implement the support programs necessary for all students to graduate from high school with a world-class education.

Output (Volume):

Number of Pregnant Teens and Teen Parents Served by Teen Pregnancy and Parenting Programs	12,540	12,540
Number of Students Served by State-funded Optional Extended-year Programs	56,800	59,640

Explanatory:

Number of Open Enrollment Charter Schools	219	221
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A.2.6. Strategy: ADULT EDUCATION & FAMILY LITERACY

\$ 70,881,738 \$ 70,881,738

Develop adult education and family literacy programs that encourage literacy and ensure that all adults have the basic education skills they need to contribute to their families, communities, and the world.

Output (Volume):

Number of Students Served through State Adult Education Cooperatives	160,000	165,000
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Total, Goal A: PROGRAM LEADERSHIP

\$ 13,723,483,168 \$ 12,824,271,785

B. Goal: OPERATIONAL EXCELLENCE

The Texas Education Agency will fulfill the promise for all Texas children through challenging assessments, supportive school environments, and high standards of student, campus, district, and agency performance.

Outcome (Results/Impact):

Percent of Students Passing All Tests Taken	76%	78%
Percent of African-American Students Passing All Tests Taken	68%	71%
Percent of Hispanic Students Passing All Tests Taken	68%	71%
Percent of White Students Passing All Tests Taken	84%	86%
Percent of Asian-American Students Passing All Tests Taken	84%	86%
Percent of Native American Students Passing All Tests Taken	79%	81%
Percent of Economically Disadvantaged Students Passing All Tests Taken	68%	71%
Percent of Students Reading at Grade Level (3 rd Grade Only)	88%	89%
Percent of Students Passing TAKS Reading	83%	85%
Percent of Students Passing TAKS Mathematics	84%	86%
Percent of Students Whose Assessment Results Are Included in the Accountability System	87%	90%
Percent of Special Education Students Who Are Tested and Included in the Accountability System	87%	87%
Percent of Limited English-proficient Students Who Are Tested and Included in the Accountability System	75%	75%
Annual Statewide Dropout Rate for All Students	1.1%	1.1%
Percent of Students Who Drop Out of the Public School System between the Seventh and Twelfth Grades	6.3%	6.3%
Percent of Districts Rated Exemplary or Recognized	6%	14%
Percent of Campuses Rated Exemplary or Recognized	10%	20%
Percent of Districts Rated Academically Unacceptable in the Prior Year Which Earn an Academically Acceptable or Higher Accreditation Rating in the Current Year	NA	90%

TEXAS EDUCATION AGENCY
(Continued)

Percent of Campuses Rated Low-performing in the Prior Year Which Earn an Academically Acceptable or Higher Accreditation Rating in the Current Year	NA	80%
Percent of Charter Schools Rated Low-performing	30%	25%
Percent of Districts Rated as High-risk in the Program Analysis System (PAS) the Prior Year That Improve Their Rating in the Current Year	82%	83%
Annual Drug Use and Violence Incident Rate on School Campuses, Per 1,000 Students	22	20
Percent of DAEPs Meeting All Accountability Standards	70%	75%
Percent of Incarcerated Students Who Complete the Level in Which They Are Enrolled	44%	44%
Percent of Eligible Windham Inmates Who Have Been Served by a Windham Education Program during the Past Five Years	87%	87%
Percent of High-need Campuses That Receive a Master Reading Teacher Grant	35%	40%
Percent of Teachers Participating in the Student Success Initiative Teacher Reading and Mathematics Academies	75%	75%
Percent of Grant Applications Processed within 60 Days	58%	63%
Percent of School District Annual Textbook Orders Processed by May 31	85%	89%
B.1.1. Strategy: ASSESSMENT & ACCOUNTABILITY SYSTEM		
The state's assessment and accountability systems will continue to provide a basis for evaluation and reporting the extent to which students, campuses, and districts achieve high standards.	\$ 43,100,396	\$ 43,100,396
B.2.1. Strategy: INSTRUCTIONAL MATERIALS	\$ 463,949,000	\$ 121,800,000 & UB
Provide students equitable access to instructional materials and technologies supporting the Texas Essential Knowledge and Skills.		
Output (Volume):		
Number of Textbooks and Digital Content Purchased from Conforming Lists	7,373,302	3,388,366
Number of Textbooks and Digital Content Purchased from Nonconforming Lists	307,221	69,150
Efficiencies:		
Average Cost Per Textbook and Digital Content Purchased	43.68	43.68
B.2.2. Strategy: EDUCATIONAL TECHNOLOGY	\$ 54,394,016	\$ 54,394,016
Implement educational technologies that increase the effectiveness of student learning, instructional management, professional development, and administration.		
Output (Volume):		
Number of Students Receiving Course Credit through Distance Learning	7,500	7,500
B.2.3. Strategy: SAFE SCHOOLS	\$ 63,575,040	\$ 63,917,662
Reduce the number of criminal incidents on school campuses, enhance school safety, and ensure that students in the Texas Youth Commission and disciplinary and juvenile justice alternative education programs are provided the instructional and support services needed to graduate from high school with a world-class education.		
Output (Volume):		
Number of Students in Disciplinary Alternative Education Programs (DAEPs)	90,000	90,000
B.2.4. Strategy: CHILD NUTRITION PROGRAMS	\$ 878,891,098	\$ 903,891,098
Implement and support efficient state child nutrition programs.		

TEXAS EDUCATION AGENCY
(Continued)

Output (Volume):		
Average Number of School Lunches Served Daily	2,534,364	2,610,395
Average Number of School Breakfasts Served Daily	1,103,510	1,147,651
B.2.5. Strategy: WINDHAM SCHOOL DISTRICT	\$ 57,569,745	\$ 57,569,745
Work with the Texas Department of Criminal Justice to ensure that students have the basic education skills they need to contribute to their families, communities, and the world.		
Output (Volume):		
Number of Contact Hours Received by Inmates within the Windham School District	16,638,655	16,638,655
Number of Offenders Passing General Education Development (GED) Tests	4,326	4,326
Efficiencies:		
Average Cost Per Contact Hour in the Windham School District	3.52	3.52
B.3.1. Strategy: TEACHING EXCELLENCE AND SUPPORT	\$ 281,396,467	\$ 281,396,467
Ensure educators have access to quality training tied to the Texas Essential Knowledge and Skills; develop and implement professional development initiatives that encourage P-16 partnerships. Ensure that the regional education service centers facilitate effective instruction and efficient school operations by providing core services, technical assistance, and program support based on the needs and objectives of the school districts they serve.		
Output (Volume):		
Number of Teachers Who Participate in Mathcounts Training	275	275
Number of Teachers Receiving Training in Dyslexia and Related Disorders Services	31,840	31,840
B.3.2. Strategy: AGENCY OPERATIONS	\$ 40,071,093	\$ 40,071,093
Develop and implement efficient and effective business processes and operations that support the state's goals for public education and ensure all Texas students graduate from high school with a world-class education.		
Output (Volume):		
Number of Campuses Investigated for Exemption Rates	84	84
Number of Complaint Investigations Conducted	1,700	1,700
Amount of Available School Fund Income (Millions)	836	746
Number of Certificates of High School Equivalency (GED) Issued	46,612	47,078
Number of Special Education Campuses and Programs Receiving Onsite Monitoring Visits	1,075	1,100
Efficiencies:		
Average Cost of Accreditation Onsite Review	4,000	4,200
Performance in Excess of Assigned Benchmark Net of Fees (External Managers)	107%	107%
Performance in Excess of Assigned Benchmark (Internal Managers)	105%	105%
Explanatory:		
Average Percent Equity Holdings in the Permanent School Fund (PSP)	55%	55%
Market Value of the Permanent School Fund (Billions)	18	18.5
B.3.3. Strategy: CENTRAL ADMINISTRATION	\$ 10,952.104	\$ 10,952.104
The Commissioner of Education shall serve as the educational leader of the state.		

TEXAS EDUCATION AGENCY
(Continued)

B.3.4. Strategy: INFORMATION SYSTEMS - TECHNOLOGY	\$ 12,490,706	\$ 11,787,006
The Texas Education Agency will purchase, develop, and implement information systems that support students, educators, and stakeholders.		
Total, Goal B: OPERATIONAL EXCELLENCE	\$ 1,906,389,665	\$ 1,588,879,587
Grand Total, TEXAS EDUCATION AGENCY	\$ 15,629,872,833	\$ 14,413,151,372
Method of Financing:		
<u>General Revenue Fund</u>		
General Revenue Fund	\$ 184,119,571	\$ 183,648,271
Available School Fund No. 002, estimated	1,191,634,240	1,458,134,240
State Textbook Fund No. 003, estimated	346,380,200	2,203,600
Foundation School Fund No. 193, estimated	8,523,930,278	7,238,730,891
GED Fees	630,578	630,578
GR MOE for Temporary Assistance for Needy Families	2,000,000	2,000,000
Earned Federal Funds	3,112,954	3,056,154
Lottery Proceeds, estimated	804,100,000	781,500,000
Subtotal, General Revenue Fund	\$ 11,055,907,821	\$ 9,669,903,734
<u>General Revenue Fund - Dedicated</u>		
Read to Succeed Account No. 5027	42,960	42,960
Telecommunications Infrastructure Fund No. 345	119,700,000	121,800,000
Subtotal, General Revenue Fund - Dedicated	\$ 119,742,960	\$ 121,842,960
<u>Federal Funds</u>		
Federal Funds	3,800,000	3,800,000
Federal Health, Education and Welfare Fund No. 148	2,583,636,943	2,584,419,569
Federal School Lunch Fund No. 171	866,985,109	891,985,109
Subtotal, Federal Funds	\$ 3,454,422,052	\$ 3,480,204,678
<u>Other Funds</u>		
Appropriated Receipts (Redistributed Local Revenue), estimated	999,800,000	1,141,200,000
Subtotal, Other Funds	\$ 999,800,000	\$ 1,141,200,000
Total, Method of Financing	\$ 15,629,872,833	\$ 14,413,151,372
Other Direct and Indirect Costs Appropriated Elsewhere in this Act	\$ 511,010	\$ 509,330
Number of Full-Time-Equivalent Positions (FTE):	736.5	736.5
Number of FTEs in Riders:	18.0	18.0
Schedule of Exempt Positions:		
Commissioner, Group 6	\$164,748	\$164,748
Supplemental Appropriations Made in Riders:	\$ 8,000,000	\$ 10,000,000
Object-of-Expense Informational Listing:		
Salaries and Wages	\$ 29,332,543	\$ 29,412,104
Other Personnel Costs	676,602	673,715
Operating Costs	4,637,266	3,988,291
Professional Fees and Services	73,806,995	71,806,995

TEXAS EDUCATION AGENCY
(Continued)

Fuels and Lubricants	611	611
Consumable Supplies	1,609,464	1,607,579
Utilities	274,534	272,861
Travel	1,788,698	1,787,233
Rent - Building	794,183	791,661
Rent - Machine and Other	1,659,671	1,620,125
Other Operating Expense	383,498,920	64,188,526
Client Services	1,485,000	1,485,000
Grants	15,137,113,534	14,244,344,773
Capital Expenditures	<u>1,194,812</u>	<u>1,171,898</u>
Total, Object-of-Expense Informational Listing	<u>\$ 15,637,872,833</u>	<u>\$ 14,423,151,372</u>

1. **Capital Budget.** None of the funds appropriated above may be expended for capital budget items except as listed below. The amounts shown below shall be expended only for the purposes shown and are not available for expenditure for other purposes. Amounts appropriated above and identified in this provision as appropriations either for "Lease payments to the Master Lease Purchase Program" or for items with an "(MLPP)" notation shall be expended only for the purposes of making lease-purchase payments to the Texas Public Finance Authority pursuant to the provisions of Government Code § 1232.103.

	<u>2004</u>	<u>2005</u>
a. Acquisition of Information Resource Technologies		
(1) Mainframe, Servers and Client Infrastructure	\$ 4,759,150	\$ 3,893,850
Total, Capital Budget	<u>\$ 4,759,150</u>	<u>\$ 3,893,850</u>

Method of Financing (Capital Budget):

General Revenue Fund	\$ 1,546,722	\$ 1,265,500
Available School Fund No. 002	594,894	486,731
State Textbook Fund No. 003	190,366	155,754
Federal Health, Education and Welfare Fund No. 148	1,522,928	1,246,032
Federal School Lunch Fund No. 171	190,366	155,754
Foundation School Fund No. 193	428,324	350,447
GED Fees	47,592	38,939
Earned Federal Funds	<u>237,958</u>	<u>194,693</u>
Total, Method of Financing	<u>\$ 4,759,150</u>	<u>\$ 3,893,850</u>

2. **Chapter 42 and 46 Formula Funding.** Out of the funds appropriated above, a total of \$11,265,200,000 in fiscal year 2004 and \$10,365,200,000 in fiscal year 2005 shall represent the sum-certain appropriation to the Foundation School Program under § 42.253 and under Chapter 46 of the Texas Education Code. (The total appropriation may not exceed the sum-certain amount.) The Commissioner shall make allocations to local school districts under § 42.253 and under Chapter 46 based on the March 2003 estimates of average daily attendance and local district tax rates as determined by the Legislative Budget Board and the final 2002 property values. Property values shall be increased by 4.98 percent for 2005, as estimated by the Comptroller of Public Accounts.

Notwithstanding any other provision of this Act, the Texas Education Agency may make transfers as appropriate between Strategy A.1.1, FSP-Equalized Operations, and Strategy A.1.2, FSP-Equalized Facilities. The TEA shall notify the Legislative Budget Board and the Governor of any such transfers.

TEXAS EDUCATION AGENCY
(Continued)

3. **Transportation Cost Allotment.** Pursuant to § 42.155 of the Texas Education Code, the appropriation for funding regular transportation programs for the 2003-04 and 2004-05 school years shall be calculated on the following basis:

Linear Density Grouping	Allocation Per Mile of Approved Route
2.40 and above	\$1.43
1.65 to 2.40	1.25
1.15 to 1.65	1.11
.90 to 1.15	.97
.65 to .90	.88
.40 to .65	.79
up to .40	.68

Pursuant to § 42.155 of the Texas Education Code, the maximum mileage rate for special education transportation shall be \$1.08 per mile. Private transportation rates shall be \$0.25 per mile or a maximum of \$816 per pupil for both special education and isolated areas as defined in sub-sections 42.155(g) and 42.155(e).

4. **Education Service Centers.** The Commissioner shall furnish reports as required by § 8.102 of the Texas Education Code to the State Board of Education for transmittal, along with recommendations for change, modification, or improvement, to the Legislative Budget Board and the Governor. Regional Education Service Centers shall be prohibited from purchasing land and acquiring buildings without prior authorization from the Commissioner of Education.
5. **Windham Schools.** The funds appropriated above in Strategy B.2.5, Windham School District, are to be expended only for academic and vocational educational programs approved by the Texas Education Agency. The Commissioner of Education shall allocate funds to the Windham Schools based on contact hours for the best 180 of 210 school days in each year of the biennium. The contact hour rates for the 2004-05 biennium are the following: \$3.97558 for academic education, \$3.24582 for vocational education.
6. **Audit Adjustments.** When reviews and audits of allocations to school districts reveal the allocations previously made were greater or less than the amounts found to be due, the Texas Education Agency is authorized to recover or pay the sums necessary to adjust to the correct amounts. All such amounts recovered shall become a part of the Foundation School Fund or General Revenue Fund, and the amounts necessary to make such additional payments to the school districts are hereby appropriated from the Foundation School Fund or General Revenue Fund.
7. **State Textbook Fund.** Any amount expended for Textbook Administration, including new textbooks, rebinding, and other related expenses, shall be paid out of the State Textbook Fund. A transfer of funds from the Available School Fund to the State Textbook Fund is authorized in an amount which, together with other revenues of the State Textbook Fund, is sufficient to finance the sum-certain appropriation from the State Textbook Fund for each fiscal year. Penalties assessed by the State Board of Education shall be deposited to the credit of the Textbook Fund.
8. **Day-care Expenditures.** It is expressly provided that the pre-school day care programs, such as the Early Childhood Program for Educationally Disadvantaged Children and Special Education and Training for Pre-School Children with Disabilities administered by the Texas Education Agency, are day-care programs. The funds expended in those programs on behalf of children

TEXAS EDUCATION AGENCY
(Continued)

meeting eligibility requirements in accordance with interagency contracts with the Texas Education Agency under the day care program of the Social Security Act shall be considered as expenditures for day care.

9. Loss Due to Property Value Decline.

- a. The Commissioner of Education is authorized to distribute no more than \$26,000,000 in each fiscal year under § 42.2521 of the Texas Education Code, to the extent that excess funds are available under the Foundation School Program.

It is the intent of the Legislature that, in expending these funds by making adjustments in the local share under § 42.2521, that the Commissioner shall consider only the amount of property value decline in each school district that is in excess of 4 percent in taxable values.

- b. Except as expressly provided by this rider, and notwithstanding the limitations in Rider 35, Limitation: Transfer Authority, none of the funds in this rider may be expended for any other purpose.
- c. It is the intent of the Legislature that any excess funds available under the Foundation School Program be applied first to fund adjustments under § 42.2521 of the Texas Education Code, second to fund adjustments under § 42.2522, and third to fund adjustments under § 42.2531.

- 10. Training Programs for School Personnel and Parents of Students with Autism.** It is the intent of the Legislature that the Texas Education Agency continue to implement a program of professional development for school personnel and parents of students with autism. A sum not to exceed \$50,000 in each fiscal year shall be expended for this purpose.

- 11. Student Testing Program.** The Commissioner shall use the Federal Funds appropriated above in Strategy B.I.1, Assessment and Accountability System, to cover the cost of preparing, administering and grading assessment instruments in the student testing program. In accordance with the provisions of § 42.152 and Chapter 39, Subchapter B of the Texas Education Code, the funds appropriated from the Foundation School Fund for the compensatory education allotment may be used for any remaining assessment costs. The expenditure of such funds shall not be subject to the limitation in Rider 35, Limitation: Transfer Authority.

- 12. Reimbursement of Advisory Committee Members.** Pursuant to Government Code § 2110.004 reimbursement of expenses for advisory committee members, out of the funds appropriated above, is limited to the following advisory committees:

- a. Title 1, Committee of Practitioners
b. Continuing Advisory Committee for Special Education
c. Ed Flex State Panel

It is the intent of the Legislature that advisory committees of the Texas Education Agency use videoconferencing technology to conduct meetings in lieu of physical assembly whenever possible.

- 13. Vacation Leave for Commissioner of Education.** Notwithstanding any provision of the General Appropriations Act to the contrary, the Commissioner of Education is entitled to accrue and carry forward vacation leave at the highest rate authorized for employees by the General Provisions of this Act.

TEXAS EDUCATION AGENCY
(Continued)

14. **Limits on Allocations and Expenditures.** Except as explicitly allowed elsewhere in this Act, the Commissioner shall not contract with Regional Education Service Centers to administer all or part of general revenue-funded programs or services without prior approval from the Governor and the Legislative Budget Board. The Commissioner shall submit to the Governor and Legislative Budget Board for review a summary of the programs and services to be transferred and the funding level associated with the proposed transfer. No funds transferred to Regional Education Service Centers or to school districts may be used to hire a registered lobbyist.
15. **Regional Day Schools for the Deaf.** Funds appropriated above for Regional Day Schools for the Deaf shall be allocated on a weighted full time equivalent basis. Notwithstanding other provisions of this Act, if the allocations total more than \$33,133,200 in each year, the Commissioner shall transfer sufficient amounts from other available funds to provide the full allocation.
16. **Summer School for Children with Limited English Proficiency.** Out of Federal Funds appropriated for Strategy A.2.1, Academic Excellence, \$3,800,000 in each fiscal year is allocated for summer school programs for children with limited English proficiency as authorized under § 29.060 of the Texas Education Code.
17. **Engineering and Science Recruitment Fund.** Out of funds appropriated for Strategy A.2.1, Academic Excellence, \$394,920 in each fiscal year is allocated to the Engineering and Science Recruitment Fund for programs outlined in Subchapter M of Chapter 51 of the Texas Education Code.
18. **Statewide Services for Students With Visual Impairments.** Out of funds appropriated for Strategy A.2.4, Students with Disabilities, \$6,005,267 in each fiscal year is allocated for statewide services for students with visual impairments as authorized under § 30.002 of the Texas Education Code.
19. **Non-educational Community-based Support Services.** Out of funds appropriated for Strategy A.2.4, Students with Disabilities, \$987,300 in each fiscal year is allocated for non-educational community-based support services for certain students with disabilities as authorized under § 29.013 of the Texas Education Code.
20. **Professional Development for Serving Students with Disabilities in Integrated Settings.** Out of the federal discretionary funds awarded to the Texas Education Agency through the Individuals with Disabilities Education Act (IDEA), Part B and appropriated above, the commissioner shall set aside 10.5 percent during the biennium to fund capacity building projects, including follow-up professional development and support, for school districts to serve students with disabilities in integrated settings.
21. **Appropriation for State Schools.** Out of General Revenue related funds appropriated above in Strategy A.2.4, Students with Disabilities, an amount not to exceed \$110,000 in each fiscal year is allocated for payments to state operated schools under §§ 30.025 and 30.056 of the Texas Education Code.
22. **Estimated Appropriation for Incentive Aid.** Out of Foundation School Program funds appropriated above, the Commissioner may allocate an estimated amount of \$600,000 in each fiscal year for incentive aid payments under Subchapter G of Chapter 13 of the Texas Education Code.
23. **Payments to Texas School for the Blind and Visually Impaired and Texas School for the Deaf.** Pursuant to § 30.003(g) of the Texas Education Code, the State Board of Education shall adopt rules that ensure that all local school districts whose students are placed at the Texas

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School for the Blind and Visually Impaired and the Texas School for the Deaf shall share in the cost of each student's education as required by § 30.003(a). It is the intent of the Legislature that school districts subject to Chapter 41, Texas Education Code, reimburse the Texas School for the Blind and Visually Impaired and the Texas School for the Deaf from the General Operating Fund of those districts within 60 days of receipt of a voucher from the receiving school.

24. **Notification of Changed Accreditation Status.** At the time a school district is notified of a change in its accreditation status, the Texas Education Agency shall also notify the State Senators and Representatives that represent the affected school district.
25. **Permanent School Fund.** In its annual report on the Permanent School Fund, completed by February 28 of each year, the Texas Education Agency shall report on the actual and projected costs of administering the Permanent School Fund for the year covered by the report and the following three years.
26. **Texas Advanced Placement Incentive Program.** Out of the funds appropriated above in Strategy A.2.1, Academic Excellence, \$13,500,000 in fiscal year 2004 and \$13,500,000 in fiscal year 2005 is allocated for both the pre-Advanced Placement/International Baccalaureate activities and for the Advanced Placement Incentive Program. Any balances on August 31, 2004 are appropriated for the 2005 fiscal year. The expenditure of such funds shall not be subject to the limitations in Rider 35, Limitation: Transfer Authority.

In using funds allocated by this rider, the Texas Education Agency shall prioritize the examination fee subsidies for students. For funds allocated by this rider that are used for teacher training, the Texas Education Agency shall give funding priority to teachers at public school campuses that do not offer Advanced Placement/International Baccalaureate courses.

It shall be the goal of the Texas Education Agency that Advanced Placement/International Baccalaureate courses are available at as many public school campuses as possible, without regard to the rural/urban status of the campus and the socioeconomic characteristics of its students.

27. **MATHCOUNTS.** Out of Foundation School Program Gifted and Talented funds appropriated in B.3.1, Teaching Excellence and Support, the Commissioner shall set aside \$200,000 in each year of the biennium for the MATHCOUNTS Program.
28. **Communities in Schools.** Out of funds appropriated above for Strategy A.2.5, School Improvement and Support Programs, \$12,788,865 shall be set aside out of State Compensatory Education Funds in each fiscal year to be transferred by interagency transfer voucher to the Texas Department of Protective and Regulatory Services for the Communities in Schools Program.
29. **Extended Year Programs.** Out of Foundation School Program Compensatory Education Funds appropriated in Strategy A.2.5, School Improvement and Support Programs, the Commissioner shall distribute an amount not to exceed \$16,500,000 in fiscal year 2004 and \$16,500,000 in fiscal year 2005 to finance extended year programs under § 42.152(p), Texas Education Code.
30. **Allocation of Funds to South Texas Independent School District.** Out of funds appropriated above for Strategy A.1.1, PSP - Equalized Operations, the Commissioner of Education shall withhold an amount sufficient to provide the South Texas Independent School District with adequate access to funding under Tier 2 of the Foundation School Program. The Commissioner shall adjust payments to the South Texas Independent School District to equal an amount to which the district would be entitled at the average effective tax rate in other school districts in Cameron County less the tax rate set by the district itself.

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31. **Appropriation of Settle-Up Funds.** All funds received from local school districts as recovery for overpayment pursuant to the provisions of § 42.258 of the Texas Education Code are hereby appropriated to the Texas Education Agency for distribution to local school districts for Foundation School Program purposes.
32. **Appropriation of Attendance Credit Revenues.** All unexpended balances and all funds received from the payment of school districts for attendance credits in excess of the amounts appropriated above pursuant to the provisions of § 41.094 of the Texas Education Code, are hereby appropriated to the Texas Education Agency for distribution to school districts for Foundation School Program purposes.
33. **Appropriations Limited to Revenue Collections.** It is the intent of the Legislature that, for the following fee-supported programs, fees, fines, and other miscellaneous revenues as authorized and generated by the Texas Education Agency cover, at a minimum, the cost of the appropriations made to support the programs, as well as the "other direct and indirect costs" associated with those functions appropriated elsewhere in this Act. "Other direct and indirect costs" for these programs are estimated to be \$511,010 in fiscal year 2004 and \$509,330 in fiscal year 2005 including employee matching costs and other indirect operating costs:

Guaranteed Program for School District Bonds
General Education Development (GED)
Driver Training
Motor Vehicle Registration Fees (Read to Succeed License Plates)

All fees collected in excess of the Comptroller of Public Accounts Biennial Revenue Estimate are hereby appropriated to the Texas Education Agency.

In the event that actual and/or projected fee revenue collections are insufficient to offset program costs, the Legislative Budget Board may direct that the Comptroller of Public Accounts reduce the appropriation authority provided herein to be within the amount of fee revenue expected to be available.

34. **Permanent School Fund: External Management Fees.** Out of the funds appropriated above from the Available School Fund to Strategy B.3.2, Agency Operations, \$3,500,000 in fiscal year 2004 and \$3,500,000 in fiscal year 2005 are allocated for fees for external management of Permanent School Fund assets. These funds shall not be used for any other purpose, with the exception that the funds may be used, upon prior notification to the Legislative Budget Board and the Governor, for internal costs related to Permanent School Fund management. Appropriations for external management costs may only be expended if the board awards contracts for external management services on an open, formal request for proposal process which gives consideration to both performance and price.
35. **Limitation: Transfer Authority.** Notwithstanding the General Provisions of this Act, none of the funds appropriated above in Goal A, Program Leadership, Strategies A.1.1, FSP-Equalized Operations, and A.1.2, FSP-Equalized Facilities, and not more than one percent of the General Revenue Funds appropriated in Goal A, Strategies A.2.1 - A.2.6, and Goal B, Operational Excellence, Strategies B.1.1.-B.3.1. may be transferred to Goal B, Strategies B.3.2.-B.3.4.

The Commissioner shall notify the Governor and the Legislative Budget Board of any planned transfer between program and administrative strategies allowed by the provisions of this rider at least 14 days prior to the execution of the transfer.

None of the funds appropriated to the Texas Education Agency for the purpose of funding the Foundation School Program under Chapter 42 and 46, Texas Education Code, may be transferred to any other item of appropriation or expended for any other purpose unless the

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Commissioner of Education provides written notice to the Legislative Budget Board and to the Governor of intent to transfer such funds at least 14 days prior to the execution of the transfer. Such transfers from the Foundation School Program to other items of appropriation shall not exceed \$10 million in each fiscal year of the 2004-05 biennium. Any unexpended and unencumbered balances remaining after the last day of a fiscal year in any of the appropriations made for a purpose described by this provision shall lapse and accrue to the benefit of the unappropriated balance of the General Revenue Fund after taking into account the "settle-up" provision found in § 42.253 (i), Texas Education Code.

To the extent necessary to avoid reductions in state aid as authorized by § 42.253(h), Texas Education Code, the Commissioner of Education is authorized to transfer Foundation School Program funds from fiscal year 2005 to fiscal year 2004. Such transfers are subject to prior approval by the Governor and the Legislative Budget Board. The Comptroller of Public Accounts shall cooperate as necessary to assist the completion of a transfer and spending made under this section. Such transfers shall not exceed \$150 million.

36. **Additional Funding Sources.** If the appropriations provided by this Act for the Foundation School Program are not sufficient to provide for expenditures for enrollment growth, district tax rate or taxable value of property, after accounting for any other appropriations made to the TEA and available for transfer for this purpose, the Legislative Budget Board and the Governor may provide for, and are hereby authorized to direct, the transfer of sufficient amounts of funds to the TEA from appropriations made elsewhere in this Act.
37. **Reduction in Districts Tier One Allotment.** To fund appropriations for programs from compensatory education allotments, the Commissioner of Education shall reduce each district's tier one allotment. The reductions shall be made in the same manner as described for a reduction in allotments under § 42.253, Education Code, and the Commissioner shall allocate funds to each district accordingly.
38. **Disciplinary Alternative Education Programs.** Out of the funds appropriated above in Strategy B.2.3, Safe Schools, there is hereby allocated the amount of \$5,000,000 for each year of the biennium for safe schools programs under Texas Education Code § 37.008.
39. **Funding for Juvenile Justice Alternative Education Programs.** Out of the funds appropriated above in Strategy B.2.3, Safe Schools, \$7,500,000 in 2004 and \$7,500,000 in 2005 shall be set aside from the Compensatory Education Allotment in each year and transferred to the Juvenile Probation Commission for the support of Juvenile Justice Alternative Education Programs. This set-aside shall not effect the calculation of the number of students in weighted average daily attendance under Texas Education Code § 42.302.
40. **FSP Funding for the Texas Youth Commission.** Out of the funds appropriated above in Strategy B.2.3, Safe Schools, the Texas Education Agency shall allocate to the Texas Youth Commission the basic allotment of the Foundation School Program minus the amounts allocated to the commission pursuant to Texas Education Code § 30.102 (a) for each student in average daily attendance. These amounts are estimated to be \$10,510,777 in fiscal year 2004 and \$10,853,399 in fiscal year 2005. This transfer shall not be subject to the limitation in Rider 35, Limitation: Transfer Authority.
41. **Early Childhood Education and Care Coordination.** It is the intent of the Legislature that the Texas Education Agency participate to the extent practicable in interagency early childhood education and care coordination initiatives. This includes but is not limited to participation in the Head Start collaboration project or any other interagency entity formed to address the coordination of early childhood care and education service delivery and funding.

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42. **Regional Education Service Center Dyslexia and Related Disorders Coordinators.** It is the intent of the Legislature that each Regional Education Service Center establish a coordinator for dyslexia and related disorders services pursuant to § 38.003 of the Texas Education Code. Out of the funds appropriated above in Strategy B.3.1, Teaching Excellence and Support, the Commissioner of Education may direct \$150,000 in each year of the biennium to assist in the funding of such coordinators.
43. **School Improvement and Parental Involvement Initiative.** Out of the funds appropriated above in Strategy A.2.5, School Improvement and Support Programs, the Commissioner shall allocate \$850,000 in each year of the 2004-05 biennium to the AVANCE family support and education program.
44. **Special Foundation School Program Payments.** The Texas Academy of Leadership in Humanities is entitled to Foundation School Program (FSP) allotments for each student enrolled in the academy as if it were a school district, except that the local share applied is equal to the Beaumont ISD's local share. The same methodology shall apply to the Texas Academy of Mathematics and Science with a local share equal to Denton ISD's and to the Seaborne Conservation Corps, with a local share equal to Galveston ISD's.
45. **Texas Reading, Math and Science Initiatives.** Out of the funds appropriated above in Strategy A.2.2, Student Success, \$19,450,000 in General Revenue Funds in 2004 and \$19,450,000 in General Revenue Funds in 2005, with \$5,550,000 in Federal Funds in 2004 and \$5,550,000 in Federal Funds in 2005, shall be allocated to the Texas Reading, Math and Science Initiatives. These funds shall be allocated in the following manner:
 - a. Funds shall be distributed by the Commissioner for reading diagnostic instruments and on a competitive grant basis to be used by schools for the implementation of scientific, researched-based reading and mathematics programs, the purchase of additional instructional or diagnostic materials, necessary materials for libraries, instructional staff, or for related professional staff development for educators with the goal of as much direct intervention with students as possible. To be eligible for funding, schools must perform a diagnostic assessment for below-grade level reading skills.
 - b. Out of the Federal Funds identified above, the Commissioner shall allocate \$11,100,000 for the 2004-05 biennium to implement scientific-based content development for training materials, professional development institutes and on-line institutes in science and related research. As provided by House Bill 411 or similar legislation, the Commissioner may use a portion of the funds to implement the master science teacher program and shall allocate funds as necessary for the creation of the master science teacher certification.

Funds shall be distributed by the Commissioner on a competitive grant basis to be used by schools for the implementation of scientific, research-based science programs designed to improve the academic science performance of students, including programs designed to address the gender gap in performance. To be eligible for funding, schools must demonstrate a high need for additional intervention as evidenced by student performance, and must partner with a science department of an institution of higher education.
 - c. The Commissioner may transfer up to 10 percent of the appropriation among strategies in Goals A and B, Strategies B.1.1. - B.3.1, Teaching Excellence and Support.
 - d. Out of the funds identified above, an amount not to exceed \$1,000,000 in each year of the biennium may be distributed to schools by the Commissioner on a noncompetitive grant basis for the purchase of non-consumable materials to be used with any or all of the state adopted basal reading programs to enhance the systematic instruction of phonics in early

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- reading (K-3). Priority will be given to districts that do not have reading specialists or staff to train teachers. The Commissioner shall develop criteria for distribution of grant funds and for materials eligible for purchase.
- e. Out of the funds identified above, an amount not to exceed \$1,000,000 each year of the biennium may be distributed to schools by the Commissioner on a noncompetitive grant basis for the purchase of non-consumable materials to be used in teaching Integrated Physics and Chemistry in high school. The materials must be appropriate for use in class time dedicated to lab investigations. The Commissioner shall develop criteria for distribution of grant funds and for materials eligible for purchase. The criteria must give priority to districts with high percentages of economically disadvantaged students.
 - f. Out of the amounts identified above, the Commissioner may use funds to support the State Marine Science Center in Palacios.
 - g. Out of the amounts appropriated for the Texas Reading, Math and Science Initiatives and the Student Success Initiative, the Commissioner shall allocate an amount not to exceed \$500,000 for a comprehensive evaluation of teacher training activities funded by both programs. The Commissioner shall contract with a third party that has experience in education program evaluations. The evaluation shall review the effectiveness of teacher training programs in furthering student achievement and their efficiency in using allocated funds. A report describing the findings shall be delivered to the Legislature no later than December 1, 2004.
 - h. Any balances as of August 31, 2004, are appropriated for the 2005 fiscal year.
46. **Funding for Tuition Credit Program.** Out of the funds appropriated above there is hereby transferred via interagency contract to the Texas Higher Education Coordinating Board an amount of funds, estimated to be \$4,900,000 in each year of the biennium, from the Foundation School Fund sufficient to pay for the Early High School Graduation Scholarship Program, and tuition and fee exemptions in accordance with Texas Education Code, §§ 54.212 and 54.214.
47. **Texas Education Agency's Revolving Account.** It is the intent of the Legislature that the Comptroller of Public Accounts establish, maintain and appropriate the "Texas Education Agency's Revolving Account" to account for the expenditures, revenues, and balances of managing a full cost-recovery Consolidated Print Shop. The expenditures, revenues, and balances for this operation shall be maintained separately by the Texas Education Agency within its accounting system. Any unobligated balances as of August 31, 2004, are reappropriated for the same use during fiscal year 2005. For the purpose of meeting cash flow needs, the Texas Education Agency may temporarily transfer funds from Strategy B.3.3, Central Administration, to the revolving account. Transfers must be returned by the end of the fiscal year.
48. **Certification of Pre-kindergarten Expenditures.** Out of the funds appropriated above in Strategy A.1.1, FSP - Equalized Operations, the Texas Education Agency shall certify each year of the biennium the maximum pre-kindergarten expenditures allowable under federal law as maintenance of effort for Temporary Assistance for Needy Families (TANF) and state match for the Child Care Development Fund.
49. **Head Start-Ready to Read Program.** Out of the funds appropriated in Strategy A.2.2, Student Success, \$7,500,000 in 2004 and \$7,500,000 in 2005 shall be used for the Texas Head Start-Ready to Read Programs, as programs providing an educational component to Head Start, or other similar government-funded early childhood care and education programs. The Texas

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Education Agency shall expend these funds in accordance with the following provisions and the provisions of Texas Education Code § 29.156, Grants or Educational Components of Head Start, and with the following provisions:

- a. Not less than 95 percent shall be distributed on a competitive grant basis to preschool programs to provide scientific, research-based, pre-reading instruction, with the goal of directly improving the pre-reading skills of three- and four-year-old children and identifying cost-effective models for pre-reading interventions. To be eligible for the grants, applicants must serve at least 75 percent low-income students, as determined by the Commissioner. Grants may be awarded in two or more consecutive grant periods to a Head Start applicant provided the monies are used to expand the grant programs to additional facilities previously not receiving Texas Head Start-Ready to Read Grant Funds in the immediate past grant cycle.
 - b. The Commissioner shall ensure the administration of the Head Start-Texas Ready to Read Grants is a preschool extension of the Texas Reading Initiative.
 - c. Any balances as of August 31, 2004, are appropriated for the 2005 fiscal year.
50. **Master Reading and Mathematics Teachers.** Out of the funds appropriated above in Strategy B.3.1, Teaching Excellence and Support, \$1,200,000 in General Revenue in each year of the 2004-05 biennium is allocated for Master Reading and Master Mathematics Teacher stipends for school districts with certified Master Reading and/or Master Mathematics Teachers. The Commissioner also shall identify any state funds previously distributed to Regional Education Service Centers for teacher training that are unspent as of September 1, 2003, estimated to be \$5,600,000, and direct those funds to be used for Master Reading and Master Mathematics Teacher stipends. Any balances as of August 31, 2004 are appropriated for the 2005 fiscal year.
51. **Student Success Initiative.** Out of the funds appropriated above in Strategy A.2.2, Student Success, and Strategy B.3.1, Teaching Excellence and Support, \$82,353,468 in General Revenue in fiscal year 2004 and \$82,353,468 in General Revenue in fiscal year 2005, and \$9,100,000 in Federal Funds in fiscal year 2004 and \$9,100,000 in Federal Funds in fiscal year 2005, are allocated for the Student Success Initiative. With the exception of the amounts listed below, the Commissioner shall expend these funds for teacher training and for allocations to schools for the purpose of implementation of scientific, research-based programs for students who have been identified as unlikely to achieve the third grade TAKS reading standard by the end of the third grade, including those students with dyslexia and related disorders, and/or students unlikely to achieve the TAKS reading or math standards by the end of the fifth grade. The funding for student programs for fiscal year 2004 shall be limited to students in grades K-4. The funding for student programs for fiscal year 2005 shall be limited to students in grades K-5.
- a. From funds appropriated for the Student Success Initiative and from federal Reading First funds, the Commissioner may set aside \$12 million for intensive reading instruction programs for schools that have failed to improve student performance in reading. Upon determining which schools have achieved the least gains in reading performance, the Commissioner shall require those schools to submit a reading improvement plan detailing proposed efforts to improve reading performance as a condition of receiving funding. The reading improvement plan must establish the performance outcome of complete literacy among its student population and outline specific steps that will be taken to achieve that goal. The plan may include the use of technology to achieve reading goals. A school identified as in need of improvement in reading instruction shall implement only those reading strategies and programs approved by the Commissioner of Education and may expend funds from the Student Success Initiative or federal Reading First for approved strategies and programs.

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- b. Any balances as of August 31, 2004, are appropriated for fiscal year 2005 for the same purposes.
52. **Standards for Gifted and Talented Students Pilot Project.** It is the intent of the Legislature that the Texas Education Agency develop an assessment system and statewide standards for gifted and talented students at all grade levels. Out of the funds appropriated above in Strategy B.3.2, Agency Operations, the Texas Education Agency shall expend \$277,250 in each year of the 2004-05 biennium to develop pilot fourth grade standards and to implement standards at the eighth grade and exit-level for the performance of gifted and talented students in the areas of mathematics, science, social studies and language arts. School district participation in the project or in the use of the standards is not mandatory.
53. **Notification of Investigation Findings.** The agency shall notify the State Senators and Representatives that represent districts directed by the Texas Education Agency to perform internal investigations of the findings of such investigations prior to the release of the findings.
54. **Coordination of Assistance to School Districts.** The Texas Education Agency shall work in cooperation with the Texas Comptroller of Public Accounts to assist school districts in the investment of funds and with the Bond Review Board to assist school districts entering into bonded indebtedness or lease purchase agreements.
55. **Arts Education.** Out of the Foundation School Program funds appropriated to the Texas Education Agency in this Act, \$300,000 in fiscal year 2004, and \$300,000 in fiscal year 2005 shall be directed to and expended by the Commission on the Arts under the commission's Strategy B.1.1, Arts Education, for the purpose of awarding grants for arts education. It is the intent of the Legislature that grantees receiving funds under this program fulfill a 1:1 match requirement. These amounts shall be directed and expended in addition to funds separately appropriated under this Act to the Commission on the Arts under Strategy B.1.1, Arts Education.
56. **Learning Through Listening.** Out of the funds appropriated above in Strategy A.2.4, Students with Disabilities, the Commissioner shall expend \$175,000 in 2004 and \$175,000 in 2005 to continue a program of providing state-adopted textbooks using recorded material technology for students with visual impairments and reading disabilities. The program shall target students in kindergarten through sixth grade with learning disabilities, dyslexia, vision impairments, and physical disabilities.
57. **Kindergarten and Pre-kindergarten Early Start Grant Programs.** Out of the funds appropriated above in Strategy A.2.2, Student Success, the Commissioner of Education shall allocate \$92,500,000 in 2004 and \$92,500,000 in 2005 for the purpose of providing grants for kindergarten and pre-kindergarten programs consistent with the provisions of Texas Education Code § 29.155. Any unexpended balances as of August 31, 2004, are appropriated for any early childhood programs authorized by this Act for the 2005 fiscal year, subject to the approval of the Commissioner of Education.
- Out of any funds appropriated to the agency, the Commissioner shall set aside \$5 million in each year of the 2004-05 biennium for the development of instructional materials for early childhood education programs and the operation of early childhood programs at the Center for Improving the Readiness of Children for Learning and Education at the University of Texas Health Science Center at Houston.
58. **Windham School District Priorities.** It is the intent of the Legislature that the Windham School District target its programs to serve those students whose participation will help achieve the goals of reduced recidivism and the increased success of former inmates in obtaining and maintaining employment. To achieve these goals, younger offenders with the lowest

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educational levels should receive high priority. This policy shall not preclude the Windham School District from serving other populations according to needs and resources. The Windham School District will report to the Seventy-ninth Legislature regarding their effort and success in implementing this prioritization.

59. **Adult Education.** Priority shall be given to adult literacy programs in the expenditure of adult education funds appropriated above. It is the intent of the Legislature that, in providing educational programs, the administering agency or agencies shall make every effort to provide appropriate training to recipients of Temporary Assistance for Needy Families (TANF) in accordance with the Personal Responsibility and Work Opportunity Reconciliation Act of 1996. Out of the \$6,000,000 in General Revenue Funds appropriated each year above in Strategy A.2.6, Adult Education and Family Literacy, an amount not less than \$2,000,000 each year shall be allocated to TEA's adult education cooperatives to provide education and training services to TANF recipients. In addition, out of the Federal TANF funds appropriated above in Strategy A.2.6, \$3,800,000 in 2004 and \$3,800,000 in 2005 shall be directed for services for adults who are eligible for TANF. Families that include a child living at home are deemed eligible for TANF-funded adult education services if a family member receives any of the following forms of assistance: Food Stamps, Medicaid, Children's Health Insurance Program, Child Care and Development Fund, or Free or Reduced Priced Lunch Program. To implement these provisions, TEA shall enter into contracts or arrangements with the agency or agencies administering welfare reform and may work with other community-based organizations to offer services directly to adult TANF recipients. All providers of adult education shall meet the requirements defined in the Texas Education Code. Federal funds appropriated for this purpose shall be used for administrative expenditures only to the extent allowable under Federal regulations.
60. **High Cost Reimbursement Grant Program.** Out of the funds appropriated above Strategy A.2.4, Students with Disabilities, the Commissioner shall allocate up to \$4,490,137 in 2004 and \$4,490,138 in 2005 in Individuals with Disabilities Education Act funds for a grant program to assist school districts and charter schools whose per student costs for expenses related to the Individual with Disabilities Act substantially exceeds the state average per pupil expenditure as defined in § 14101 (2) of the Elementary and Secondary Education Act of 1965 (20 USC 8801 (2)). It is the intent of the Legislature that the use of these funds by school districts and charter schools does not violate the least restrictive environment requirements of IDEA Amendments of 1997, relating to placement and state funding systems that distribute funds based on type of setting.
61. **Funds for Teacher Mentoring Programs.** The Texas Education Agency shall allocate an amount not to exceed \$350,000 in each year of the 2004-05 biennium to the State Board for Educator Certification for the operation, marketing, and support of school district based teacher mentoring programs. Funds for this purpose shall be allocated out of available federal program funds subject to the federal "Ed Flex" legislation or similar legislation or rules. Districts may apply directly to TEA for teacher mentoring funds as a part of several ESEA federal grant programs.
62. **Interagency Council on Early Childhood Intervention.** Out of the funds appropriated above in Strategy A.2.4, Students with Disabilities, \$12,909,485 in 2004 and \$16,498,102 in 2005 shall be set aside from the Special Education Allotment and transferred to the Interagency Council on Early Childhood Intervention to support eligibility determination. This set-aside shall not affect the calculation of the number of students on weighted average daily attendance under Texas Education Code § 42.302.
63. **Equipment for Cardio-pulmonary Resuscitation.** Notwithstanding any other provision of this Act, the Texas Education Agency may accept donations of equipment, including dummies, intended for use in Cardio-pulmonary Resuscitation (CPR) training. Upon receipt of such

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equipment, the TEA shall distribute the equipment to districts including CPR training within their curriculum. The Commissioner may adopt rules to implement this provision.

64. **Average Daily Attendance Decline.** Out of the funds appropriated above in Strategy A.1.1, FSP-Equalized Operations, \$11 million in each year of the 2004-05 biennium shall be used to implement § 42.005, Texas Education Code. Expenditures pursuant to this provision shall not exceed \$22 million for the 2004-05 biennium.
65. **Maximize Federal Reimbursement for Medicaid School Health and Related Services.** It is the intent of the Legislature that the Texas Education Agency examine the reasons school districts in high poverty areas are not enrolled and/or are not billing for Medicaid School Health and Related Services Program. TEA shall report its findings to the Legislature and school districts by December 1, 2003, in order for school districts to maximize Medicaid for eligible special education students.
66. **Academic Enrichment.** Out of funds appropriated in Strategy A.2.5, School Improvement and Support Programs, the Commissioner shall identify \$85 million in state and federal funds for the 2004-05 biennium to be distributed to support the establishment and implementation of services, programs, and activities designed to enrich or extend student learning experiences outside of the regular school day. In awarding grants pursuant to this rider, the Commissioner shall give emphasis to schools with high concentrations of economically disadvantaged students. Any unexpended balances in fiscal year 2004 are appropriated for fiscal year 2005.

Entities eligible to receive Federal Funds identified in this rider include, but are not limited to, districts that qualify for the Optional Extended Year Program, districts that contain zip codes with high juvenile crime rates, the Alliance Organizations, AVANCE, Do Something, Communities in Schools, Area Interfaith, and One Community/One Child. It is the intent of the Legislature that the Commissioner give funding priority to existing collaborations between school districts and community organizations.

In addition to the amount identified above, the Commissioner shall allocate an amount not to exceed \$4,650,000 in each year of the biennium to the Investment Capital Fund. Of that total, an amount not to exceed \$2,500,000 in each year shall be set aside from the Compensatory Education allotment, and an amount not to exceed \$2,150,000 in each year shall be allocated directly from the Foundation School Program. Grants made from the Investment Capital Fund pursuant to this rider are subject to the provisions contained in § 7.024 of the Texas Education Code, and grants may only be made to entities that meet the criteria set forth in that section.

Programs eligible to receive state funds pursuant to the provisions set forth in this rider include, but are not limited to, the Alliance Organizations, AVANCE, Do Something, Communities in Schools, Area Interfaith, and One Community/One Child.

67. **High School Completion and Success.** Out of the funds appropriated above in Strategies A.2.5, School Improvement and Support Programs, A.2.2, Student Success, and B.1.1, Assessment and Accountability, the Commissioner shall allocate \$29,000,000 in General Revenue and \$1,000,000 in Federal Funds in each fiscal year to support the establishment and implementation of comprehensive high school completion and success initiatives. Funds shall be expended in accordance with the following provisions:

Schools that receive funds under this program must ensure that all students have an individualized graduation plan. Graduation plans must ensure that students at risk of not graduating from high school are afforded instruction from highly qualified teachers, have access to online diagnostic and assessment instruments, and are provided accelerated instruction in areas of academic weakness.

TEXAS EDUCATION AGENCY
(Continued)

Funds must be expended on programs that show the most potential to improve high school success and completion and that encourage students toward post-secondary education and training, including basic skills grants to districts implementing special programs for high school students who have not earned sufficient credit to advance to the next grade, after-school programs designed to prevent high school dropouts and middle-college programs that encourage at-risk students and students who wish to accelerate their education undertake courses of study that allow both high school and college level work.

The Commissioner may set aside no more than five percent of total program funds for the purpose of research, evaluation and implementation of innovative programs that support high school completion and success, including innovative models for school restructuring and reform.

Not less than \$500,000 each year of total program funds shall be allocated to programs that foster academic competition for predominantly high school students.

The Commissioner shall allocate discretionary funds from the federal *No Child Left Behind Act* for allowable activities in support of high school reform projects.

The Commissioner is authorized to receive grants from private sources and foundations for the provision of high school completion and restructuring programs and may use a portion of appropriate state and federal funds as matching funds for such programs. School districts receiving funds may contract with private sector organizations for all or part of the program.

68. **Reimbursement for Classroom Supplies.** The Commissioner shall establish a pilot program to reimburse classroom teachers for personal funds spent on classroom supplies. It is the intent of the legislature that funds shall be provided to school districts to match local funds expended for this purpose. Funds allocated are intended for the direct benefit of students and use of the funds is solely the discretion of the classroom teacher. The Texas Education Agency shall establish rules by which matching funds are allocated to individual teachers within the school district. These funds may not be used to supplant local funds being provided for the same purpose.

From the funds appropriated above the Commissioner shall identify state discretionary and administrative funds for classroom supply reimbursement. Funds for this purpose shall also be allocated out of available federal consolidated administrative funds and from funds subject to the federal "Ed-Flex" statute. The agency and local school districts may also use any allowable unexpended balances in federal funds at the end of each fiscal year of the biennium to provide these reimbursements.

69. **Performance Report on Programs for At-Risk Students.** The Legislative Budget Board and the State Auditor's Office shall evaluate the performance of those programs receiving state and federal funds that target students who are at-risk of dropping out. The programs to be reviewed shall include, but are not limited to, the following: Optional Extended Year Program, After-School Initiative, organizations receiving Investment Capital Fund Grants, Communities in Schools, High School Completion and Success Initiative, and AVANCE.

A set of results-based performance measures shall be developed that are standard across all entities receiving state funds through these programs, such that the programs may be evaluated in comparison to one another. Measures may include, but are not limited to, assessment passing rates, the Texas Learning Index or similar measure, dropout/completion rate, attendance rate, alternative education referral rates, and the violence/drug use incident rate. The Commissioner of Education shall assist the Legislative Budget Board and the State Auditor's Office by making available any program, campus and district data needed to successfully complete the evaluation.

TEXAS EDUCATION AGENCY
(Continued)

The evaluation shall be completed and the findings reported to the Legislature by January 1, 2005.

70. **Pregnancy, Parenting and Education Programs.** It is the intent of the Legislature that funds appropriated above for the Pregnancy, Parenting and Education Program are distributed to eligible program providers within 30 days of the start of each fiscal year. The Texas Education Agency shall distribute funds for this program directly to eligible school districts. It is further the intent of the Legislature that once funds are allocated the providers may carry forward unexpended balances from fiscal year 2004 to fiscal year 2005.
71. **Funding for Regional Education Service Centers.** Out of the funds appropriated above in Strategy B.3.1, Teaching Excellence and Support, the Commissioner shall distribute \$22,500,000 in 2004 and \$22,500,000 in 2005 to Regional Education Service Centers to provide professional development and other technical assistance services to school districts. The formula for distribution shall be determined by the Commissioner but shall provide enhanced funding to Regional Education Service Centers that primarily serve small and rural school districts. The Commissioner shall obtain approval for the distribution formula from the Legislative Budget Board and the Governor.
72. **Foundation School Program Deferral.** Appropriations made above and referenced in Rider 2, Chapter 42 and 46 Formula Funding, of this Act do not include Foundation School Program payments to be made in August 2005. It is the intent of the Legislature that, contingent on the enactment of legislation relating to transfers from the Foundation School Fund, that the scheduled August 2005 payment be made in September 2005.
73. **Computation of Aid for Certain Educational Entitles.** Notwithstanding the provisions of Texas Education Code § 42.304, the Commissioner of Education shall compute state aid under the Foundation School Program for the following districts and schools using the average tax rate and property value per student of school districts in the county in which the district or school is located:
 - (1) a school district located on a federal military installation
 - (2) the Moody State School and
 - (3) Masonic Home Independent School District

The state aid distributed to Masonic Home Independent School District pursuant to Texas Education Code, Chapter 42, Subchapter F (Guaranteed Yield Program) shall not exceed \$90,000 for each year of the 2004-05 biennium.

74. **Career and Technology Education Allotment Programs Eligibility.** Of the programs currently approved to earn the Career and Technology Education allotment as authorized by Texas Education Code § 42.154, the Commissioner shall identify those programs least in need of the additional funding provided by the allotment. Funds appropriated above in Strategy A.1.1, FSP-Equalized Operations, for the Career and Technology Education allotment shall not be used to provide weighted funding for these programs.

Additionally, it is the intent of the Legislature that no more than 10 percent of each school district's Foundation School Program Career and Technology Education allotment under the Texas Education Code § 42.154 may be expended for indirect costs related to the career and technology education programs.

TEXAS EDUCATION AGENCY
(Continued)

75. **Textbook Purchases.** It is the intent of the Legislature that, in the expenditure of textbook appropriations contained in this Act, the Commissioner shall give priority consideration to textbooks for purchase in Proclamation 2000, then for textbooks in subjects and grades in which students are required to pass assessments in order to graduate or advance to the next grade pursuant to Texas Education Code § 28.0211, and then for English as a Second Language textbooks. Out of funds appropriated outside of Strategy B.2.1, Instructional Materials, the Commissioner shall identify up to \$15 million for the biennium to implement the provisions of this rider.

It is also the intent of the Legislature that the State Board of Education take whatever possible actions available to reduce the costs of textbooks in the 2004-05 biennium, including decreasing the maximum costs for textbooks identified for purchase in Proclamation 2001.

It is also the intent of the Legislature that the State Board of Education forego the issuance of Proclamation 2003, which would have identified textbooks scheduled for purchase in the 2006-07 school year.

76. **Contingency for House Bill 2458 – Additional Allocation for Textbooks.** Contingent upon fund transfers to the Available School Fund due to the enactment of House Bill 2458, or similar legislation related to the collection of motor fuels taxes, by the Seventy-eighth Legislature, Regular Session, causing the Available School Fund to exceed the Comptroller's Biennial Revenue Estimate, the additional amount of Available School Fund revenue generated by the bill's provisions, not to exceed \$75 million for the 2004-05 biennium, is hereby transferred to the Textbook Fund and appropriated for the purchase of textbooks.
77. **Title II, Improving Teacher Quality Federal Funds.** The Texas Education Agency and the Higher Education Coordinating Board shall coordinate the distribution of Title II federal funds for improving teacher quality to ensure compatibility between these two agencies' activities. Prior to the implementation of or the awarding of federal funds for improving teacher quality activities, the two agencies shall submit a joint plan to the Legislative Budget Board and the Governor.
78. **Windham School District Cost Savings.** It is the intent of the Legislature that, in implementing any reductions to programs or staff, the Windham School District achieve cost savings through reductions in administrative costs, attrition, early retirement options, voluntary benefit reductions or other strategies that preserve direct services in programs such as literacy and vocational education. The Windham School District shall provide written notification to the Governor and the Legislative Budget Board on proposed savings prior to implementation.
79. **Reduction in Certain Allotments.** Amounts appropriated above reflect the Commissioner reducing, in accordance with Texas Education Code § 42.152(u), the Compensatory Education allotment by \$75,731,743 in fiscal 2004 and \$74,949,117 in fiscal 2005.
80. **Receipt and Use of Grants, Federal Funds, and Royalties.** The Commissioner of Education is authorized to apply for, receive and disburse funds in accordance with plans or applications acceptable to the responsible federal agency or other public or private entity that are made available to the State of Texas for the benefit of education and such funds are appropriated to the specific purpose for which they are granted. It is the intent of the Legislature that when entering into any contract or plan with the federal government or other entity, prime consideration shall be given to preserving maximum local control for school districts. For the 2004-05 biennium, the Texas Education Agency is appropriated any royalties and license fees from the sale or use of education products developed through federal and state funded contracts managed by the agency. The Texas Education Agency shall report on a quarterly basis to the Legislative Budget Board and to the Governor on grants or earnings received pursuant to the provisions of this rider, and on the planned use of those funds.

TEXAS EDUCATION AGENCY
(Continued)

Any grant or royalty balances as of August 31, 2004 are appropriated for the 2005 fiscal year for the same purpose.

81. **Federal Grants for State Assessments.** The Commissioner shall allocate all Federal Funds received by the agency in fiscal year 2003 for state assessments under Title VI of the *No Child Left Behind Act*, estimated to be \$19,624,891, to defray the cost of assessment instruments in Strategy B.1.1, Assessment and Accountability System.
82. **School District Student Allotment.** Funds appropriated above in Strategy A.1.1, FSP - Equalized Operations, include \$1.2 billion for the 2004-05 biennium to ensure that each school district and charter school in the state receives \$110 more per student per year in weighted average daily attendance (WADA) than they are entitled to receive in 2004-05 under current law (defined as the law in effect for 2003). To achieve that annual distribution:
 - a. In accordance with Chapter 42, subchapter F, Texas Education Code, Guaranteed Yield Program (Tier Two) § 42.302, the guaranteed yield per weighted student per cent of tax effort is hereby set at \$28.00 in 2004 and 2005;
 - b. School districts not receiving state aid as provided in subsection (a) sufficient to guarantee \$110 per student in WADA are hereby entitled to receive an allocation of general revenue to provide \$110 more per WADA than each would have received under current law.

The Texas Education Agency shall develop and promulgate rules as necessary to carry out this provision. Such rules are subject to prior approval by the Legislative Budget Board and the Governor.

83. **Contingency for House Bill 3459 - Driver Education Full-Time Equivalents.** Contingent upon House Bill 3459, or similar legislation allowing the Commissioner to contract with a public or private entity for the provision of driver education, not passing the Seventy-eighth Legislature or becoming law, the limit on the number of full-time equivalent positions for the Texas Education Agency is hereby increased to 18 in each year of the 2004-05 biennium.
84. **Contingency for House Bill 3459 - Career and Technology Education Allotment.** Contingent on passage of House Bill 3459 or similar legislation reducing the Foundation School Program's Career and Technology Education weight from 1.37 to 1.35, appropriations made above in A.1.1, FSP - Equalized Operations, are hereby reduced by \$17 million in 2004 and \$17 million in 2005.
85. **Contingency Appropriation Reduction for Senate Bill 340.** Contingent on enactment of Senate Bill 340, or similar legislation by the Seventy-eighth Legislature, Regular Session, regarding the rendition of personal business property to central appraisal districts, appropriations made above in Strategy A.1.1, FSP - Equalized Operations, are hereby reduced by \$23,000,000 from the Foundation School Fund 193 in fiscal year 2005.
86. **Contingency For House Bill 411 - Technology Pilot Program.** Contingent upon enactment of House Bill 411, or similar legislation authorizing a technology pilot program, by the Seventy-eighth Legislature, Regular Session, the Commissioner, in coordination with an accredited senior college or university, may establish a pilot program that permits a public school to use technology, including the Internet, to deliver a significant portion of the school's instruction outside of a central campus to students statewide. The Commissioner may set aside a portion of the Foundation School Program to include participating students in the computation of the average daily attendance of the district providing the program. The Commissioner may set aside sufficient funds to allow no more than 7,500 students to participate during the 2004-05 biennium.

STATE BOARD FOR EDUCATOR CERTIFICATION

For the Years Ending
August 31, August 31,
2004 2005

**Out of the Certification and Assessment Fees
(General Revenue Fund):**

A. Goal: EDUCATOR CERTIFICATION

The State Board for Educator Certification will ensure the highest level of educator preparation and practice to achieve student excellence.

Outcome (Results/Impact):

Percent of Teachers Who Are Fully Certified	88%	88%
Percent of Teachers Who Are Employed/Assigned to Teaching Positions for Which They Are Fully Certified	81%	81%
Percent of Documented Complaints Resolved within Six Months	70%	70%
Percent of Educator Preparation Programs Rated "Accredited"	88%	88%
Percent of Surveyed Customer Respondents Expressing Overall Satisfaction with Services Received	95%	95%
Percent of Certification Examinations Administered Online	10%	10%

A.1.1. Strategy: EDUCATOR

QUALITY/ACCOUNTABILITY

\$ 12,800,759 \$ 13,170,169

Build the capacity of the Texas public education system so that all candidates for certification or renewal of certification demonstrate the knowledge and skills necessary to improve academic performance of all students in the state.

Output (Volume):

Number of Certification Examinations Administered	105,000	110,000
Number of Educator Preparation Programs Reviewed	117	110
Number of Individuals Issued Initial Teacher Certificate	18,500	18,500
Number of Temporary Credentials Issued	18,000	18,000

Efficiencies:

Average Days for Credential Issuance	30	30
Average Cost Per Certification Examination Administered	77	77

A.1.2. Strategy: RETENTION, RECRUITMENT

\$ 79,761 \$ 79,971

Reduce the teacher shortage through the creation and expansion of preparation programs and the support of beginning educators.

Output (Volume):

Number of Previously Degreed Individuals Issued Initial Teacher Certificate	8,140	8,140
Number of Individuals Issued Initial Teacher Certificate Concurrent with Receiving Baccalaureate Degree	8,510	8,510

A.1.3. Strategy: EDUCATOR PROFESSIONAL CONDUCT

\$ 3,894,839 \$ 3,924,530

Implement measures to ensure all educators engage in high levels of professional conduct.

Output (Volume):

Number of Complaints Resolved	1,600	1,600
Number of Complaints Pending	700	700

Efficiencies:

Average Time for Resolving Complaints (Days)	150	150
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Total, Goal A: EDUCATOR CERTIFICATION

\$ 16,775,359 \$ 17,174,670

**Grand Total, STATE BOARD FOR EDUCATOR
CERTIFICATION**

\$ 16,775,359 \$ 17,174,670

**Other Direct and Indirect Costs Appropriated
Elsewhere in this Act**

\$ 731,800 \$ 719,938

STATE BOARD FOR EDUCATOR CERTIFICATION
(Continued)

Number of Full-Time-Equivalent Positions (FTE):	73.0	73.0
Schedule of Exempt Positions:		
Executive Director, Group 3	\$78,000	\$78,000
Object-of-Expense Informational Listing:		
Salaries and Wages	\$ 2,715,940	\$ 2,638,384
Other Personnel Costs	54,706	54,706
Operating Costs	2,734,000	2,761,000
Professional Fees and Services	10,132,358	10,584,284
Consumable Supplies	12,673	13,677
Utilities	45,588	45,588
Travel	53,794	53,794
Rent - Building	131,098	139,361
Rent - Machine and Other	38,142	38,142
Other Operating Expense	847,060	845,734
Capital Expenditures	10,000	0
Total, Object-of-Expense Informational Listing	\$ 16,775,359	\$ 17,174,670

1. **Appropriations Limited to Revenue Collections.** It is the intent of the Legislature that fees, fines, and other miscellaneous revenues as authorized and generated by this agency cover, at a minimum, the cost of the appropriations made above, as well as the "other direct and indirect costs" associated with these functions, appropriated elsewhere in this Act. "Other direct and indirect costs" for these functions are estimated to be \$731,800 in fiscal year 2004 and \$719,938 in fiscal year 2005. In the event that actual and/or projected revenue collections are insufficient to offset the cost identified by this provision, the Legislative Budget Board may direct that the Comptroller of Public Accounts reduce the appropriation authority above to be within the amount of revenue expected to be available.
2. **Exam Locations.** The State Board for Educator Certification shall continue to ensure that sites in the state of Texas that provide the main certification examination for educators (a.k.a. ExCET or TExES) are located such that there is a site within 50 miles of every Board-approved educator preparation program.
3. **Integrated Reporting System.** The State Board for Educator Certification shall coordinate with the Texas Education Agency and the Higher Education Coordinating Board regarding sharing, integrating, and housing pre-kindergarten through grade 16 (P-16) public education data. The three agencies shall work together to ensure that common and related data held by each agency is maintained in standardized, compatible formats to enable the efficient exchange of information between agencies and for matching of individual student records for longitudinally based studies and analysis. It is the intent of the Legislature that individual initiatives interact seamlessly across agency systems to facilitate efforts to integrate the relevant data from each agency into a longitudinal public education data resource to provide a widely accessible P-16 public education data warehouse.
4. **Texas Beginning Educator Support System.** The State Board for Educator Certification shall seek federal funds to continue the Texas Beginning Educator Support System (TxBESS) or any other beginning teacher induction/mentor program. Any federal funds received by the State Board for Educator Certification for this purpose are hereby appropriated to the agency. As part of the beginning educator induction program, the agency shall train districts to develop and operate their own local induction programs, based on the statewide TxBESS model, if funded. The agency shall report on its efforts to obtain federal funds for beginning educator induction/mentoring to the Seventy-ninth Legislature.

STATE BOARD FOR EDUCATOR CERTIFICATION
(Continued)

5. **Test Development.** The State Board for Educator Certification shall continue to consider the use of standard exams that are not specific to Texas curricula to complement a core of Texas-specific exams and/or replace certain Texas-specific exams planned or under development. The board shall consider the following factors when determining whether a Texas-specific exam is necessary - the number of Texas educators likely to take the exam; the extent to which educators from states that use a standard exam pass similar Texas-specific exams; the similarity of content covered in a standard exam versus the planned Texas-specific exam, understanding that 100 percent of alignment is not necessary; and the relative cost to the state and to examinees of a standard exam versus a Texas-specific exam.

The State Board for Educator Certification is hereby authorized to expend funds appropriated in Strategy A.1.1, Educator Quality/Accountability, for test development for the evaluation and purchase of standard exams, if the Board finds that a standard exam is appropriate.

6. **Federal Funds for Test Development.** The State Board for Educator Certification shall seek federal funds to provide for the development of new certification examinations. Any federal funds received by the State Board for Educator Certification for this purpose are hereby appropriated to the agency.
7. **Communication of New Rules.** It is the intent of the Legislature that the State Board of Educator Certification communicate the adoption of new rules directly to school districts and institutions of higher education by electronic mail or regular mail in a timely manner. The board will also post newly adopted rules on the Internet for review.
8. **Reporting of Teacher Misconduct.** From funds appropriated, the State Board of Educator Certification, the Texas Education Agency, and the University of Texas System shall coordinate to work with school districts to ensure timely and accurate reporting of teacher misconduct as required by statute or rule.
9. **Sunset Contingency.** Funds appropriated above for fiscal year 2005 for the State Board for Educator Certificate are made contingent on the continuation of the State Board for Educator Certificate by the Legislature. In the event that the agency is not continued, the funds appropriated for fiscal year 2004 or as much thereof as may be necessary are to be used to provide for the phase out of agency operations.
10. **Contingent Revenue.** Of the amounts appropriated above to the State Board for Educator Certification in Strategy A.1.3, Educator Professional Conduct, the amount of \$2,734,000 in fiscal year 2004 and \$2,761,000 in fiscal year 2005 for the purpose of conducting national criminal history background checks is contingent on the State Board for Educator Certification assessing fees sufficient to generate, during the 2004-05 biennium, \$5,495,000 in excess of \$31,756,000 (Object Code 3511), contained in the Comptroller of Public Accounts' Biennial Revenue Estimate for fiscal years 2004 and 2005. The State Board for Educator Certification, upon completion of necessary actions to assess or increase such additional fees, shall furnish copies of the State Board for Educator Certifications' minutes and other information supporting the estimated revenues to be generated for the 2004-2005 biennium under the revised fee structure to the Comptroller of Public Accounts. If the Comptroller finds the information sufficient to support the projection of increased revenues, a finding of fact to that effect shall be issued and the contingent appropriation shall be made available for the intended purpose.
11. **Appropriation of Educator Assessment Fees.** Included in the appropriations above to the State Board for Educator Certification in Strategy A.1.1, Educator Quality/Accountability, are \$1,090,433 in fiscal year 2004, and \$1,142,369 in fiscal year 2005, associated with assessment fee revenue necessary for the payment of educator examination-related fees to a contractor, above the amounts indicated in the Comptroller's Biennial Revenue Estimate for certification

**STATE BOARD FOR EDUCATOR CERTIFICATION
(Continued)**

and assessment fee revenue (object code 3511). The Comptroller of Public Accounts must issue a finding of fact after the end of each fiscal year indicating that the additional expenditures related to this appropriation were used solely for the purpose of paying examination-related fees to a contractor.

SCHOOL FOR THE BLIND AND VISUALLY IMPAIRED

	For the Years Ending	
	August 31, 2004	August 31, 2005
A. Goal: ACADEMIC AND LIFE TRAINING		
Students who are visually impaired or deafblind will demonstrate the skills and knowledge to lead vocationally, personally, and socially satisfying lives as demonstrated by academic success and successful transition to the community.		
Outcome (Results/Impact):		
Percent of Student Learning Indicator Attained	100%	100%
Percent of Students Whose Responding Local School Districts Rated Their Learning Experience at Summer Programs as Very Satisfactory or Above	80%	80%
A.1.1. Strategy: CLASSROOM INSTRUCTION	\$ 3,696,992	\$ 3,696,992
Provide a well-balanced curriculum which includes disability-specific skills and which meets either State Board of Education requirements for regular education or individual education plan goals. Provide instruction in academic/functional, vocational, and orientation and mobility skills and promote the successful transition of students to local schools, community placements, work, or further education.		
Output (Volume):		
Number of Students Enrolled in Day Programming During Regular School Year	147	147
Number of Students Enrolled Who Have Multiple Disabilities	102	102
Efficiencies:		
Average Cost of Instructional Program per Student Per Day	125	125
Explanatory:		
Average Length of Enrollment in Regular School Year Program (Months)	1	1
A.1.2. Strategy: RESIDENTIAL PROGRAM	\$ 2,759,522	\$ 2,817,024
Conduct residential programming that provides instruction in independent living skills and social skills.		
Output (Volume):		
Number of Students Enrolled in Residential Programming During Regular School Year	136	136
A.1.3. Strategy: SUMMER AND SHORT PROGRAMS	\$ 1,008,366	\$ 1,008,366
Provide a variety of instructional and residential special programs including summer enrichment and short-term programs designed to meet the educational needs of students with visual impairments. Curriculum will be provided in the following content areas: compensatory academic skills, including communication modes; social interaction skills; recreation and leisure skills; use of assistive		

SCHOOL FOR THE BLIND AND VISUALLY IMPAIRED
(Continued)

technology; orientation and mobility;
independent living skills; career education;
and visual efficiency skills.

Output (Volume):

Number of Students Enrolled in Short-term Programs 70 70

Efficiencies:

Average Cost of Special Programs Per Student 3,306.12 3,306.12

A.1.4. Strategy: RELATED AND SUPPORT SERVICES \$ 2,729,270 \$ 2,578,069

Provide related services during the regular
school year and short-term special programs
that support the instruction of students
attending TSBVI.

Output (Volume):

Number of Students Receiving Physical/Motor Services 350 350

Total, Goal A: ACADEMIC AND LIFE TRAINING \$ 10,194,150 \$ 10,100,451

B. Goal: STATEWIDE RESOURCE CENTER

Families, professionals, and paraprofessionals will have the
knowledge and skills necessary to improve educational programming
and other services for all Texas students who are visually impaired
or deafblind.

Outcome (Results/Impact):

Percent of Families, Professionals, and Paraprofessionals
Rating as Very Satisfactory or above the Improvement of
Their Knowledge and Skills as a Result of the Services or
Products Received from TSBVI

B.1.1. Strategy: TECHNICAL ASSISTANCE \$ 2,488,674 85% \$ 2,351,574 85%

Provide technical assistance and information
and referral services for families of and
programs serving children with visual
impairments and children with deafblindness
through preservice, inservice and family
services programs.

Output (Volume):

Number of On-site Visits 124 124

Number of Participants in Video Conferencing Events 300 300

C. Goal: INDIRECT ADMINISTRATION

C.1.1. Strategy: CENTRAL ADMINISTRATION \$ 2,573,651 \$ 2,573,651

Grand Total, SCHOOL FOR THE BLIND AND VISUALLY IMPAIRED \$ 15,256,475 \$ 15,025,676

Method of Financing:

General Revenue Fund \$ 11,887,149 \$ 11,793,450

Federal Funds 2,432,949 2,295,849

Other Funds

Appropriated Receipts 749,526 749,526

Interagency Contracts 186,851 186,851

Subtotal, Other Funds \$ 936,377 \$ 936,377

Total, Method of Financing \$ 15,256,475 \$ 15,025,676

Number of Full-Time-Equivalent Positions (FTE): 324.6 324.6

Schedule of Exempt Positions:

Superintendent, Group 3 \$84,000 \$84,000

SCHOOL FOR THE BLIND AND VISUALLY IMPAIRED
(Continued)

Object-of-Expense Informational Listing:

Salaries and Wages	\$ 11,695,793	\$ 11,729,703
Other Personnel Costs	182,810	182,570
Operating Costs	125,000	125,000
Professional Fees and Services	308,321	236,421
Fuels and Lubricants	25,567	25,567
Consumable Supplies	277,729	271,229
Utilities	308,694	308,694
Travel	122,725	106,725
Rent - Machine and Other	26,653	26,653
Other Operating Expense	1,747,719	1,728,851
Client Services	1,100	1,100
Food for Persons - Wards of State	131,595	131,595
Capital Expenditures	<u>302,769</u>	<u>151,568</u>
Total, Object-of-Expense Informational Listing	<u>\$ 15,256,475</u>	<u>\$ 15,025,676</u>

1. **Capital Budget.** None of the funds appropriated above may be expended for capital budget items except as listed below. The amounts shown below shall be expended only for the purposes shown and are not available for expenditure for other purposes. Amounts appropriated above and identified in this provision as appropriations either for "Lease payments to the Master Lease Purchase Program" or for items with an "(MLPP)" notation shall be expended only for the purpose of making lease-purchase payments to the Texas Public Finance Authority pursuant to the provisions of Government Code § 1232.103.

	<u>2004</u>	<u>2005</u>
Out of the General Revenue Fund:		
a. Acquisition of Information Resource Technologies		
(1) Instructional Materials	\$ 70,000	\$ 70,000
(2) Technology Upgrade	30,000	30,000
Total, Acquisition of Information Resource Technologies	<u>\$ 100,000</u>	<u>\$ 100,000</u>
b. Transportation Items		
(1) School Transportation	151,201	0
Total, Capital Budget	<u>\$ 251,201</u>	<u>\$ 100,000</u>

2. **Teacher Preparation Consortium.** Out of the funds appropriated above in Strategy B.1.1, Technical Assistance, \$900,000 in each year of the biennium is Federal CFDA 84.027, Special Education Grants. These funds shall be used to support professional preparation for teachers of students with visual impairments. The funds shall be expended under the provisions of a memorandum of understanding executed by Texas School for the Blind and Visually Impaired, Texas Tech University, and Stephen F. Austin University.
3. **Educational Professional Salary Increases.** Out of the funds appropriated above, the Texas School for the Blind and Visually Impaired shall implement the provisions identified in Texas Education Code § 30.024. No later than November 1 of each year of the biennium, the Texas School for the Blind and Visually Impaired shall submit, in a form acceptable to the Legislative Budget Board and the Governor, a computation of the salary increases. The school is directed to include in each year of the subsequent biennium baseline budget request the actual amount expended for salary increases in the second year of the previous biennium.

SCHOOL FOR THE BLIND AND VISUALLY IMPAIRED
(Continued)

4. **Unexpended Construction Balances.** Any unexpended construction, repair, or renovation balances from 2003 appropriations are hereby appropriated to the Texas School for the Blind and Visually Impaired for the same purpose in the 2004-2005 biennium.

SCHOOL FOR THE DEAF

	For the Years Ending	
	August 31, <u>2004</u>	August 31, <u>2005</u>
A. Goal: ACADEMIC, LIFE, AND WORK TRAINING		
Texas School for the Deaf students will demonstrate the academic, career and work, and life skills necessary for students to become productive citizens and to achieve their maximum potential.		
Outcome (Results/Impact):		
Percent of Academic Courses in Which Students Obtain a Passing Grade		
A.1.1. Strategy: CLASSROOM INSTRUCTION	85%	85%
Provide instruction utilizing a rigorous, relevant, comprehensive curriculum to meet the needs of each learner.	\$ 6,042,749	\$ 6,042,861
Output (Volume):		
Number of Students Enrolled at Texas School for the Deaf	492	493
Number of Students Enrolled in the Special Needs Department	80	80
Efficiencies:		
Average Cost of Instructional Program Per Student Per Day	62.96	62.84
Explanatory:		
Average Length of Enrollment (By Months) in Regular Year Program	46	46
A.1.2. Strategy: RESIDENTIAL PROGRAM	\$ 3,162,701	\$ 3,162,306
Provide after-school residential, extracurricular, and athletic programs that support student learning and acquisition of life skills.		
Output (Volume):		
Number of Residential Students	285	290
Efficiencies:		
Average Cost of Residential Program per Student per Night	37.84	37.18
A.1.3. Strategy: RELATED AND SUPPORT SERVICES	\$ 4,290,087	\$ 4,289,784
Provide related and support services necessary for students to benefit from educational programs.		
Output (Volume):		
Number of Students Receiving Counseling	140	142
Number of Comprehensive Assessments Conducted for Current Students	160	160
Efficiencies:		
Average Cost of Related and Support Services per Student	8,719.69	8,701.39
A.1.4. Strategy: EXTENDED-YEAR SERVICES	<u>\$ 274,774</u>	<u>\$ 275,225</u>
Provide extended-year and specialized summer services to eligible Texas School for the Deaf students to support academic, career, and work and life skills acquisition.		
Output (Volume):		
Number of Texas School for the Deaf Students Enrolled in Summer Programs	32	32
Number of Students Enrolled in Extended Year Services	57	57

SCHOOL FOR THE DEAF
(Continued)

Efficiencies:		
Average Cost of Summer Program per Texas School for the Deaf Student	954.65	954.65
Total, Goal A: ACADEMIC, LIFE, AND WORK TRAINING	\$ 13,770,311	\$ 13,770,176
B. Goal: OUTREACH AND RESOURCE SERVICES		
Texas students, professionals, families, local school districts, Regional Day School Programs for the Deaf (RDSPDs) and agencies will benefit from Texas School for the Deaf outreach and resource services.		
B.1.1. Strategy: TECHNICAL ASSISTANCE	\$ 251,356	\$ 251,356
Provide technical assistance through seminars, workshops, conferences, site visits, consultations, publications, and website to agencies, organizations, individuals, and families involved in the education of persons who are deaf and hard of hearing.		
Output (Volume):		
Number of Participants in Workshops and Training Seminars	3,270	3,270
B.1.2. Strategy: TSD SPECIALIZED SHORT-TERM PROGRAMS	\$ 228,533	\$ 228,788
Provide specialized short-term services to eligible non-TSD students and families to support academic, career, and work and life skills acquisition.		
Output (Volume):		
Total Number of Non-Texas School for the Deaf Students Enrolled in Summer Programs	125	125
B.1.3. Strategy: TECHNOLOGY OUTREACH	\$ 212,998	\$ 212,998
Provide distance learning, videoconferencing and technology consultation and training to students, professionals, families, local school districts, Regional Day School Programs for the Deaf (RDSPDs), and other agencies.		
Total, Goal B: OUTREACH AND RESOURCE SERVICES	\$ 692,887	\$ 693,142
C. Goal: INDIRECT ADMINISTRATION		
C.1.1. Strategy: CENTRAL ADMINISTRATION	\$ 1,024,987	\$ 1,025,722
C.1.2. Strategy: OTHER SUPPORT SERVICES	\$ 3,275,632	\$ 3,275,360
Total, Goal C: INDIRECT ADMINISTRATION	\$ 4,300,619	\$ 4,301,082
Grand Total, SCHOOL FOR THE DEAF	\$ 18,763,817	\$ 18,764,400
Method of Financing:		
General Revenue Fund	\$ 14,994,531	\$ 14,995,114
Federal Funds	1,020,250	992,893
Other Funds		
Appropriated Receipts	2,725,895	2,753,252
Interagency Contracts	23,141	23,141
Subtotal, Other Funds	\$ 2,749,036	\$ 2,776,393
Total, Method of Financing	\$ 18,763,817	\$ 18,764,400

SCHOOL FOR THE DEAF
(Continued)

Number of Full-Time-Equivalent Positions (FTE):	448.5	448.5
Schedule of Exempt Positions:		
Superintendent, Group 3	\$84,000	\$84,000
Object-of-Expense Informational Listing:		
Salaries and Wages	\$ 13,939,119	\$ 13,939,702
Other Personnel Costs	1,058,807	1,058,807
Operating Costs	100,000	100,000
Professional Fees and Services	229,570	229,570
Fuels and Lubricants	74,100	74,100
Consumable Supplies	960,329	960,329
Utilities	951,299	951,299
Travel	142,900	142,900
Rent - Machine and Other	56,000	56,000
Other Operating Expense	392,802	392,802
Client Services	350,760	350,760
Food for Persons - Wards of State	283,131	283,131
Capital Expenditures	<u>225,000</u>	<u>225,000</u>
Total, Object-of-Expense Informational Listing	\$ <u>18,763,817</u>	\$ <u>18,764,400</u>

1. **Capital Budget.** None of the funds appropriated above may be expended for capital budget items except as listed below. The amounts shown below shall be expended only for the purposes shown and are not available for expenditure for other purposes. Amounts appropriated above and identified in this provision as appropriations either for "Lease payments to the Master Lease Purchase Program" or for items with an "(MLPP)" notation shall be expended only for the purpose of making lease-purchase payments to the Texas Public Finance Authority pursuant to the provisions of Government Code § 1232.103.

	<u>2004</u>	<u>2005</u>
Out of the General Revenue Fund:		
a. Acquisition of Information Resource Technologies		
(1) Lease Payments to the Master Lease Purchase Program to Upgrade and Replace Hardware	\$ 50,000	\$ 50,000
b. Transportation Items		
(1) Lease Payments to the Master Lease Purchase Program for 1 School Bus and 1 Van to Provide Student Transportation	\$ 25,000	\$ 25,000
Total, Capital Budget	\$ <u>75,000</u>	\$ <u>75,000</u>

2. **Classification of Residential Staff.** It is the intent of the Legislature that residential staff at the Texas School for the Deaf (including the "house parent" positions) shall be classified and compensated according to the Residential Specialist series as delineated in Article IX of this Act.
3. **Educational Professional Salary Increases.** Out of the funds appropriated above, the Texas School for the Deaf shall implement the provisions identified in Texas Education Code § 30.055. No later than November 1 of each year of the biennium, the Texas School for the Deaf shall submit, in a form acceptable to the Legislative Budget Board and the Governor, a

SCHOOL FOR THE DEAF
(Continued)

computation of the salary increases. The school is directed to include in each year of the subsequent biennium baseline budget request the actual amount expended for salary increases in the second year of the previous biennium.

4. **Historically Underutilized Businesses.** Out of the funds appropriated above, the Texas School for the Deaf shall make a good faith effort to comply with the historically underutilized requirements set out in Chapter 2161 of the Government Code. The State Auditor's Office and the Texas Building and Procurement Commission shall determine an agency's compliance with the provisions set out in Chapter 2161.

**SPECIAL PROVISIONS FOR THE TEXAS SCHOOL FOR THE BLIND
AND VISUALLY IMPAIRED AND TEXAS SCHOOL FOR THE DEAF**

1. **Services to Employees.** The governing boards may expend money for the provision of first aid or other minor medical attention for employees injured in the course and scope of their employment and for the repair and/or replacement of employees' items of personal property which are damaged or destroyed in the course and scope of their employment, so long as such items are medically prescribed equipment (e.g., eyeglasses, hearing aids, etc.).
2. **Emoluments.** The Superintendent is authorized to determine emoluments for certain positions provided that the provision of such emoluments is necessary to effectively carry out the job responsibilities of the position.
3. **Appropriation of Funds.** With respect to the following funds held outside the State Treasury, any balances remaining at the end of the fiscal years ending August 31, 2003 and 2004, plus all receipts deposited to each fund's credit and income received on the fund during the biennium, are appropriated for the continued purpose for which the fund was established subject to the approval of the respective governing board: the Expendable Trust Fund; the Student Trust Fund; the Student Activity Fund; and the Student Aid Fund.

With respect to the following funds held within the State Treasury, any balances remaining at the end of the fiscal years ending August 31, 2003 and 2004, plus all receipts deposited to each fund's credit and income received on the fund during the biennium, are appropriated for the continued purpose for which the fund was established: Vocational Programs Fund; Technology Lending Fund; Curriculum Publications Fund; Independent School District Fund; State and County Available Fund and other funds brought into the State Treasury under Texas Government Code, Chapter 404.

Funds received from sale of food and garbage and from the use of facilities of the Texas School for the Blind and Visually Impaired and the Texas School for the Deaf by organizations and other entities, including the Recording for the Blind, Inc., and any daycare center provider using the facilities, are appropriated for the use of the respective school subject to the approval of the governing board.

4. **Use of Facilities.** The respective governing boards of the Texas School for the Blind and Visually Impaired and Texas School for the Deaf may allow organizations related to the schools the use of the facilities of the physical plant; provided that said sessions do not interfere with the regular operations of the schools.
5. **Petty Cash Fund.** The Texas School for the Blind and Visually Impaired and Texas School for the Deaf may establish a petty cash fund not to exceed \$5,000 for each school out of the funds appropriated herein. These funds shall be maintained in cash or at a local bank and shall be used only for making emergency payments and small purchases and payments which will increase the efficiency of the operation, payments to client workers on a regular pay-day basis, and for

SCHOOL FOR THE DEAF
(Continued)

use as a change fund in the cashier's office, canteen, and other specific locations where financial activities of the Schools require a change fund. Purchases and payments from this fund are limited to \$200 per item.

6. **Assessments for LEAs.** For any assessments on students from Local Education Agencies, the Texas School for the Blind and Visually Impaired and Texas School for the Deaf shall make a reasonable charge for these services to the Local Education Agencies. A reasonable effort to collect for the assessments will be made by the schools.
7. **Certification and Appropriation of Medicaid Reimbursement.** The Texas School for the Blind and Visually Impaired and the Texas School for the Deaf shall certify and/or transfer appropriated state funds to the Health and Human Services Commission or its designee for the state share of any Medicaid reimbursement for services provided to eligible students. The federal share of such reimbursement is appropriated to each respective school.
8. **Payments by School Districts.** All revenues collected from local school districts in excess of the funds appropriated above are hereby appropriated to the Texas School for the Blind and Visually Impaired and the Texas School for the Deaf, respectively.

TELECOMMUNICATIONS INFRASTRUCTURE FUND BOARD

For the Years Ending
August 31, August 31,
2004 2005

**Out of the Telecommunications Infrastructure
Fund No. 345:**

A. Goal: GRANT IMPLEMENTATION

The Board will administer grant and loan programs in a manner which ensures the most effective, efficient, and objective process for establishing a world-class telecommunications infrastructure that benefits all Texas.

Outcome (Results/Impact):

Percent of Grantees Achieving Acceptable Level of Compliance Through TIF Board Monitoring Efforts

	90%		NA
A.1.1. Strategy GRANT IMPLEMENTATION	\$ 1,175,870	\$	0

Implement and administer grant and loan process.

Efficiencies:

Percent of Expired Grants Closed-Out

	100%		NA
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B. Goal: INDIRECT ADMINISTRATION

B.1.1. Strategy INDIRECT ADMINISTRATION	\$ 910,155	\$	0
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**Grand Total, TELECOMMUNICATIONS
INFRASTRUCTURE FUND BOARD**

	\$ 2,086,025	\$	0
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Number of Full-Time-Equivalent Positions (FTE):

	29.0	0.0
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Schedule of Exempt Positions:

Executive Director, Group 5

	\$104,000	\$0
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Object-of-Expense Informational Listing:

Salaries and Wages	\$ 1,377,460	\$ 0
Other Personnel Costs	126,972	0
Professional Fees and Services	145,000	0
Consumable Supplies	20,000	0

TELECOMMUNICATIONS INFRASTRUCTURE FUND BOARD
(Continued)

Utilities	70,000	0
Travel	92,635	0
Rent - Machine and Other	34,000	0
Other Operating Expense	<u>219,958</u>	<u>0</u>
Total, Object-of-Expense Informational Listing	\$ <u>2,086,025</u>	\$ <u>0</u>

1. **Notification Requirements.** The Telecommunications Infrastructure Fund Board shall provide, on a bi-monthly basis, expenditure reports to the Legislative Budget Board and to the Governor. These reports shall include expenditure activity from all strategies, including grant and loan award amounts, and administrative expenses. The reports shall include actual cash expenditures and encumbrances. The Telecommunications Infrastructure Fund Board also shall provide, on a quarterly basis, status reports on all active professional services and consulting contracts.
2. **Review of Grant Monitoring.** The Telecommunications Infrastructure Fund Board shall work with the State Auditor's Office to periodically review and evaluate its grant monitoring activities to determine their appropriateness and effectiveness.
3. **Unexpended Balances.** Any unexpended balances remaining as of August 31, 2004, from appropriations to the Telecommunications Infrastructure Fund Board are hereby appropriated for the same purposes for fiscal year 2005.

TEACHER RETIREMENT SYSTEM

	For the Years Ending	
	<u>August 31, 2004</u>	<u>August 31, 2005</u>
A. Goal: TEACHER RETIREMENT SYSTEM		
To administer the system as an employee benefit trust.		
Outcome (Results/Impact):		
TRS Annual Operating Expense Per Active and Retired Member in Dollars (Excluding Investment Expenses)	27	27
Percent of TRS-Care Participants Rating TRS-Care Services as Satisfactory or Better	70%	70%
A.1.1. Strategy: TRS - PUBLIC EDUCATION RETIREMENT	\$ 1,130,327,977	\$ 1,186,844,375
Make retirement contributions to the TRS pension fund for public education employees and maintain the actuarial soundness of the system, with a funding period under 30.9 years. Estimated.		
A.1.2. Strategy: TRS - HIGHER EDUCATION RETIREMENT	\$ 230,315,027	\$ 239,103,606
Make retirement contributions to the TRS pension fund for higher education employees and maintain the actuarial soundness of the system, with a funding period under 30.9 years. Estimated.		
A.1.3. Strategy: ADMINISTRATIVE OPERATIONS	\$ 44,360,000	\$ 43,440,000
Provide services to members, manage investments, and administer TRS retirement fund.		
Output (Volume):		
Number of TRS Benefit Applications Processed	66,000	68,000

TEACHER RETIREMENT SYSTEM
(Continued)

Efficiencies:		
Percent of TRS Retirees Who Receive Their First Annuity within 31 Days of Their Effective Retirement Date	98%	98%
Average Customer Hold Time for Calls Received on Toll-free Number (In Minutes)	3	3
A.2.1. Strategy: RETIREE HEALTH	\$ 467,820,970	\$ 290,821,049
Administer group health care benefits for public education retirees through the TRS-Care program by monitoring the performance of contracted benefit providers, communicating health care plan features, and resolving benefit disputes. Estimated.		
Output (Volume):		
Dollar Amount of Participating Network Savings	187,080,000	202,320,000
Efficiencies:		
Percent of Claims Adjudicated within 14 Days of Receipt	93%	93%
A.3.1. Strategy: ACTIVE HEALTH	\$ 281,215,239	\$ 240,021,553
Administer group health care benefits for public education employees through the TRS-ActiveCare program by monitoring the performance of contracted benefit providers, communicating health care plan features, and resolving benefit disputes. Distribute supplemental funds to public education employees to purchase health care or enhance compensation.		
Total, Goal A: TEACHER RETIREMENT SYSTEM	<u>\$ 2,154,039,213</u>	<u>\$ 2,000,230,583</u>
Grand Total, TEACHER RETIREMENT SYSTEM	<u>\$ 2,154,039,213</u>	<u>\$ 2,000,230,583</u>
Method of Financing:		
General Revenue Fund	\$ 2,053,389,678	\$ 1,897,667,057
GR Dedicated - Estimated Other Educational and General Income Account No. 770	54,895,592	57,640,371
Other Funds		
Teacher Retirement System Trust Account Fund No. 960	45,753,943	44,923,155
Total, Method of Financing	<u>\$ 2,154,039,213</u>	<u>\$ 2,000,230,583</u>
Number of Full-Time-Equivalent Positions (FTE):	436.0	436.0
Schedule of Exempt Positions:		
Executive Director	\$188,436	\$188,436
Chief Investment Officer	300,000	300,000
Investment Fund Director	(4) 217,260	(4) 217,260
Object-of-Expense Informational Listing:		
Salaries and Wages	\$ 23,847,500	\$ 24,999,875
Other Personnel Costs	2,109,959,213	1,957,080,583
Operating Costs	16,429,612	16,385,912
Capital Expenditures	<u>3,802,888</u>	<u>1,764,213</u>
Total, Object-of-Expense Informational Listing	<u>\$ 2,154,039,213</u>	<u>\$ 2,000,230,583</u>

TEACHER RETIREMENT SYSTEM
(Continued)

1. **Capital Budget.** None of the funds appropriated above for Strategy A.1.3, Administrative Operations, may be expended for capital budget items except as listed below. The amounts shown below shall be expended only for the purposes shown and are not available for expenditure for other purposes.

	<u>2004</u>	<u>2005</u>
Out of the Teacher Retirement System Trust Account Fund No. 960:		
a. Repair or Rehabilitation of Buildings and Facilities		
(1) Building Renovations 2004-05	\$ 120,000	\$ 120,000
(2) Carpet Replacement	175,000	0
(3) HVAC Airhandler Replacement	315,000	300,000
(4) Waterproofing Exterior	455,000	0
(5) Roof Replacement	680,000	0
(6) Security System Upgrades	\$ 45,000	\$ 45,000
Total, Repair or Rehabilitation of Buildings and Facilities	\$ 1,790,000	\$ 465,000
b. Acquisition of Information Resource Technologies		
(1) DASD Upgrade 2004-05	50,000	50,000
(2) Mainframe and Peripheral Upgrades 2004-05	450,000	0
(3) PC Workstation Upgrades 2004-05	210,000	210,000
(4) Telecommunications Upgrade 2004-05	550,000	350,000
(5) Pension Legislation 2005	\$ 0	\$ 200,000
Total, Acquisition of Information Resource Technologies	\$ 1,260,000	\$ 810,000
c. Acquisition of Capital Equipment and Items		
(1) Furniture & Modular Workstations	45,500	0
(2) Printing Equipment Replacement	\$ 75,000	\$ 0
Total, Acquisition of Capital Equipment and Items	\$ 120,500	\$ 0
Total, Capital Budget	\$ 3,170,500	\$ 1,275,000

2. **Updated Actuarial Valuation.** The Teacher Retirement System shall contract with an actuary to perform a limited actuarial valuation of the assets and liabilities of the Teacher Retirement System as of February 28 in those years when the Legislature meets in regular session. The purpose of the valuation shall be to determine the effect of investment, salary, and payroll experience on the unfunded liability, the amortization period, and the state contribution rate which results in a 30-year amortization period of the retirement system.
3. **State Contribution to Teacher Retirement Program.** The amounts specified above in A.1.1, TRS-Public Education Retirement, and A.1.2, TRS-Higher Education Retirement, are based on a state contribution of 6.00 percent of payroll for each fiscal year, estimated.
4. **State Contribution to Texas Public School Retired Employees Group Insurance Program.** Of the amounts specified above in A.2.1, Retiree-Health, \$103,473,753 in fiscal year 2004 and \$108,647,441 in fiscal year 2005 are based on a state contribution rate of 0.50 percent of payroll for each fiscal year, estimated. Also included in the appropriation is a sum certain amount of \$364,347,217 in fiscal year 2004 and \$182,173,608 in fiscal year 2005.

TEACHER RETIREMENT SYSTEM
(Continued)

The retirement system shall notify the Legislative Budget Board, the Governor, and its membership, prior to establishing premiums, regarding the impact such premiums will have on retiree costs for TRS-Care insurance.

It is the intent of the Legislature that the Teacher Retirement System control the cost of the retiree insurance program by not providing rate increases to health care providers and pharmacy providers during the 2004-2005 biennium without providing 60 days notice to the Legislative Budget Board.

The Teacher Retirement System shall structure the levels of health insurance cost-sharing between the state and retirees such that for fiscal year 2005, the state's cost share is no more than 55 percent of total group insurance costs, and that the total retirees' cost share is at least 30 percent.

The Teacher Retirement System shall establish premiums paid by retirees such that retirees pay nothing for the highest deductible, catastrophic coverage option, and that retirees not participating in Medicare Part A pay a larger proportion of the cost of their coverage than they did in fiscal year 2003.

For the low deductible plan, TRS shall set retiree and dependent premiums based on a percentage of expected claims for the plan and the retiree's participation in Medicare Part A and Medicare Part B; premiums for disability retirees may differ.

Premiums for higher deductible plans shall be set to specifically offer inducements for retirees to enroll in higher deductible plans. TRS shall inform retirees of the financial implications associated with choice of coverage levels.

Retirees who retire at earlier ages significantly increase the long term health insurance costs to the state. In an effort to provide a greater benefit without adding to the costs for the state, TRS shall study ways to equalize long-term costs to the state among participants who retire at different ages, and submit a report to the Legislature summarizing available options by September 1, 2004.

5. **Excess Benefit Arrangement Account.** There is hereby appropriated to the Teacher Retirement System all funds transferred or deposited into the Excess Benefit Arrangement Account established in the General Revenue Fund for the purpose of paying benefits as authorized by Government Code § 825.517.
6. **Transfer of Other Educational and General Income.** The Comptroller of Public Accounts is hereby authorized to transfer the necessary appropriations made above in A.1.2, TRS-Higher Education Retirement, from Other Educational and General Income to institutions of higher education to meet their obligations and comply with the proportionality policy as expressed in the Article IX provision entitled Salaries to be Proportional by Fund.
7. **Exempt Positions.** Notwithstanding the limitations contained in the Article IX provision entitled Scheduled Exempt Positions, the TRS Board of Trustees may determine the salaries of the positions listed above in the Schedule of Exempt Positions without limitation.
8. **Travel Expenditures.** Notwithstanding the limitations on travel expenditures contained in Article IX of this Act, the annual out-of-state travel cap for the Teacher Retirement System is hereby set at \$425,000 for each year of the biennium. The additional authority is provided to allow TRS' investment professionals greater personal access to financial centers, investment experts, and investor information.

TEACHER RETIREMENT SYSTEM
(Continued)

9. **School District Employee Pass-Through.** The amounts appropriated in Strategy A.3.1, Active Health, for active school district employee health benefits are to be used to provide an annual compensation supplement (pass-through) of \$500 for all full-time employees, and \$250 for all part-time employees, except that no contributions shall be provided for the category of employees referred to as "professional staff" by the Teacher Retirement System. An employee is not eligible to receive the pass-through contribution until the 90th day after the date the employee is employed by the entity. The Teacher Retirement System is authorized to allocate the last month's fiscal year 2005 payment of the pass-through in September, 2005. Also, out of the fiscal year 2004 appropriation in Strategy A.3.1, Active Health, no more than \$27,000,000 may be used to provide a minimum effort transition subsidy (referred to as "state assistance for meeting minimum effort" in Article 3.50-9, Texas Insurance Code). No appropriation is provided for this purpose in fiscal year 2005.
10. **Contingency for Senate Bill 1369.** Contingent on the passage of Senate Bill 1369 or similar legislation relating to certain group benefits for retired public school employees (TRS-Care), the following provisions shall be implemented. The annual contribution rate for school districts for fiscal years 2004 and 2005 shall be 0.40 percent of total payroll. The amount contributed for dependents, surviving spouses, and surviving dependent children shall be determined by the TRS board of trustees for each year of the biennium.

To reflect a 1.0 percent state contribution rate, in the provision titled "State Contribution to Texas Public School Retired Employees Group Insurance Program", the state contribution estimated appropriation is increased by \$103,473,753 in fiscal year 2004 and by \$108,647,441 in fiscal year 2005. The sum certain appropriation to TRS-Care is reduced by like amounts each year of the 2004-05 biennium.

OPTIONAL RETIREMENT PROGRAM

	For the Years Ending	
	August 31, 2004	August 31, 2005
A. Goal: OPTIONAL RETIREMENT PROGRAM		-
Provide contributions to the Optional Retirement Program as administered by the Higher Education Coordinating Board.		
A.1.1. Strategy: OPTIONAL RETIREMENT PROGRAM	\$ 115,840,902	\$ 117,418,754
Provide an Optional Retirement Program for faculty and certain administrative staff at public institutions of higher education.		
Estimated.		
Output (Volume):		
Number of ORP Participants	39,289	39,682
Grand Total, OPTIONAL RETIREMENT PROGRAM	<u>\$ 115,840,902</u>	<u>\$ 117,418,754</u>
Method of Financing:		
General Revenue Fund	\$ 94,866,022	\$ 95,395,130
GR Dedicated - Estimated Other Educational and General Income Account No. 770	<u>20,974,880</u>	<u>22,023,624</u>
Total, Method of Financing	<u>\$ 115,840,902</u>	<u>\$ 117,418,754</u>

OPTIONAL RETIREMENT PROGRAM
(Continued)

Object-of-Expense Informational Listing:		
Operating Costs	<u>\$ 115,840,902</u>	<u>\$ 117,418,754</u>
Total, Object-of-Expense Informational Listing	<u>\$ 115,840,902</u>	<u>\$ 117,418,754</u>

1. **State Contribution to Optional Retirement Program.** The amount specified above in A.1.1, Optional Retirement Program, is based on a state contribution rate of 6.0 percent of payroll for each fiscal year, estimated. Institutions of higher education and the Texas Education Agency, if applicable, are required to certify estimates of state contributions required for payment to the Comptroller, and the Comptroller shall allocate the state contributions to institutions and the Texas Education Agency pursuant to Government Code § 830.202.
2. **Use of Local Funds for Supplementing the General Revenue Appropriation to the Optional Retirement Program.** Institutions and agencies authorized under state law to provide the Optional Retirement Program to their employees are authorized to use local funds or other sources of funds to supplement the General Revenue Fund appropriation in order to provide the same employer contribution during the 2004-05 biennium, for employees who were on the state payroll or who were employed by a Public Community or Junior College as of August 31, 1995, as they received during the 1994-95 biennium.
3. **Transfer of Other Educational and General Income.** The Comptroller of Public Accounts is hereby authorized to transfer the necessary appropriations made above from Other Educational and General Income to institutions of higher education to meet their obligations and comply with the proportionality policy as expressed in Article IX of this Act.
4. **Contingency for House Bill 264.** Contingent on passage of House Bill 264, or similar legislation, institutions and agencies authorized under state law to provide the Optional Retirement Program to their employees are authorized to use local funds or other sources of funds to supplement the General Revenue Fund appropriation in order to provide an employer contribution of 8.5 percent of salary for all employees, other provisions of this Act notwithstanding.

HIGHER EDUCATION EMPLOYEES GROUP INSURANCE CONTRIBUTIONS

	For the Years Ending	
	August 31, 2004	August 31, 2005
A. Goal: STATE CONTRIBUTION, UT SYSTEM		
Group Insurance, State Contribution, UT System.		
A.1.1. Strategy: UT - ARLINGTON The University of Texas at Arlington.	\$ 8,407,214	\$ 8,407,214
A.1.2. Strategy: UT - AUSTIN The University of Texas at Austin.	\$ 25,620,749	\$ 25,620,749
A.1.3. Strategy: UT - DALLAS The University of Texas at Dallas.	\$ 4,910,251	\$ 4,910,251
A.1.4. Strategy: UT - EL PASO The University of Texas at El Paso.	\$ 7,044,788	\$ 7,044,788
A.1.5. Strategy: UT - PAN AMERICAN The University of Texas - Pan American.	\$ 3,773,474	\$ 3,773,474
A.1.6. Strategy: UT - BROWNSVILLE The University of Texas at Brownsville.	\$ 835,661	\$ 835,661
A.1.7. Strategy: UT - PERMIAN BASIN The University of Texas of the Permian Basin.	\$ 903,323	\$ 903,323
A.1.8. Strategy: UT - SAN ANTONIO The University of Texas at San Antonio.	\$ 5,867,045	\$ 5,867,045
A.1.9. Strategy: UT - TYLER The University of Texas at Tyler.	\$ 1,720,670	\$ 1,720,670
A.1.10. Strategy: UT SW MEDICAL - DALLAS The University of Texas Southwestern Medical Center at Dallas.	\$ 6,734,235	\$ 6,734,235
A.1.11. Strategy: UT MEDICAL - GALVESTON The University of Texas Medical Branch at Galveston.	\$ 31,350,068	\$ 31,350,068
A.1.12. Strategy: UTHSC - HOUSTON The University of Texas Health Science Center at Houston.	\$ 9,152,009	\$ 9,152,009
A.1.13. Strategy: UTHSC - SAN ANTONIO The University of Texas Health Science Center at San Antonio.	\$ 10,115,591	\$ 10,115,591
A.1.14. Strategy: UT MD ANDERSON The University of Texas M. D. Anderson Cancer Center.	\$ 5,368,828	\$ 5,368,828
A.1.15. Strategy: UT HEALTH CENTER - TYLER The University of Texas Health Center at Tyler.	\$ 2,037,566	\$ 2,037,566
A.1.16. Strategy: TEXAS SOUTHMOST (UT) Texas Southmost College (UT Share).	\$ 1,173,915	\$ 1,173,915
A.1.17. Strategy: UT SYSTEM ADMINISTRATION The University of Texas System Administration.	\$ 49,894	\$ 49,894
Total, Goal A: STATE CONTRIBUTION, UT SYSTEM	\$ 125,065,281	\$ 125,065,281
B. Goal: STATE CONTRIBUTION, A&M SYSTEM		
Group Insurance, State Contribution, A&M System.		
B.1.1. Strategy: TEXAS A&M UNIVERSITY	\$ 24,500,777	\$ 24,500,777

HIGHER EDUCATION EMPLOYEES GROUP INSURANCE CONTRIBUTIONS
(Continued)

B.1.2. Strategy: A&M SYSTEM HEALTH SCIENCE CENTER	\$	2,906,746	\$	2,906,746
Texas A&M University System Health Science Center.				
B.1.3. Strategy: A&M - GALVESTON	\$	898,527	\$	898,527
Texas A&M University at Galveston.				
B.1.4. Strategy: PRAIRIE VIEW A&M	\$	2,986,259	\$	2,986,259
Prairie View A&M University.				
B.1.5. Strategy: TARLETON STATE UNIVERSITY	\$	2,681,164	\$	2,681,164
B.1.6. Strategy: A&M - CORPUS CHRISTI	\$	2,850,691	\$	2,850,691
Texas A&M University - Corpus Christi.				
B.1.7. Strategy: A&M - KINGSVILLE	\$	3,263,983	\$	3,263,983
Texas A&M University - Kingsville.				
B.1.8. Strategy: A&M - INTERNATIONAL	\$	1,496,299	\$	1,496,299
Texas A&M International University.				
B.1.9. Strategy: WEST TEXAS A&M	\$	2,840,323	\$	2,840,323
West Texas A&M University.				
B.1.10. Strategy: TEXAS A&M UNIVERSITY - COMMERCE	\$	3,750,097	\$	3,750,097
B.1.11. Strategy: TEXAS A&M UNIVERSITY - TEXARKANA	\$	544,250	\$	544,250
B.1.12. Strategy: AG EXPERIMENT STATION	\$	6,046,939	\$	6,046,939
Texas Agricultural Experiment Station.				
B.1.13. Strategy: COOPERATIVE EXTENSION	\$	7,520,659	\$	7,520,659
Texas Cooperative Extension.				
B.1.14. Strategy: ENG EXPERIMENT STATION	\$	2,367,400	\$	2,367,400
Texas Engineering Experiment Station.				
B.1.15. Strategy: TRANSPORTATION INSTITUTE	\$	348,857	\$	348,857
Texas Transportation Institute.				
B.1.16. Strategy: ENG EXTENSION SERVICE	\$	240,273	\$	240,273
Texas Engineering Extension Service.				
B.1.17. Strategy: TEXAS FOREST SERVICE	\$	1,578,915	\$	1,578,915
B.1.18. Strategy: WILDLIFE DAMAGE MANAGEMENT SERVICE	\$	603,903	\$	603,903
B.1.19. Strategy: VET MEDICAL DIAGNOSTIC LAB	\$	333,630	\$	333,630
Texas Veterinary Medical Diagnostic Laboratory.				
B.1.20. Strategy: A&M SYSTEM ADMINISTRATION	\$	<u>40,971</u>	\$	<u>40,972</u>
Texas A&M University System Administration.				
Total, Goal B: STATE CONTRIBUTION, A&M SYSTEM	\$	<u>67,800,663</u>	\$	<u>67,800,664</u>
C. Goal: STATE CONTRIBUTION, ERS				
Group Insurance, State Contribution, Employees Retirement System.				
C.1.1. Strategy: TEXAS FOOD & FIBERS COMM	\$	17,967	\$	17,968
Texas Food and Fibers Commission.				
C.1.2. Strategy: UNIVERSITY OF HOUSTON	\$	12,870,506	\$	12,870,506
C.1.3. Strategy: UH - CLEARLAKE	\$	1,972,869	\$	1,972,869
University of Houston - Clear Lake.				
C.1.4. Strategy: UH - DOWNTOWN	\$	1,558,706	\$	1,558,706
University of Houston - Downtown.				
C.1.5. Strategy: UH - VICTORIA	\$	731,630	\$	731,630
University of Houston - Victoria.				
C.1.6. Strategy: UH SYSTEM ADMINISTRATION	\$	264,778	\$	264,778
The University of Houston System Administration.				
C.1.7. Strategy: LAMAR UNIVERSITY - BEAUMONT	\$	3,903,275	\$	3,903,275

HIGHER EDUCATION EMPLOYEES GROUP INSURANCE CONTRIBUTIONS
(Continued)

C.1.8. Strategy: LUIT Lamar University Institute of Technology.	\$ 431,772	\$ 431,772
C.1.9. Strategy: LAMAR UNIVERSITY - ORANGE	\$ 477,283	\$ 477,283
C.1.10. Strategy: LAMAR UNIV - PORT ARTHUR Lamar University - Port Arthur.	\$ 800,756	\$ 800,756
C.1.11. Strategy: ANGELO STATE UNIVERSITY	\$ 2,310,202	\$ 2,310,202
C.1.12. Strategy: SAM HOUSTON STATE UNIV Sam Houston State University.	\$ 4,166,621	\$ 4,166,621
C.1.13. Strategy: SOUTHWEST TX STATE UNIV Southwest Texas State University.	\$ 6,926,431	\$ 6,926,431
C.1.14. Strategy: SUL ROSS STATE UNIVERSITY	\$ 1,425,301	\$ 1,425,301
C.1.15. Strategy: SUL ROSS STATE-RIO GRANDE COLLEGE Sul Ross State University - Rio Grande College.	\$ 183,310	\$ 183,310
C.1.16. Strategy: TEXAS STATE SYSTEM ADMIN Texas State University System Administration.	\$ 66,432	\$ 66,432
C.1.17. Strategy: MIDWESTERN STATE UNIV Midwestern State University.	\$ 1,662,201	\$ 1,662,201
C.1.18. Strategy: UNIVERSITY OF NORTH TEXAS	\$ 10,552,268	\$ 10,552,268
C.1.19. Strategy: UNT HEALTH SCIENCE CENTER University of North Texas Health Science Center at Fort Worth.	\$ 2,823,517	\$ 2,823,517
C.1.20. Strategy: STEPHEN F. AUSTIN Stephen F. Austin State University.	\$ 4,443,219	\$ 4,443,219
C.1.21. Strategy: TEXAS SOUTHERN UNIVERSITY	\$ 2,969,271	\$ 2,969,271
C.1.22. Strategy: TEXAS TECH UNIVERSITY	\$ 14,767,502	\$ 14,767,502
C.1.23. Strategy: TEXAS TECH HEALTH SCI CTR Texas Tech University Health Sciences Center.	\$ 9,493,637	\$ 9,493,637
C.1.24. Strategy: TEXAS WOMAN'S UNIVERSITY	\$ 4,488,712	\$ 4,488,712
C.1.25. Strategy: TSTC - HARLINGEN Texas State Technical College - Harlingen.	\$ 1,856,882	\$ 1,856,882
C.1.26. Strategy: TSTC - WEST TEXAS Texas State Technical College - West Texas.	\$ 1,240,988	\$ 1,240,988
C.1.27. Strategy: TSTC - WACO Texas State Technical College - Waco.	\$ 2,830,151	\$ 2,830,151
C.1.28. Strategy: TSTC - MARSHALL Texas State Technical College - Marshall.	\$ 490,242	\$ 490,242
C.1.29. Strategy: TSTC - SYSTEM ADMIN Texas State Technical College System Administration.	\$ 120,299	\$ 120,299
C.1.30. Strategy: PUB COMMUNITY / JR COLLEGES Public Community / Junior Colleges.	\$ <u>110,386,494</u>	\$ <u>110,386,494</u>
 Total, Goal C: STATE CONTRIBUTION, ERS	 \$ <u>206,233,222</u>	 \$ <u>206,233,223</u>
 Grand Total, HIGHER EDUCATION EMPLOYEES GROUP INSURANCE CONTRIBUTIONS	 \$ <u>399,099,166</u>	 \$ <u>399,099,168</u>
 Method of Financing:		
General Revenue Fund	\$ 398,750,309	\$ 398,750,311
State Highway Fund No. 006	<u>348,857</u>	<u>348,857</u>
Total, Method of Financing	\$ <u>399,099,166</u>	\$ <u>399,099,168</u>

HIGHER EDUCATION EMPLOYEES GROUP INSURANCE CONTRIBUTIONS
(Continued)

Object-of-Expense Informational Listing:

Other Personnel Costs	\$ 399,099,166	\$ 399,099,168
Total, Object-of-Expense Informational Listing	\$ 399,099,166	\$ 399,099,168

1. **State Contribution to Group Insurance for Higher Education Employees Participating in the Employees Retirement System Group Insurance Program.** Funds identified above for group insurance are intended to fund:
 - a. the total cost of the basic life and health coverage for all active and retired employees; and
 - b. fifty percent of the total cost of health coverage for the spouses and dependent children of all active and retired employees who enroll in coverage categories which include a spouse and/or dependent children.

In no event shall the total amount of state contributions allocated to fund coverage in an optional health plan exceed the actuarially determined total amount of state contributions that would be required to fund basic health coverage for those active employees and retirees who have elected to participate in that optional health plan.

General Revenue funds appropriated herein shall be supplemented by funds appropriated elsewhere in this Act for employees enrolled in the State Kids Insurance Program (SKIP) to provide for a premium-sharing structure comparable to the Children's Health Insurance Program (CHIP). Institutions of higher education paying for health insurance costs from non-General Revenue funds shall provide the same levels of premium-sharing for State Kids Insurance Program enrollees as provided for those higher education employees with health insurance paid from General Revenue funds.

Funds appropriated for higher education employees' group insurance contributions may not be used for any other purpose.

It is further provided that institutions shall cooperate so that employees employed by more than one institution may be covered under one group policy and that said policy may be held jointly by two or more institutions and paid from funds appropriated to the institutions for payment of employee insurance premiums as set out above.

2. **Actuarial Study.** The Employees Retirement System is directed to conduct an actuarial study to determine the costs and actions necessary to merge employees currently insured under group benefit plans offered by the Texas A&M University System into the state employee group benefit plans administered by the Employees Retirement System. The Texas A&M University System and the Employees Retirement System shall cooperate in assessing the costs and actions needed to replace all Texas A&M University System employee group benefit plans with the state employee group benefit plans administered by the Employees Retirement System under Chapter 1551 of the Insurance Code. This study shall be provided to the Legislative Budget Board and the Governor by no later than September 1, 2004. The Texas A&M University System and the Employees Retirement System shall evenly divide the costs of this study using existing resources. The replacement of the Texas A&M University System's benefit plans with the state employee group benefit plans administered by the Employees Retirement System may not take place unless authorized under certain conditions set by general law.

HIGHER EDUCATION EMPLOYEES GROUP INSURANCE CONTRIBUTIONS
(Continued)

3. **The University of Texas System Group Health Insurance Contributions.** Funds identified above for group insurance are intended to fund the same portion of the costs of basic health coverage for all active and retired employees and their dependents as is provided above for higher education active and retired employees and dependents participating in the Employees Retirement System's Uniform Group Insurance Program.

In no event shall the total amount of state contributions allocated to fund coverage in an optional health plan exceed the actuarially determined total amount of state contributions that would be required to fund basic health coverage for those active employees and retirees who have elected to participate in that optional health plan.

Funds appropriated for higher education employees' group insurance contributions may not be used for any other purpose.

The University of Texas System shall file a report with the Legislative Budget Board, the Governor and the Comptroller by September 1 of each year, detailing all group health insurance plans offered to system employees and retirees, including the benefit schedule, premium amounts, and employee/retiree contributions.

Active and retired employees of The University of Texas System are authorized to use one-half of the "employee-only" state contribution amount for optional insurance. Optional insurance for the employees participating in the group insurance program shall be defined by The University of Texas System. Active and retired employees participating in these plans may only use one-half of the employee-only state contribution if they sign and submit a document to their employing institution indicating they have health insurance coverage from another source.

4. **Texas A&M System Group Health Insurance Contributions.** Funds identified above for group insurance are intended to fund the same portion of the costs of basic health coverage for all active and retired employees and their dependents as is provided above for higher education active and retired employees and dependents participating in the Employees Retirement System's Uniform Group Insurance Program.

In no event shall the total amount of state contributions allocated to fund coverage in an optional health plan exceed the actuarially determined total amount of state contributions that would be required to fund basic health coverage for those active employees and retirees who have elected to participate in that optional health plan.

Funds appropriated for higher education employees' group insurance contributions may not be used for any other purpose.

The Texas A&M System shall file a report with the Legislative Budget Board, the Governor and the Comptroller by September 1 of each year, detailing all group health insurance plans offered to system employees and retirees, including the benefit schedule, premium amounts, and employee/retiree contributions.

Active and retired employees of the Texas A&M System are authorized to use one-half of the "employee-only" state contribution amount for optional insurance. Optional insurance for the employees participating in the group insurance program shall be defined by the Texas A&M System. Active and retired employees participating in these plans may only use one-half of the employee-only state contribution if they sign and submit a document to their employing institution indicating they have health insurance coverage from another source.

HIGHER EDUCATION EMPLOYEES GROUP INSURANCE CONTRIBUTIONS
(Continued)

5. **Transfer Authority.** Out of the funds appropriated above:
- a. The Comptroller shall transfer monthly, one-twelfth of the amount appropriated from those institutions participating in the Employees Retirement System's Uniform Group Insurance Program to the Employees Life, Accident, and Health Insurance and Benefits Fund No. 973, for use by the Employees Retirement System for each higher education institution which participates in the group insurance program of the Employees Retirement System.
 - b. The Comptroller shall transfer monthly, one-twelfth of the amount appropriated from state contributions for institutions belonging to the University of Texas and Texas A&M Systems, to The University of Texas System Office and the Texas A&M University System Office, for use by each institution's group insurance program.
6. **Specification of Appropriations.** The amount of the appropriation made for Strategy C.1.30, Public Community/Junior Colleges, shall be allocated to each college in accordance with a report, specifying the exact amounts for each college, to be provided by the Legislative Budget Board to the Employees Retirement System.
7. **Appropriations Transfers.**
- a. Funds appropriated above to institutions other than those belonging to The University of Texas System or the Texas A&M University System, may be transferred from one appropriation item to another at the discretion of the chief administrative officer of the Employees Retirement System for the purpose of applying appropriations in excess of actual general revenue group insurance premium costs at any of the higher education institutions named above to appropriation shortfalls for general revenue group insurance premiums at any of the higher education institutions named above. Funds appropriated above to components of The University of Texas System and the Texas A&M University System may be transferred from one component to another component within the same system at the discretion of the chief administrative officer of each system for the same purposes stated above.
 - b. The Employees Retirement System, The University of Texas System, and the Texas A&M University System shall file a report with the Legislative Budget Board, the Governor and the Comptroller by December 1 of each year, detailing any such transfers.
 - c. Out of the funds appropriated above in Strategy A.1.11, The University of Texas Medical Branch at Galveston, \$2,755,124 in fiscal year 2004 and \$2,755,124 in fiscal year 2005 is for the purpose of paying general revenue group insurance premiums for correctional managed health care employees participating in the Employees Retirement System Uniform Group Insurance Program. Out of the funds appropriated above in Strategy C.1.23, Texas Tech University Health Sciences Center, \$3,073,956 in fiscal year 2004 and \$3,073,956 in fiscal year 2005 is for the purpose of paying general revenue group insurance premiums for employees paid from managed health care contracts associated with Texas Youth Commission and Texas Department of Criminal Justice. Except for the transfer authority provided above in Subsection a, these amounts are sum certain.
8. **Unexpended Balances, Higher Education Group Insurance Contributions.** Any unexpended balances remaining as of August 31, 2004 for individual institutions of higher education receiving General Revenue group insurance contributions in this appropriation are hereby appropriated for the same purposes in fiscal year 2005.

HIGHER EDUCATION COORDINATING BOARD

	For the Years Ending	
	August 31, 2004	August 31, 2005
A. Goal: CLOSE THE GAPS IN HIGHER EDUCATION		
Close the gaps in participation, success, excellence, and research by coordinating higher education in Texas and promoting quality and access in all aspects of higher education.		
Outcome (Results/Impact):		
Percent Increase in Fall Student Headcount Enrollment since Fall 2000	15%	17.8%
Percent Increase in Bachelor's Degrees, Associate's Degrees, and Certificates Awarded Since Those Awarded Fall 1999 Through Summer 2000	7.9%	9.6%
Retention Rate of Students Completing Required Developmental Education	83%	83%
Percentage of Students Completing First Year of College in a Texas Institution of Higher Learning Without Being Required to Take Developmental Education Courses	75%	75%
Percentage of Community College Technical Programs Evaluated	25%	25%
Percentage Increase in Federal Funding for Science and Engineering at Texas Universities and Health-related Institutions Relative to 1998	33%	36.2%
A.1.1. Strategy: PROMOTE PARTICIPATION AND SUCCESS		
Close the gaps in participation and success by administering grants and scholarship programs and by promoting access to higher education.	\$ 4,196,915	\$ 3,996,915
Output (Volume):		
Increase in Fall Student Headcount Enrollment since Fall 2000	90,000	120,000
Increase in the Number of Bachelor's Degrees, Associate's Degrees, and Certificates Reported Since Those Awarded Fall 1999 Through Summer 2000	9,000	11,000
Number of Grants or Scholarships Awarded	117,987	117,987
Amount of Grant and Scholarship Funds Distributed (In Millions)	254	254
Explanatory:		
Percentage of University Students Completing TASP-required Developmental Education Within Two Semesters or Less	40%	40%
Percentage of Community and Technical College Students Completing TASP-required Developmental Education Within Two Semesters or Less	20%	20%
Dollars Appropriated for Developmental Education	85,540,000	85,540,000
Percentage of University Students Graduating Within Six Years	52%	52%
Percentage of Students Enrolled in Colleges Who Are African-American or Hispanic	37.5%	37.6%
Percentage of Anglo High School Graduates Who Are Enrolled in a Texas Public College or University	60%	61%
Percentage of African-American High School Graduates Who Are Enrolled in a Texas Public College or University	54%	54%
Percentage of Hispanic High School Graduates Who Are Enrolled in a Texas Public College or University	54%	54%
Percentage of Other High School Graduates Who Are Enrolled in a Texas Public College or University	75%	75%
A.1.2. Strategy: HINSON-HAZLEWOOD LOAN PROGRAM		
Administer the Hinson-Hazlewood College Student Loan Program.	\$ 4,696,129	\$ 4,696,129
Output (Volume):		
Number of Students Receiving Loans	7,418	7,529
Dollar Amount of Outstanding Loans (In Thousands)	632,500	632,500
Efficiencies:		
Default Rate on Hinson-Hazlewood Loans	7.9%	7.9%

HIGHER EDUCATION COORDINATING BOARD
(Continued)

A.2.1. Strategy: CLOSE THE GAPS IN EXCELLENCE	\$	1,447,469	\$	1,447,469
Close the gaps in excellence by coordinating and evaluating university programs, community and technical college programs, and health programs.				
Output (Volume):				
Number of Proprietary School and Community and Technical College Programs Reviewed		1,000		1,000
A.2.2. Strategy: CLOSE THE GAPS IN RESEARCH	\$	325,507	\$	325,507
Close the gaps in research by administering and evaluating research programs.				
Output (Volume):				
Dollar Value of Federal Funding for Science and Engineering at Texas Universities and Health-related Institutions Relative to 1998		1,124,540,412		1,151,305,118
Dollars of Additional Funding Received as a Result of Advanced Technology Program or Advanced Research Program Funding (In Thousands)		0		160,000
A.3.1. Strategy: CLOSE GAPS - PLANNING/INFORMATION	\$	<u>1,735,522</u>	\$	<u>1,735,522</u>
Close the higher education gaps by providing planning and information services.				
Output (Volume):				
Number of Studies on Higher Education Conducted		25		25
Total, Goal A: CLOSE THE GAPS IN HIGHER EDUCATION	\$	<u>12,401,542</u>	\$	<u>12,201,542</u>
B. Goal: CLOSE THE GAPS - AFFORDABILITY				
Close the gaps in participation and success by providing trustee funds to institutions and students through special programs designed to improve the affordability of higher education.				
Outcome (Results/Impact):				
Number of Students Attending Independent Colleges and Universities as a Percentage of Total Enrollment		10%		10%
B.1.1. Strategy: TUITION EQUALIZATION GRANT PROGRAM	\$	70,683,556	\$	70,683,556
Tuition Equalization Grants (TEG) Program.				
Output (Volume):				
Number of Students Receiving TEG Awards		20,894		20,894
Average TEG Award		2,500		2,500
Retention Rate of TEG Recipients after One Academic Year		60%		60%
Percentage of TEG Recipients Who Earn a Baccalaureate Degree Within Six Academic Years		50%		50%
Percentage of TEG Recipients Who Are Minority Students		39%		39%
B.1.2. Strategy: TEXAS COLLEGE WORK STUDY PROGRAM	\$	4,420,097	\$	4,420,097
Output (Volume):				
Number of Students Employed		7,475		7,475
B.1.3. Strategy: PUBLIC STUDENT INCENTIVE GRANT PGM	\$	1,433,414	\$	1,433,414
Public Student Incentive Grant Program.				
B.1.4. Strategy: COLLEGE READINESS ASSESSMENT	\$	64,168	\$	64,168
College Readiness Assessment Fee Waiver Program.				
B.1.5. Strategy: LICENSE PLATE SCHOLARSHIPS	\$	66,000	\$	66,000
License Plate Scholarships Program.				
B.1.6. Strategy: STATE MILITARY TUITION ASSISTANCE	\$	1,000,000	\$	1,000,000
State military tuition payment assistance.				
B.1.7. Strategy: FIFTH-YEAR ACCOUNTING STUDENTS	\$	535,000	\$	535,000
Fifth-year accounting students program.				
B.1.8. Strategy: EARLY HS GRADUATION PROGRAM	\$	2,300,000	\$	2,300,000
Early High School Graduation Scholarship Program.				

HIGHER EDUCATION COORDINATING BOARD
(Continued)

B.1.9. Strategy: TANF SCHOLARSHIP PROGRAM	\$	225,000	\$	225,000
Temporary Assistance for Needy Families Scholarship Program.				
B.1.10. Strategy: CERTIFIED EDUCATIONAL AIDE PROGRAM	\$	3,000,000	\$	3,000,000
B.1.11. Strategy: TEXAS GRANT PROGRAM	\$	162,180,000	\$	162,180,000
Toward EXcellence, Access, and Success (TEXAS) Grant Program.				
Output (Volume):				
Number of Students Receiving TEXAS Grants		70,950		70,950
Retention Rate of TEXAS Grant Recipients after One Academic Year - Public Universities		66.3%		66.3%
Retention Rate of TEXAS Grant Recipients after One Academic Year - Public Community and Junior Colleges		63.9%		63.9%
Retention Rate of TEXAS Grant Recipients after One Academic Year - Public Technical Colleges		92.3%		92.3%
Percentage of TEXAS Grant Recipients Who Earn a Baccalaureate Degree Within Six Academic Years		60%		60%
Percentage of TEXAS Grant-eligible High School Graduates Who Receive a TEXAS Grant upon Enrollment in a Higher Education Institution		19.2%		19.2%
B.1.12. Strategy: TEACH FOR TEXAS CONDITIONAL GRANTS	\$	5,000,000	\$	5,000,000
Teach for Texas Conditional Grant Program.				
Output (Volume):				
Number of Students Receiving Teach for Texas Conditional Grants		985		985
B.1.13. Strategy: CHILD-CARE WORKER LOAN REPAY	\$	20,000	\$	16,000
Early childhood child-care worker student loan repayment program.				
B.1.14. Strategy: BORDER FACULTY LOAN REPAYMENT PGM	\$	218,750	\$	218,750
Border Faculty Loan Repayment Program.				
B.1.15. Strategy: TEXAS GRANT II PROGRAM	\$	4,855,000	\$	4,855,000
Toward EXcellence, Access, and Success (TEXAS) Grant II Program.				
Total, Goal B: CLOSE THE GAPS - AFFORDABILITY	\$	<u>256,000,985</u>	\$	<u>255,996,985</u>
C. Goal: CLOSE THE GAPS - RESEARCH				
Close the gaps in research by providing trustee funds to institutions and students through special programs designed to enhance and facilitate research at Texas institutions.				
C.1.1. Strategy: ADVANCED RESEARCH PROGRAM	\$	9,500,000	\$	UB
Output (Volume):				
Number of ARP Research Projects Funded		131		0
C.1.2. Strategy: ADVANCED TECHNOLOGY PROGRAM	\$	19,500,000	\$	UB
Output (Volume):				
Number of ATP Research Projects Funded		187		0
Total, Goal C: CLOSE THE GAPS - RESEARCH	\$	<u>29,000,000</u>	\$	<u>UB</u>
D. Goal: CLOSE THE GAPS - HEALTH PROGRAMS				
Close the gaps in Texas by providing trustee funds to institutions and students through special programs designed to improve health care related to education.				
Outcome (Results/Impact):				
Percentage of Baylor College of Medicine Graduates Entering Texas Residency Programs		55%		55%
Percentage of Baylor College of Medicine Graduates Entering Primary Care Residency Programs		55%		55%
Percentage of Baylor College of Medicine Students Passing Part 1 or Part 2 of the National Licensing Exam on the First Attempt		99%		99%

HIGHER EDUCATION COORDINATING BOARD
(Continued)

Percentage of Family Practice Residency Program Completers Practicing in Medically Underserved Areas or Health Professional Shortage Areas		6.2%		6.2%
Percentage of Family Practice Residency Program Completers Practicing in Texas		86%		86%
D.1.1. Strategy: BAYLOR COLLEGE OF MEDICINE Output (Volume):				
Average Amount per BCOM Student		63,244		63,244
D.1.2. Strategy: FAMILY PRACTICE RESIDENCY PROGRAM Output (Volume):				
Number of FPRP Residents Supported		690		690
Average Funding per FPRP Resident		12,703		12,703
D.1.3. Strategy: PRECEPTORSHIP PROGRAM Output (Volume):				
Number of Medical Students Participating in the Internal Medicine Statewide Preceptorship Program		95		97
Number of Medical Students Participating in the Pediatric Statewide Preceptorship Program		92		95
D.1.4. Strategy: PRIMARY CARE RESIDENCY PROGRAM	\$	2,633,399	\$	2,633,400
D.1.5. Strategy: GRADUATE MEDICAL EDUCATION Graduate Medical Education Program.	\$	1,919,101	\$	1,919,102
D.1.6. Strategy: CHIROPRACTIC COLLEGES Chiropractic Colleges Program.	\$	250,000	\$	250,000
D.1.7. Strategy: JOINT ADMISSION MEDICAL PROGRAM	\$	3,500,000	\$	UB
D.1.8. Strategy: PHYSICIAN'S EDUCATION LOAN PROGRAM	\$	767,902	\$	767,902
Physician's Education Loan Repayment Program.				
D.1.9. Strategy: PROFESSIONAL NURSING AID Financial aid for professional nursing students.	\$	263,831	\$	263,830
D.1.10. Strategy: VOCATIONAL NURSING AID Financial aid for licensed vocational nursing students.	\$	50,463	\$	50,463
D.1.11. Strategy: DENTIST'S EDUCATION LOAN PROGRAM	\$	117,747	\$	117,747
Dentist's Education Loan Repayment Program.				
Total, Goal D: CLOSE THE GAPS - HEALTH PROGRAMS	\$	<u>55,141,235</u>	\$	<u>51,641,236</u>

E. Goal: CLOSE GAPS - QUALITY/PARTICIPATION
Close the gaps in Texas higher education by providing trusteed funds to institutions through special programs designed to improve the quality and delivery of instruction and also increase the participation and success of Texans.

Outcome (Results/Impact):

Pass Rate of Education EXCET Exam at Centers for Teacher Education

E.1.1. Strategy: STARLINK		70%		70%
E.1.2. Strategy: TEACHER EDUCATION Centers for Teacher Education (Texas Association of Developing Colleges).	\$	637,215	\$	637,215
Output (Volume):	\$	3,017,202	\$	3,017,203
Number of Students Enrolled in TADC Educator Preparation Programs		173		181
Number of Graduates of TADC Educator Preparation Programs		75		81
E.1.3. Strategy: TWO-YEAR ENROLLMENT GROWTH Two-year Institution Enrollment Growth.	\$	9,000,000	\$	9,000,000
E.1.4. Strategy: GENERAL ACADEMIC ENROLLMENT GROWTH	\$	2,000,000	\$	2,000,000
E.1.5. Strategy: AFRICAN AMERICAN MUSEUM INTERNSHIP	\$	43,750	\$	43,750
African American Museum Professional Internship.				

HIGHER EDUCATION COORDINATING BOARD
(Continued)

E.1.8. Strategy: TECHNOLOGY WORKFORCE DEVELOPMENT	<u>\$ 8,197,916</u>	<u>\$ 8,197,916</u>
Total, Goal E: CLOSE GAPS - QUALITY/PARTICIPATION	<u>\$ 22,896,083</u>	<u>\$ 22,896,084</u>
F. Goal: FEDERAL GRANT PROGRAMS		
Close the gaps in participation and success by providing federal funds to institutions and students to improve higher education in Texas.		
F.1.1. Strategy: STUDENT FINANCIAL AID Student financial assistance programs.	\$ 6,203,617	\$ 6,203,617
F.1.2. Strategy: TECHNICAL/VOCATIONAL PROGRAMS Technical-vocational education programs.	\$ 45,744,613	\$ 45,744,613
F.1.3. Strategy: TEACHER QUALITY GRANTS PROGRAMS	<u>\$ 4,280,785</u>	<u>\$ 4,280,785</u>
Total, Goal F: FEDERAL GRANT PROGRAMS	<u>\$ 56,229,015</u>	<u>\$ 56,229,015</u>
G. Goal: TOBACCO FUNDS		
Close the gaps in Texas higher education by providing tobacco settlement receipts to institutions through special programs.		
G.1.1. Strategy: EARNINGS - MINORITY HEALTH Tobacco earnings from the Permanent Fund for Minority Health Research and Education.	\$ 1,125,000	\$ 1,125,000
G.1.2. Strategy: EARNINGS - NURSING/ALLIED HEALTH Tobacco earnings from the Permanent Fund for Higher Education Nursing, Allied Health, and Other Health-related programs.	\$ 2,025,000	\$ 2,025,000
G.2.1. Strategy: EARNINGS - HECB FOR BAYLOR COLL MED Tobacco earnings - HECB for Baylor College of Medicine.	<u>\$ 1,125,000</u>	<u>\$ 1,125,000</u>
Total, Goal G: TOBACCO FUNDS	<u>\$ 4,275,000</u>	<u>\$ 4,275,000</u>
H. Goal: INDIRECT ADMINISTRATION		
H.1.1. Strategy: CENTRAL ADMINISTRATION	\$ 2,114,108	\$ 2,114,108
H.1.2. Strategy: INFORMATION RESOURCES	\$ 4,863,992	\$ 4,863,993
H.1.3. Strategy: OTHER SUPPORT SERVICES	<u>\$ 2,054,437</u>	<u>\$ 2,054,437</u>
Total, Goal H: INDIRECT ADMINISTRATION	<u>\$ 9,032,537</u>	<u>\$ 9,032,538</u>
Grand Total, HIGHER EDUCATION COORDINATING BOARD	<u>\$ 444,976,397</u>	<u>\$ 412,272,400</u>
Method of Financing:		
General Revenue Fund	\$ 357,703,339	\$ 325,203,341
Earned Federal Funds, estimated	867,894	867,895
Subtotal, General Revenue Fund	<u>\$ 358,571,233</u>	<u>\$ 326,071,236</u>
General Revenue Fund - Dedicated		
Telecommunications Infrastructure Fund No. 345	329,750	329,750
Texas Collegiate License Plate Program Account No. 5015, estimated	50,000	50,000
Houston Livestock Show and Rodeo Scholarships Fund Account No. 5034, estimated	6,000	6,000
Girl Scout License Plates, estimated	10,000	10,000

HIGHER EDUCATION COORDINATING BOARD
(Continued)

Technology Workforce Development Account No. 5079, estimated	4,176,958	4,176,958
Scholarship Fund for Fifth Year Accounting Students Account No. 106, estimated	585,000	585,000
Medical School Tuition Set Aside Account No. 542, estimated	550,000	550,000
Subtotal, General Revenue Fund - Dedicated	<u>\$ 5,707,708</u>	<u>\$ 5,707,708</u>
Federal Funds	56,229,015	56,229,015
<u>Other Funds</u>		
Appropriated Receipts, estimated	4,218,958	4,218,958
Certificate of Authority Fees, estimated	18,000	18,000
Interagency Contracts	220,000	16,000
Permanent Endowment Fund for the Baylor College of Medicine, estimated	1,125,000	1,125,000
Permanent Fund for the Higher Education Nursing, Allied Health and Other Health Related Programs, estimated	2,025,000	2,025,000
Permanent Fund for Minority Health Research and Education, estimated	1,125,000	1,125,000
Certification and Proprietary School Fees, estimated	137,987	137,987
Interagency Contracts - Transfer from Foundation School Fund No. 193, estimated	5,525,000	5,525,000
Student Loan Funds, estimated	10,013,496	10,013,496
Tax Reimbursement Grants, estimated	60,000	60,000
Subtotal, Other Funds	<u>\$ 24,468,441</u>	<u>\$ 24,264,441</u>
 Total, Method of Financing	 <u>\$ 444,976,397</u>	 <u>\$ 412,272,400</u>
Number of Full-Time-Equivalent Positions (FTE):	276.5	276.5
Schedule of Exempt Positions:		
Commissioner of Higher Education	\$150,000	\$150,000
Supplemental Appropriations Made in Riders:	\$ 11,319,205	\$ 21,919,325
Object-of-Expense Informational Listing:		
Salaries and Wages	\$ 12,954,603	\$ 12,954,604
Other Personnel Costs	277,801	277,801
Operating Costs	7,511,537	7,311,537
Client Services	91,551,752	91,410,447
Grants	341,634,497	319,871,924
Capital Expenditures	<u>2,365,412</u>	<u>2,365,412</u>
Total, Object-of-Expense Informational Listing	<u>\$ 456,295,602</u>	<u>\$ 434,191,725</u>

1. **Capital Budget.** None of the funds appropriated above may be expended for capital budget items except as listed below. The amounts shown below shall be expended only for the purposes shown and are not available for expenditure for other purposes. Amounts appropriated above and identified in this provision as appropriations either for "Lease payments to the Master Lease Purchase Program" or for items with an "(MLPP)" notation shall be expended only for the purpose of making lease-purchase payments to the Texas Public Finance Authority pursuant to the provisions of Government Code § 1232.103.

HIGHER EDUCATION COORDINATING BOARD
(Continued)

	2004	2005
a. Acquisition of Information Resource Technologies		
(1) PC Hardware Replacement Program and Upgrades	\$ 159,854	\$ 159,854
(2) Telecommunications Hardware Acquisitions and Upgrades	78,750	78,750
(3) Software Licensing Purchases and Upgrades	43,750	43,750
(4) Information Access Initiative Hardware/Software	65,625	65,625
(5) Student Loan Information System Server Migration Project	<u>\$ 1,480,487</u>	<u>\$ 1,533,557</u>
Total, Acquisition of Information Resource Technologies	<u>\$ 1,828,466</u>	<u>\$ 1,881,536</u>
Total, Capital Budget	<u>\$ 1,828,466</u>	<u>\$ 1,881,536</u>
 Method of Financing (Capital Budget):		
General Revenue Fund	\$ 282,354	\$ 282,354
Other Funds	1,480,487	1,533,557
GR Dedicated - Telecommunications Infrastructure Fund No. 345	<u>65,625</u>	<u>65,625</u>
Total, Method of Financing	<u>\$ 1,828,466</u>	<u>\$ 1,881,536</u>
 2. Commissioner's Salary. The Coordinating Board is hereby authorized to utilize \$77,851 per year from general revenue funds appropriated to Goal H, in 2004 and 2005 and any earned funds for the purpose of funding the salary of the Commissioner of Higher Education at a rate NTE \$150,000 per year in 2004 and 2005.		
 3. Use of Excess Registration Fees Authorization. Any registration fee collected by the Coordinating Board to pay the expenses of a conference, seminar or meeting in excess of the actual costs of such conference, seminar or meeting may be used to pay the expenses of any other conference, seminar or meeting for which no registration fees were collected or for which registration fees collected were insufficient to cover the total expenses.		
 4. Student Loan Program. All moneys in the Texas Opportunity Plan Fund and the Texas College Student Loan Bonds Interest and Sinking Fund, the Student Loan Auxiliary Fund, and the Student Loan Revenue Fund are hereby appropriated to the Texas Higher Education Coordinating Board, for the purposes specified in Article III, §§ 50b and 50b-1, 50b-2, 50b-3, 50b-4 and 50b-5 of the Texas Constitution and Education Code §§ 52.01-52.90 and 56.121-56.135.		
 5. Texas Public Educational Grants Program. Unless a different percentage is set by passage of legislation amending the Texas Education Code, it is the intent of the Legislature that the amount of tuition to be set aside for the Texas Public Educational Grants Program shall be 15 percent in fiscal years 2004 and 2005.		
 6. Physician's Education Loan Repayment Program. The funds provided to Strategy D.1.8, Physician's Education Loan Repayment Program, are appropriated in accordance with Education Code §§ 61.531 - 61.539 for repayment of eligible student loans received by a physician who meets the stipulated requirements.		

HIGHER EDUCATION COORDINATING BOARD
(Continued)

7. **Baylor College of Medicine.** From funds appropriated by this Act for the Baylor College of Medicine, the Coordinating Board shall allocate an amount per student enrolled in the college equal to the cost of medical education in the established public medical schools cited in Subchapter D, Chapter 61, Education Code. The cost of medical education per student at public medical schools as determined by the Coordinating Board shall include General Revenue appropriations for instruction and operations, infrastructure, and staff benefits allocated to undergraduate medical education.
8. **Texas Academic Skills Program.**
 - a. **Developmental Education Programs.** Funds appropriated for developmental programs under Education Code § 51.306, shall be expended only for those costs associated with the operation of the developmental education program including instruction, tutorial, peer counseling, evaluation, retraining of faculty, and related costs for administration of the program. The funds shall not be used for the recruitment of students.
 - b. **TASP Test Fee Waivers.** Funds appropriated for Strategy B.1.4, College Readiness Assessment Fee Waiver Program, shall be expended by the Coordinating Board for providing test fee waivers for needy students.
 - c. **Intent Concerning Developmental Needs.** It is the intent of the Legislature that all affected institutions of public higher education fully address developmental needs identified by the Texas Academic Skills Program with appropriations made in this Act for the Developmental Education Program and other institutional funds available.
9. **Residency Eligibility.** It is legislative intent that any student who is eligible for Texas resident tuition at a tax-supported institution is eligible for the Tuition Equalization Grants Program, provided all other requirements established by the Coordinating Board have been met by that student. None of the funds appropriated in this Act to the Coordinating Board for Tuition Equalization Grants may be expended for grants to non-resident students attending independent colleges or universities in Texas except for grants to National Merit Finalists.
10. **Research Programs.** The appropriations made by this Act for the Advanced Research Program and the Advanced technology Program shall be distributed in accordance with the provisions of Education Code, Chapters 142 and 143. However, no more than 70 percent of the funds allocated for each program shall be designated for The University of Texas and the Texas A&M University Systems in the 2004-05 biennium. Institutions receiving transfers of funds under these programs shall report to the Coordinating Board in accordance with the provisions of Education Code § 142.005 and § 143.006. Similarly, the Coordinating Board shall report to the Governor and the Legislative Budget Board. Funds allocated for both research programs are exempt from Texas Building and Procurement Commission rules and regulations.
11. **TEG Need Survey and Reporting Requirements.** The Coordinating Board shall present the result of its most recent annual need survey for Tuition Equalization Grant (TEG) funds as part of its biennial appropriations request to the Legislative Budget Board and the Governor. The request shall include the number of eligible students and an estimate of the amount needed to fund fully the TEG program in the coming biennium. The Coordinating Board shall update this projection to include the most recent fall semester data prior to the convening of each regular session of the Legislature and shall provide this information to the Legislative Budget Board staff prior to Legislative Budget Board deliberations on the TEG appropriation. Each institution receiving tuition equalization grants shall furnish to the Coordinating Board any financial information requested.

HIGHER EDUCATION COORDINATING BOARD
(Continued)

12. **Annual Financial Aid Report.** The Coordinating Board shall present an annual report concerning student financial aid at Texas public and independent institutions of higher education. This report shall be provided to the Legislative Budget Board by August 1 of each calendar year.
13. **Family Practice Rural and Public Health Rotations.** Funds appropriated above for Family Practice Residency Programs, include up to \$363,000 in 2004 and \$363,000 in 2005 for one month rural rotation or one month public health rotation for family practice residents in accordance with the provision of Education Code § 51.918.
14. **Internal Auditor Required.** From funds appropriated above in Goal H, the Coordinating Board shall employ at least one full-time internal auditor.
15. **Dramatic Enrollment Growth Funding for Two Year Institutions.** Funds appropriated above in Strategy E.1.3, Two-Year Institution Enrollment Growth, are to be used only to assist Public Community/Junior Colleges, Texas State Technical College components, and Lamar State Colleges that experience dramatic rates of growth in contact hours during the 2004-05 biennium. Funds appropriated under this section shall be allocated according to a formula developed by the Texas Higher Education Coordinating Board based on the following criteria:
 - a. Under this section, a RN professional nursing program is considered a separate institution for purposes of eligibility for rapid growth funding. For fiscal year 2004, funding shall be provided for growth in contact hours in RN professional nursing courses greater than 8 percent between Fall 2002 and Fall 2003 semesters. For fiscal year 2005, funding shall be provided for growth in contact hours in RN professional nursing courses greater than 15 percent between Fall 2002 and Fall 2004 semesters.
 - b. Of the amounts appropriated in Strategy E.1.3., the Coordinating Board shall set aside \$8,189,906 in each year to fund district wide growth in community colleges with new campuses as follows: \$4 million for North Harris Montgomery Community College; \$783,500 for Laredo Community College; \$3,189,906 for Houston Community College; and \$216,500 for Cisco Junior College. In fiscal year 2004, colleges benefitting from this set aside could receive funding based on any level of district wide growth in contact hours between Fall 2002 and Fall 2003. In fiscal year 2005, funding would be based on any level of district wide growth in contact hours between Fall 2003 and Fall 2004. These colleges would not be eligible for remaining funds appropriated in Strategy E.1.3.
 - c. For fiscal year 2004, funding shall be provided for growth in contact hours at community college districts, TSTC components, or Lamar State Colleges which experience an increase in total contact hours in semester length courses of greater than 15 percent between Fall 2002 and Fall 2003 semesters. Funding shall be provided only for contact hour growth greater than 15 percent. For fiscal year 2005, funding shall be provided for growth in contact hours at community college districts, TSTC components, or Lamar State Colleges which experience an increase in total contact hours in semester length courses of greater than 30 percent between Fall 2002 and Fall 2004 semesters. Funding shall be provided only for contact hour growth greater than 30 percent.
 - d. If funds are available after funding subsection (a), in fiscal year 2004, funding shall be provided for growth in contact hours at community college districts, TSTC components, or Lamar State Colleges which experience an increase in total contact hours in semester length courses of greater than 8 percent between Fall 2002 and Fall 2003 semesters and are not included under subsection (a). For fiscal year 2005, funding shall be provided for growth in contact hours at community college districts, TSTC components, or Lamar State Colleges which experience an increase in total contact hours in semester length courses of greater than 16 percent between Fall 2002 and Fall 2004 semesters and are not included

HIGHER EDUCATION COORDINATING BOARD
(Continued)

under subsection (a). For funds allocated under this subsection, the Texas Higher Education Coordinating Board shall deduct the first 8 percent of contact hour growth for each eligible two-year community college district, TSTC component, or Lamar State College.

- e. **Public Community/Junior Colleges, Texas State Technical Colleges components and Lamar State Colleges** receiving funds for dramatic enrollment growth under subsections (a) or (b) are encouraged to expend those funds on dramatic enrollment growth in RN professional nursing courses in the same proportion that those courses generated dramatic enrollment growth funding.
16. **Minority Doctoral Incentive Program.** Out of funds appropriated to the Minority Doctoral Incentive Program in Senate Bill 1, Seventy-seventh Legislature, for the biennium ending August 31, 2003, \$137,304 is hereby appropriated for the biennium ending August 31, 2005.
17. **Earned Federal Funds.** All unexpended balances of Earned Federal Funds remaining as of August 31, 2003, are appropriated above for the same purposes for use during the biennium beginning September 1, 2004. Any balances on hand at the end of fiscal year 2004 may be carried over to fiscal year 2005 and such funds are appropriated for fiscal year 2005. The authority to receive and expend earned federal fund balances in excess of those appropriated above is subject to the following limitation:
- At least 14 days prior to any use of any earned federal funds the Coordinating Board shall report the earned federal funds received and provide documentation of the proposed use of these funds to the Legislative Budget Board and the Governor.
18. **Graduate Medical Education.** Funds appropriated above in Strategy D.1.5, Graduate Medical Education Program, are for the purpose of supporting the educational costs of primary care graduate medical education programs. Each entity incurring the costs of faculty responsible for instruction or supervision of resident physicians in such accredited programs may receive funds in an amount not to exceed \$12,500 in each fiscal year for each filled residency position. For the purposes of this rider, primary care shall include family practice, obstetrics/gynecology, general internal medicine, and general pediatrics. The first \$1,919,101 in appropriated funds in any fiscal year shall be expended for eligible primary care residency positions. Appropriated funds in excess of \$1,919,101 in any fiscal year shall be expended for each residency position filled by a graduate of a school of medicine or osteopathy accredited by the Liaison Committee on Medical Education or the American Osteopathic Association such that a primary care position shall receive 1.2 times the amount received by any other residency position. The Higher Education Coordinating Board shall promulgate rules for the equitable distribution of these funds.
19. **Teacher Education Centers.** Funds appropriated above in Strategy E.1.2, Centers for Teacher Education Program, are to be used for the purpose of supporting centers for teacher education at private, independent, general academic institutions that are component institutions of the Texas Association of Developing Colleges. Consideration shall be given to teacher education centers at Jarvis Christian College in Hawkins, Paul Quinn College in Dallas, Texas College in Tyler, Huston-Tillotson College in Austin, and Wiley College in Marshall. These funds may be used to enhance library resources and computer, mathematics and science laboratories. The board may require periodic submission of data and reports as the board considers necessary to assess the overall performance of the centers. The board may obtain the services of a program planner to facilitate and coordinate the process of curriculum development and program redesign to improve teacher preparation at the participating institutions.

HIGHER EDUCATION COORDINATING BOARD
(Continued)

The Teacher Education Centers have formed a Distance Learning Consortium that is coordinated by Huston-Tillotson College. It is the intent of the Legislature that funds appropriated above in Strategy E.1.2, Centers for Teacher Education, from the Telecommunications Infrastructure Fund No. 345, shall be used to upgrade distance learning through Huston-Tillotson College.

20. **Cost Recovery for the Common Application Form.** The Texas Higher Education Coordinating Board is hereby authorized to collect funds from each general academic institution to recover costs related to the electronic common application form. The amount collected from each institution shall be proportional to the number of applications received. The funds collected shall only recover direct costs and only be used for the purposes of the electronic common application form.
21. **Retention of Economically Disadvantaged Students.** The Higher Education Coordinating Board shall include in the annual performance report the percentage of economically disadvantaged freshmen retained at public institutions of higher education as defined by the Legislative Budget Board and the Governor in consultation with the State Auditor's Office.
22. **Disparity Study for Institutions of Higher Education.** The disparity study conducted by the Comptroller of Public Accounts pursuant to General Appropriations Act, § 16, page I-24, Seventy-fifth Legislature, to determine whether past acts of discrimination by institutions of higher education have created any present effects of such past discrimination may be continued by the Texas Higher Education Coordinating Board. The Coordinating Board may maintain and update as necessary the database developed for the disparity study. The Texas Education Agency and each institution of higher education receiving appropriations may cooperate with the Coordinating Board to continue the disparity study and to provide data to maintain and update the database. The Coordinating Board, the Texas Education Agency, and each institution of higher education that participates in the study shall comply with all applicable state and federal laws governing the confidentiality and privacy of the data used in the study.
23. **Information Access Initiative.** The Higher Education Coordinating Board shall coordinate with the Texas Education Agency and the State Board for Educator Certification regarding sharing, integrating, and housing pre-kindergarten through grade 16 (P-16) public education data in implementing its Information Access Initiative. The three agencies shall work together to ensure that common and related data held by each agency is maintained in standardized, compatible formats to enable the efficient exchange of information between agencies and for matching of individual student records for longitudinally based studies and analysis. It is the intent of the Legislature that individual initiatives interact seamlessly across agency systems to facilitate efforts to integrate the relevant data from each agency into a longitudinal public education data resource to provide a widely accessible P-16 public education data warehouse.
24. **Enrollment Growth Funding for General Academic Institutions.** Funds appropriated above in Strategy E.1.4, General Academic Institution Enrollment Growth, are to be used only to assist public general academic institutions which experience dramatic rates of growth in weighted semester credit hours during the 2004-05 biennium. Funds appropriated under this section shall be allocated according to a formula developed by the Texas Higher Education Coordinating Board based on the following criteria:
 - a. For fiscal year 2004, funding shall be provided for institutions which experience an increase in weighted semester credit hours in RN professional nursing courses greater than 3 percent between Fall 2002 and Fall 2003 semesters. For fiscal year 2005, funding shall be provided for growth in weighted semester credit hours in RN professional nursing courses greater than 6 percent between Fall 2002 and Fall 2004 semesters. This subsection should be fully funded prior to providing funding under subsection (b).

HIGHER EDUCATION COORDINATING BOARD
(Continued)

- b. For fiscal year 2004, funding shall be provided for growth in weighted semester credit hours at institutions which experience an increase in total weighted semester credit hours greater than 3 percent between Fall 2002 and Fall 2003 semesters. Funding shall be provided only for growth in weighted semester credit hours greater than 3 percent. For fiscal year 2005, funding shall be provided for growth in weighted semester credit hours at institutions which experience an increase in total weighted semester credit hours greater than 6 percent between Fall 2002 and Fall 2004. Funding shall be provided only for growth in weighted semester credit hours greater than 6 percent.
25. **Chiropractic Colleges.** Out of the funds appropriated above in Strategy D.1.6, Chiropractic Colleges Program, an amount of \$125,000 in each year of the biennium shall be contracted to Parker Chiropractic College and an amount of \$125,000 each year shall be contracted to Texas Chiropractic College for the purpose of preparation or instruction of Texas resident undergraduate chiropractic students as doctors of chiropractic.
26. **Admission Referral System Pilot Program.** Out of funds appropriated above, the Higher Education Coordinating Board and its Common Application Committee shall design and implement a pilot program for a college admission referral system to be administered at no cost to students. The University of Texas at Austin will assist the Coordinating Board in developing the pilot program by providing the necessary modifications to the Common Application System. The pilot system should be designed to refer and facilitate the admission of students who have been denied admission to the institution of their first choice to other Texas public higher education institutions. In no way should the pilot program interfere with existing provisional admission programs already in place at higher education institutions. Participation by institutions in the pilot program shall be on a voluntary basis. The pilot program began operation with the Fall 2002 semester.
- The Coordinating Board, in conjunction with the institutions participating in the pilot program, shall produce a report evaluating the pilot program no later than November 1, 2003 and November 1, 2004.
27. **Toward Excellence, Access, and Success (TEXAS) Grant Program.** Out of the funds appropriated above in Strategy B.1.11, Toward Excellence, Access, and Success (TEXAS) Grant Program, and funds transferred into the TEXAS Grant Program, any unexpended balances on hand at the end of fiscal year 2004 are hereby appropriated for the same purposes in fiscal year 2005.
28. **Toward Excellence, Access, and Success (TEXAS) Grant II Program.** Out of the funds appropriated above in Strategy B.1.15, Toward Excellence, Access, and Success (TEXAS) Grant II Program, any unexpended balances on hand at the end of fiscal year 2004 are hereby appropriated for the same purposes in fiscal year 2005.
29. **Higher Education Assistance Pilot Program.** Out of funds appropriated above, the Higher Education Coordinating Board shall administer and coordinate the Higher Education Enrollment Assistance Pilot Program to:
- a. Provide prospective students in high schools with college-going rates in the lowest 10 percent of all public high schools with information related to enrollment in public or private or independent institutions of higher education, including admissions and financial aid information; and
 - b. Assist prospective students in these sites with completing applications related to enrollment in higher education institutions, including admissions and financial aid applications.

HIGHER EDUCATION COORDINATING BOARD
(Continued)

The Coordinating Board shall provide the information and assistance required and it shall select an institution of higher education or other entity to provide the information and assistance required at each site. The Coordinating Board may contract with the institution to host enrollment events.

30. **Teach for Texas Conditional Grant Program.**
 - a. Of the funds appropriated above in Strategy B.1.12, Teach for Texas Conditional Grant Program, any unexpended balances on hand at the end of fiscal year 2004 are hereby appropriated for the same purposes in fiscal year 2005.
 - b. Any payments received from students are hereby appropriated for the same purposes as the original Teach for Texas Conditional Grant Program.
31. **Border Faculty Loan Repayment Program.** The Higher Education Coordinating Board may allocate additional funds from Strategy B.1.11, TEXAS Grant Program, to the Border Faculty Loan Repayment Program, ~~and any unexpended balances on hand at the end of fiscal year 2004 are hereby appropriated for the same purposes in fiscal year 2005.~~
32. **Dentists Education Loan Repayment Program.** The funds provided to Strategy D.1.11, Dentist's Education Loan Repayment Program, are appropriated in accordance with Education Code, §§ 61.901 - 61.910, for repayment of eligible student loans received by a dentist who meets the stipulated requirements.
33. **P-16 Council.** It is the intent of the Legislature that the Higher Education Coordinating Board, the Texas Education Agency, and the State Board for Educator Certification continue the activities and operation of the P-16 Council.
34. **Graduation and Persistence Rates.** The Coordinating Board shall report graduation and persistence rates, for each public general academic institution, to the Governor and Legislature no later than September 1, 2004. For each institution, the report shall include:
 - a. Six-year graduation rate (same institution) - percent of students who earned a baccalaureate or higher degree at a public general academic higher education institution within six years of becoming a full-time student at that institution.
 - b. Six-year graduation rate (another institution) - percent of students who earned a baccalaureate or higher degree at a public general academic higher education institution within six years of becoming a full-time student at another public higher education institution.
 - c. Six-year persistence rate (same institution) - percent of students who have not earned a baccalaureate or higher degree, but are still enrolled in the same Texas public general academic higher education institution six years after becoming a full-time student at that institution.
 - d. Six-year persistence rate (another institution) - percent of students who have not earned a baccalaureate or higher degree, but are still enrolled in a Texas public general academic higher education institution six years after becoming a full-time student at another Texas public higher education institution.
 - e. Composite graduation and persistence rate - Sum of the graduation and persistence rates in subsections (a) through (d) above.

HIGHER EDUCATION COORDINATING BOARD
(Continued)

35. **Strategic Plan for Teacher Certification.** Out of funds appropriated above, the Higher Education Coordinating Board shall develop and implement a strategic plan to increase the number of certified teachers in the state to diminish the shortage of certified teachers in the classrooms. The Coordinating Board shall collaborate with the Texas Education Agency, the State Board for Educator Certification, the Texas Workforce Commission, the Governor, and the Legislature in development and implementation of the strategic plan.

In order to facilitate implementation of the strategic plan for teacher certification, the Coordinating Board shall work with the Texas Education Agency, the State Board for Educator Certification, school districts, and professional educator associations to maintain a teacher certification web page. The web page shall convey information on traditional and alternative certification programs and related employment opportunities in such a format that resources are linked and data is easily accessible and navigable to those interested in pursuing a career in teaching.

36. **Financial Aid Maximum for Students Attending Independent Colleges and Universities.** The total amount of financial aid a student is eligible to receive from a TEXAS Grant and the Tuition Equalization Grant is limited to the maximum amount as determined by law.

It is the intent of the Legislature that the state shall give priority in TEXAS Grant funding to students with the greatest financial need who attend public colleges and universities.

37. **Diversity at Independent Colleges and Universities Which Receive TEG.** Independent colleges and universities which enroll students receiving Tuition Equalization Grant funds appropriated by this Act shall provide annual reports to the Higher Education Coordinating Board regarding the diversity of their student body, faculty, executive committee, and governing boards. These reports shall be submitted by October 1 of each year.
38. **Sunset Contingency.** Funds appropriated above for fiscal year 2005 for the Higher Education Coordinating Board are made contingent on the continuation of the Higher Education Coordinating Board by the Seventy-eighth Legislature. In the event that the agency is not continued, the funds appropriated for fiscal year 2004 or as much thereof as may be necessary are to be used to provide for the phase out of agency operations.
39. **STARLINK/Virtual College.** General Revenue funds appropriated above in Strategy E.1.1, Starlink, are for the purpose of supporting the STARLINK communications network and The Virtual College of Texas. The Higher Education Coordinating Board may contract with an institution of higher education to provide for the STARLINK communications network. The Board shall expend up to \$500,000 in each fiscal year of the biennium to enhance the Virtual College of Texas. Any unexpended balances on hand at the end of fiscal year 2004 are appropriated for the same purpose in fiscal year 2005.
40. **Fifth-Year Accounting Students Scholarship Program.** The funds provided to Strategy B.1.7, Fifth-Year Accounting Students Program, are appropriated in accordance with Education Code §§ 61.751 - 61.760 to provide scholarships to eligible fifth-year accounting students.
41. **Tobacco Funds – Estimated Appropriation and Unexpended Balance.** Included in the amounts appropriated above to the Texas Higher Education Coordinating Board are estimated appropriations of amounts available for distribution or investment returns out of the Permanent Endowment Fund for the Baylor College of Medicine.
- a. Amounts available for distribution or investment returns in excess of the amounts estimated above are also appropriated. In the event that amounts available for distribution or investment returns are less than the amounts estimated above, this Act may not be construed as appropriating funds to make up the difference.

HIGHER EDUCATION COORDINATING BOARD
(Continued)

- b. All balances of estimated appropriations from the Permanent Endowment Fund for the Baylor College of Medicine and all balances from the institution's allocation from the amounts available for distribution out of the Permanent Health Fund for Higher Education, except for any General Revenue, at the close of the fiscal year ending August 31, 2003, and the income to said fund during the fiscal years beginning September 1, 2003, are hereby appropriated. Any unexpended appropriations made above as of August 31, 2004, are hereby appropriated for the same purposes for fiscal year 2005.
- 42. **Tobacco Funds - Estimated Appropriation and Unexpended Balance.** Included in the amounts appropriated above to the Texas Higher Education Coordinating Board are estimated appropriations of amounts available for distribution or investment returns out of the Permanent Fund for Minority Health Research and Education and the Permanent Fund for Nursing, Allied Health and Other Health Related Programs.
 - a. Amounts available for distribution or investment returns in excess of the amounts estimated above are also appropriated. In the event that amounts available for distribution or investment returns are less than the amounts estimated above, this Act may not be construed as appropriating funds to makeup the difference.
 - b. All balances of estimated appropriations from the Permanent Fund for Minority Health Research and Education and the Permanent Fund for Nursing, Allied Health and Other Health Related Programs, except for any General Revenue, at the close of the fiscal year ending August 31, 2003, and the income to said fund during the fiscal years beginning September 1, 2003, are hereby appropriated. Any unexpended appropriations made above as of August 31, 2004, are hereby appropriated for the same purposes for fiscal year 2005.
- 43. **Technology Workforce Development.** General revenue dedicated funds appropriated above in Strategy E.1.6, Technology Workforce Development are contingent upon a finding of fact by the Comptroller of Public Accounts that revenue is available from the General Revenue Dedicated Account No 5079, Technology Workforce Development and are appropriated in accordance with Education Code § § 51.831 - 51.840. Unexpended balances from funds appropriated to the Technology Workforce Development Grants Program in Senate Bill 1, Seventy-seventh Legislature, for the 2002-03 biennium may be used as a portion of the above amount and are hereby appropriated for the same purposes for the 2004-05 biennium. Of the funds appropriated herein, any unexpended balances on hand at the end of fiscal year 2004 are hereby appropriated for the same purposes in fiscal year 2005.
- 44. **Reporting by Texas Higher Education Coordinating Board.** It is the intent of the Legislature that the Texas Higher Education Coordinating Board include in its Legislative Appropriations Request for the 2006-07 biennium, information on actual expenditures and budgeted expenditures for the Baylor College of Medicine, which receives distributions from the Permanent Health Fund for Higher Education and the Permanent Endowment Fund for Baylor College of Medicine.
- 45. **College for Texans Campaign.** Contingent upon the enactment of Senate Bill 286, or similar legislation relating to the reauthorization of the Higher Education Coordinating Board, by the Seventy-eighth Legislature, Regular Session, the Higher Education Coordinating Board is hereby appropriated any revenues from the College for Texans Campaign, including revenues from the sale of materials or promotional items, for the biennium beginning September 1, 2003. These revenues are estimated to be \$200,000 and are included above in Strategy A.1.1, Promote Participation and Success. Of the funds appropriated herein, any unexpended balances on hand at the end of fiscal year 2004 are hereby appropriated for the same purposes in fiscal year 2005.

HIGHER EDUCATION COORDINATING BOARD
(Continued)

46. **African American Museum Internship.** Funds appropriated above in Strategy E.1.5, African American Museum Professional Internship, are for the purpose of supporting an internship at the African American Museum in Dallas. The Higher Education Coordinating Board may contract with an institution of higher education to provide for the internship.
47. **Texas College Work Study Program and Toward EXcellence, Access, and Success (TEXAS) Grant Program.** Because of the positive effect of work study programs on student participation and success, funds appropriated above to Strategy B.1.2, Texas College Work Study Program, are intended to maximize the extent to which state funds appropriated for student grants are awarded with criteria requiring a work study component.
48. **Contingency for House Bill 1889/Senate Bill 1200 - Texas NextStep Grant Program.** Contingent upon the enactment of House Bill 1889 or Senate Bill 1200, or similar legislation by the Seventy-eighth Legislature, Regular Session, creating the Texas NextStep grant program or other similar program to pay tuition and fees of eligible students enrolled in two-year institutions of higher education, the following provisions shall take effect:
- a. The Texas Higher Education Coordinating Board may use \$361,136 out of general revenue funds appropriated above for the 2004-05 biennium to administer the Texas NextStep Grant Program.
 - b. Also contingent upon the enactment of House Bill 1889 or similar legislation, the "Number of Full-time Equivalent Positions" (FTE) figure indicated for the Higher Education Coordinating Board is hereby increased by 2.0 FTEs for fiscal year 2005.
49. **Contingency Appropriation for Senate Bill 722: Doctoral Incentive Program.** Contingent upon the enactment of Senate Bill 722, or similar legislation by the Seventy-eighth Legislature, Regular Session, relating to the establishment of a program to provide incentives for certain persons to earn doctorate degrees and enter the faculty and administration of institutions of higher education, the Texas Higher Education Coordinating Board is hereby appropriated \$469,692 for fiscal year 2004 and \$493,177 for fiscal year 2005 from general revenue fund amounts collected as tuition revenue and set aside in accordance with Senate Bill 722. As of August 31, 2004, any unexpended balances of appropriations made by this rider to the Texas Higher Education Coordinating Board are hereby appropriated for the same purposes for the fiscal year beginning September 1, 2004.
50. **Contingency for Senate Bill 1952 - Review of University System Offices.** Contingent upon the enactment of Senate Bill 1952, or similar legislation by the Seventy-eighth Legislature, Regular Session, out of funds appropriated above, the Coordinating Board shall perform a review of university system offices and prepare a report as directed by November 1, 2004, to be submitted to the Governor, Lieutenant Governor, Speaker of the House, the Legislative Budget Board and the chair of the standing committee of each house of the legislature with primary jurisdiction over higher education.
51. **Contingent Appropriation for Senate Bill 4: Texas B-on-Time Loan Program.** Contingent upon the enactment of Senate Bill 4, or similar legislation by the Seventy-eighth Legislature, Regular Session, establishing the Texas B-on-Time Loan Program, the Higher Education Coordinating Board is hereby appropriated the following amounts for the 2004-05 biennium to administer the loan program as provided in the legislation:

	<u>2004</u>	<u>2005</u>
Method of Finance:		
Other Funds, Student Loan Funds, estimated	\$ 750,000	\$ 1,500,000

HIGHER EDUCATION COORDINATING BOARD
(Continued)

General Revenue-Dedicated, Texas B-on-Time Student Loan Account (estimated)	<u>9,962,209</u>	<u>19,926,148</u>
Total	\$ 10,712,209	\$ 21,426,148

Out of funds appropriated, the board shall make debt service payments on any bonds issued to support the program. Any unexpended balances on hand at the end of fiscal year 2004 are hereby appropriated for the same purposes in fiscal year 2005.

In addition, the "Number of Full-time-Equivalent Positions" (FTE) figure indicated for the Higher Education Coordinating Board is hereby increased by 9.2 in fiscal year 2004 and 9.2 in fiscal year 2005.

The following new strategy and targets should be added to Goal B. Close the Gaps in Affordability, contingent upon enactment of Senate Bill 4 or similar legislation, providing for the creation of the Texas B-on-Time Loan Program at the Higher Education Coordinating Board:

Strategy B.1.16 Texas B-on-Time Loan Program.

	<u>2004</u>	<u>2005</u>
Number of Students Receiving Loans	13,003	24,767

HIGHER EDUCATION FUND

	For the Years Ending	
	August 31, <u>2004</u>	August 31, <u>2005</u>
Out of the General Revenue Fund:		
A. Goal: HIGHER EDUCATION FUND		
A.1.1. Strategy: HIGHER EDUCATION FUND	\$ 175,000,000	\$ 175,000,000
The constitutional appropriation for acquiring land with or without permanent improvements, constructing and equipping buildings or other permanent improvements, major repair or rehabilitation of buildings or other permanent improvements, and acquisition of capital equipment, library books and library materials at the eligible institutions and agencies of higher education pursuant to the provisions of Article VII, Section 17(a) of the Texas Constitution.		
Grand Total, HIGHER EDUCATION FUND	<u>\$ 175,000,000</u>	<u>\$ 175,000,000</u>
Object-of-Expense Informational Listing:		
Operating Costs	<u>\$ 175,000,000</u>	<u>\$ 175,000,000</u>
Total, Object-of-Expense Informational Listing	<u>\$ 175,000,000</u>	<u>\$ 175,000,000</u>

HIGHER EDUCATION FUND
(Continued)

1. **Unexpended Balances.** Any unexpended balances as of August 31, 2003 in the General Revenue Fund pursuant to the provision of Article VII, § 17(a) of the Texas Constitution, are hereby appropriated to the respective institutions for the biennium beginning September 1, 2003 for the same purposes.

TEXAS EXCELLENCE FUND

	For the Years Ending	
	August 31, 2004	August 31, 2005
Out of the General Revenue Fund:		
A. Goal: TEXAS EXCELLENCE FUND		
A.1.1. Strategy: TEXAS EXCELLENCE FUND	\$ 10,894,765	\$ 11,633,294
The statutory appropriation to promote increased research capacity and to develop institutional excellence at eligible general academic teaching institutions pursuant to Education Code § 62.051.		
Grand Total, TEXAS EXCELLENCE FUND	\$ 10,894,765	\$ 11,633,294
Object-of-Expense Informational Listing:		
Operating Costs	\$ 10,894,765	\$ 11,633,294
Total, Object-of-Expense Informational Listing	\$ 10,894,765	\$ 11,633,294

UNIVERSITY RESEARCH FUND

	For the Years Ending	
	August 31, 2004	August 31, 2005
Out of the General Revenue Fund:		
A. Goal: UNIVERSITY RESEARCH FUND		
A.1.1. Strategy: UNIVERSITY RESEARCH FUND	\$ 10,894,765	\$ 11,633,294
The statutory appropriation to promote increased research capacity and to develop institutional excellence at eligible general academic teaching institutions pursuant to Education Code § 62.071.		
Grand Total, UNIVERSITY RESEARCH FUND	\$ 10,894,765	\$ 11,633,294
Object-of-Expense Informational Listing:		
Operating Costs	\$ 10,894,765	\$ 11,633,294
Total, Object-of-Expense Informational Listing	\$ 10,894,765	\$ 11,633,294

THE UNIVERSITY OF TEXAS SYSTEM ADMINISTRATION

	For the Years Ending	
	August 31, 2004	August 31, 2005
1. Educational and General State Support	\$ 7,213,226	\$ 7,212,672
Grand Total, THE UNIVERSITY OF TEXAS SYSTEM ADMINISTRATION	<u>\$ 7,213,226</u>	<u>\$ 7,212,672</u>
Method of Financing:		
General Revenue Fund	\$ 6,313,226	\$ 6,312,672
Permanent Endowment Fund Account No. 822, UT Regional Academic Health Center, estimated	<u>900,000</u>	<u>900,000</u>
Total, Method of Financing	<u>\$ 7,213,226</u>	<u>\$ 7,212,672</u>
Number of Full-Time-Equivalent Positions (FTE)- Appropriated Funds	249.0	249.0
1. Informational Listing of Appropriated Funds. The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.		
A. Goal: INSTRUCTION/OPERATIONS		
Provide instructional and operations support.		
A.1.1. Strategy: SYSTEM OFFICE OPERATIONS	\$ 838,902	\$ 838,901
A.1.2. Strategy: LOWER RIO GRANDE VALLEY-RAHC Lower Rio Grande Valley-Regional Academic Health Center.	<u>\$ 3,281,250</u>	<u>\$ 3,281,250</u>
Total, Goal A: INSTRUCTION/OPERATIONS	<u>\$ 4,120,152</u>	<u>\$ 4,120,151</u>
B. Goal: INFRASTRUCTURE SUPPORT		
Provide infrastructure support.		
B.1.1. Strategy: TUITION REVENUE BONDS Tuition revenue bonds for Lower Rio Grande Valley-Regional Academic Health Center.	\$ 1,580,574	\$ 1,580,021
C. Goal: SPECIAL ITEM SUPPORT		
C.2.1. Strategy: HEALTH CARE PARTNERSHIPS-LAREDO Health Care Partnerships - Laredo campus.	\$ 612,500	\$ 612,500
D. Goal: TOBACCO FUNDS		
D.1.1. Strategy: TOBACCO EARNINGS - RAHC Tobacco earnings for Lower Rio Grande Valley RAHC.	\$ 900,000	\$ 900,000
Grand Total, THE UNIVERSITY OF TEXAS SYSTEM ADMINISTRATION	<u>\$ 7,213,226</u>	<u>\$ 7,212,672</u>
Method of Financing:		
General Revenue Fund	\$ 6,313,226	\$ 6,312,672
Permanent Endowment Fund Account No. 822, UT Regional Academic Health Center, estimated	<u>900,000</u>	<u>900,000</u>
Total, Method of Financing	<u>\$ 7,213,226</u>	<u>\$ 7,212,672</u>

THE UNIVERSITY OF TEXAS SYSTEM ADMINISTRATION
(Continued)

Object-of-Expense Informational Listing:

Salaries and Wages	\$ 838,902	\$ 838,901
Operating Costs	4,793,750	4,793,750
Debt Service	<u>1,580,574</u>	<u>1,580,021</u>
Total, Object-of-Expense Informational Listing	<u>\$ 7,213,226</u>	<u>\$ 7,212,672</u>

2. **Aircraft Authorized.** The University of Texas System is authorized to acquire, operate and maintain, including replacing, one passenger airplane. Such airplane should be acquired by gift, if possible, but may be acquired by purchase subject to the authority of the Aircraft Pooling Board under Government Code, Chapter 2205. All costs of acquisition, operation and maintenance, including replacement, may be paid out of the Available University Fund allocable to The University of Texas System. The University of Texas System is also authorized to lease on a short-term basis additional aircraft as may be needed from time to time.
3. **Appropriation, Governing Board.** Out of funds appropriated above, an amount not to exceed \$100,000 in each year of the biennium shall be for all expenses associated with the travel, entertainment, and lodging of the governing board.

A separate record of the board's expenditures for these purposes shall be kept and retained in the same manner as the fiscal records of the institution(s) the board governs: None of the funds appropriated above may be used for the travel, entertainment, and lodging expenses of the board except for the specific amount designated above.

4. **Regional Academic Health Center.** The University of Texas System Administration may use funds appropriated above in Strategy A.1.2, Lower Rio Grande Valley-RAHC, and Strategy B.1.1, Tuition Revenue Bonds, to maintain the Lower Rio Grande Valley Regional Academic Health Center. It is the intent of the Legislature that The University of Texas (UT) System distribute these funds in accordance with Texas Education Code 74.611 et seq. and the implementation plan and budget adopted by The UT System Board of Regents. The UT System may distribute these funds equitably among UT component institutions in developing the Regional Academic Health Center, including but not limited to, The University of Texas Health Science Center at Houston and The University of Texas Health Science Center at San Antonio.

5. **Estimated Appropriation and Unexpended Balance.**

- a. Included in the amounts appropriated above are estimated appropriations of amounts available for distribution or investment returns out of the Permanent Endowment Fund for the Lower Rio Grande Valley Regional Academic Health Center.
- b. Amounts available for distribution or investment returns in excess of the amounts estimated above are also appropriated. In the event that amounts available for distribution or investment returns are less than the amounts estimated above, this Act may not be construed as appropriating funds to makeup the difference.
- c. All balances of estimated appropriations from the Permanent Endowment Fund for the Lower Rio Grande Valley Regional Academic Health Center, except for any General Revenue, at the close of the fiscal year ending August 31, 2003, and the income to said fund during the fiscal years beginning September 1, 2003, are hereby appropriated. Any unexpended appropriations made above as of August 31, 2004, are hereby appropriated for the same purposes for fiscal year 2005.

THE UNIVERSITY OF TEXAS SYSTEM ADMINISTRATION
(Continued)

6. **Reporting of Teacher Misconduct.** From funds appropriated, the State Board of Educator Certification, the Texas Education Agency, and The University of Texas System shall coordinate to work with school districts to ensure timely and accurate reporting of teacher misconduct as required under Texas Administrative Code, Title 19, Education § 249.14.

AVAILABLE UNIVERSITY FUND

	For the Years Ending August 31, <u>2004</u>	August 31, <u>2005</u>
Out of the Available University Fund No. 011:		
A. Goal: MANAGE/ADMINISTER ENDOWMENT FUNDS		
Provide management and administrative support for endowment funds.		
A.1.1. Strategy: TEXAS A&M UNIV SYSTEM ALLOCATION	\$ 119,185,611	\$ 114,028,398
The Available University Fund allocable to the Board of Regents of Texas A&M University, is hereby appropriated for the purpose of retiring obligations incurred under the authority of Article VII, Section 18 of the Texas Constitution, and may be expended for permanent improvements, new construction, equipment, repairs, and physical plant operation and maintenance, minority student scholarships and student recruitment, and educational and general activities of the Texas A&M University System pursuant to Article VII, Sections 11(a) and 18 of the Texas Constitution. Estimated.		
A.1.2. Strategy: THE UNIV OF TEXAS SYSTEM ALLOCATION	<u>\$ 244,664,335</u>	<u>\$ 236,058,253</u>
The residue of the Available University Fund allocable to The University of Texas System, including interest, is hereby appropriated for the purpose of retiring obligations incurred under the authority of Article VII, Section 18 of the Texas Constitution, and may be expended for permanent improvements, new construction, equipment, repairs and physical plant operation and maintenance, minority students scholarships and student recruitment, and educational and general activities of The University of Texas System Administration, and The University of Texas at Austin pursuant to Article VII, Sections 11(a) and 18 of the Texas Constitution. Estimated.		
Total, Goal A: MANAGE/ADMINISTER ENDOWMENT FUNDS	<u>\$ 363,849,946</u>	<u>\$ 350,086,651</u>
Grand Total, AVAILABLE UNIVERSITY FUND	<u>\$ 363,849,946</u>	<u>\$ 350,086,651</u>
Object-of-Expense Informational Listing:		
Operating Costs	<u>\$ 363,849,946</u>	<u>\$ 350,086,651</u>
Total, Object-of-Expense Informational Listing	<u>\$ 363,849,946</u>	<u>\$ 350,086,651</u>

AVAILABLE UNIVERSITY FUND
(Continued)

1. **Texas A&M University System Share.** There is hereby appropriated to the Texas A&M University System for the biennium ending August 31, 2005, that portion of the Available University Fund apportioned to it by Article VII, § 18(f) of the Texas Constitution, except the part of that portion appropriated by § 18 for the payment of principal and interest on bonds or notes issued thereunder by the Board of Regents of the Texas A&M University System, together with interest and any balance in the Texas A&M University Available Fund for any previous fiscal year. The Texas A&M University System is authorized to use a portion of its share of the Available University Fund for the matching of private grants for the endowment of scholarships, fellowships, library support, and academic positions at Texas A&M University and Prairie View A&M University.
2. **The University of Texas System Share.** There is hereby appropriated for the biennium ending August 31, 2005 that portion of the Available University Fund (AUF) apportioned to The University of Texas System by Article VII, § 18(f) of the Texas Constitution, together with interest and any balance in the AUF for any previous years, except that portion appropriated by § 18 for the payment of principal and interest on bonds or notes issued by the Board of Regents of The University of Texas System. This appropriation may be used for new construction, major repairs and rehabilitation, equipment, maintenance, operation, salaries, and support, including the matching of private grants for the endowment of scholarships, fellowships, library support, and academic positions for The University of Texas at Austin and for The University of Texas System Administration and is to be used as the Board of Regents of The University of Texas System may determine.
3. **Transfer Authorization.** The University of Texas System may transfer from the Available University Fund No. 011 into the Texas A&M University Available Fund No. 047 its respective portion.
4. **Reporting.**
 - a. The University of Texas System Board of Regents and the Texas A&M University System Board of Regents shall report to the Legislature and the Governor no later than December 1 of each year:
 - the uses of the Available University Fund (AUF) for each system component and for system office operations for the two previous years, the current year, and two future years (projected), including:
 - debt service allocations, by component,
 - bond proceeds allocations, by component, and
 - excellence allocations, by component or system office, and their purposes;
 - Available University Fund income, interest, beginning- and end-of-year balances; and
 - the rationale used by the respective boards to distribute AUF funds.
 - b. In addition, by December 1 of each year, authorized managers of permanent funds and endowments whose earnings are appropriated above shall submit an annual financial report which shall include, at a minimum, an income statement and balance sheet and a summary of the investment return of the fund during the preceding fiscal year. The annual financial report shall also contain:
 - (1) a summary of all gains, losses and income from investments and an itemized list of all securities held for the fund on August 31;

**AVAILABLE UNIVERSITY FUND
(Continued)**

- (2) any other information needed by the Governor or the Legislative Budget Board to clearly indicate the nature and extent of investments made of the fund and all income realized from the components of the fund.

The annual financial report shall be distributed to the Governor and Legislative Budget Board by December 1 of each year of the biennium.

THE UNIVERSITY OF TEXAS AT ARLINGTON

	For the Years Ending	
	August 31, 2004	August 31, 2005
1. Educational and General State Support	\$ 118,359,765	\$ 119,683,839
Grand Total, THE UNIVERSITY OF TEXAS AT ARLINGTON	\$ 118,359,765	\$ 119,683,839
Method of Financing:		
General Revenue Fund	\$ 79,827,603	\$ 80,015,927
<u>General Revenue Fund - Dedicated</u>		
Estimated Board Authorized Tuition Increases Account No. 704	3,906,782	3,906,782
Estimated Statutory Tuition Increases Account No. 708	1,332,785	2,665,570
Estimated Other Educational and General Income Account No. 770	33,292,595	33,095,560
Subtotal, General Revenue Fund - Dedicated	\$ 38,532,162	\$ 39,667,912
Total, Method of Financing	\$ 118,359,765	\$ 119,683,839
Number of Full-Time-Equivalent Positions (FTE)- Appropriated Funds	2,006.2	2,006.2
1. Informational Listing of Appropriated Funds. The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.		
A. Goal: INSTRUCTION/OPERATIONS		
Provide instructional and operations support.		
Outcome (Results/Impact):		
Percent of First-time, Full-time, Degree-seeking Freshmen Who Earn a Baccalaureate Degree within Six Academic Years	34.9%	35%
Retention Rate of First-time, Full-time, Degree-seeking Freshmen Students after One Academic Year	70.3%	70.3%
Administrative Cost as a Percent of Total Expenditures	9.3%	9.3%
Certification Rate of Teacher Education Graduates	86%	86%
Percent of Baccalaureate Graduates Who Are First Generation College Graduates	55.6%	55.6%
Percent of Lower Division Courses Taught by Tenured Faculty	36.3%	36.3%
State Licensure Pass Rate of Engineering Graduates	80%	80%
State Licensure Pass Rate of Nursing Graduates	93%	93.5%
Dollar Value of External or Sponsored Research Funds (in Millions)	16	16
A.1.1. Strategy: OPERATIONS SUPPORT	\$ 83,629,923	\$ 84,762,836
A.1.2. Strategy: TEACHING EXPERIENCE SUPPLEMENT	\$ 1,881,233	\$ 1,906,718
A.1.3. Strategy: STAFF GROUP INSURANCE PREMIUMS	\$ 2,576,578	\$ 2,576,578

THE UNIVERSITY OF TEXAS AT ARLINGTON
(Continued)

A.1.4. Strategy: WORKERS' COMPENSATION INSURANCE	\$ 318,074	\$ 318,074
A.1.5. Strategy: UNEMPLOYMENT COMPENSATION INSURANCE	\$ 30,920	\$ 30,920
A.1.6. Strategy: TEXAS PUBLIC EDUCATION GRANTS	\$ 3,818,883	\$ 3,941,421
A.1.7. Strategy: INDIRECT COST RECOVERY Indirect cost recovery for research related activities.	\$ 3,480,054	\$ 3,480,054
A.1.8. Strategy: EXCELLENCE FUNDING	\$ 2,034,784	\$ 2,034,784
Total, Goal A: INSTRUCTION/OPERATIONS	\$ 97,770,449	\$ 99,051,385
B. Goal: INFRASTRUCTURE SUPPORT Provide infrastructure support.		
B.1.1. Strategy: E&G SPACE SUPPORT Educational and general space support.	\$ 12,873,037	\$ 13,047,425
B.1.2. Strategy: TUITION REVENUE BOND RETIREMENT	\$ 3,463,825	\$ 3,463,825
B.1.3. Strategy: SKILES ACT REVENUE BOND RETIREMENT	\$ 313,815	\$ 313,815
Total, Goal B: INFRASTRUCTURE SUPPORT	\$ 16,650,677	\$ 16,825,065
C. Goal: SPECIAL ITEM SUPPORT Provide special item support.		
C.1.1. Strategy: SCIENCE EDUCATION CENTER	\$ 262,500	\$ 131,250
C.2.1. Strategy: AUTOMATION AND ROBOTICS INSTITUTE Automation and Robotics Research Institute.	\$ 1,310,594	\$ 1,310,594
C.3.1. Strategy: RURAL HOSPITAL OUTREACH PROGRAM	\$ 48,212	\$ 48,212
C.3.2. Strategy: URBAN STUDIES INSTITUTE Institute of Urban Studies.	\$ 311,972	\$ 311,972
C.3.3. Strategy: MEXICAN AMERICAN STUDIES	\$ 43,750	\$ 43,750
C.4.1. Strategy: AFRICA INTERNATIONAL EXCHANGE	\$ 115,329	\$ 115,329
C.4.2. Strategy: INSTITUTIONAL ENHANCEMENT	\$ 1,846,282	\$ 1,846,282
Total, Goal C: SPECIAL ITEM SUPPORT	\$ 3,938,639	\$ 3,807,389
Grand Total, THE UNIVERSITY OF TEXAS AT ARLINGTON	\$ 118,359,765	\$ 119,683,839
Method of Financing:		
General Revenue Fund	\$ 79,827,603	\$ 80,015,927
General Revenue Fund - Dedicated		
Estimated Board Authorized Tuition Increases Account No. 704	3,906,782	3,906,782
Estimated Statutory Tuition Increases Account No. 708	1,332,785	2,665,570
Estimated Other Educational and General Income Account No. 770	33,292,595	33,095,560
Subtotal, General Revenue Fund - Dedicated	\$ 38,532,162	\$ 39,667,912
Total, Method of Financing	\$ 118,359,765	\$ 119,683,839

THE UNIVERSITY OF TEXAS AT ARLINGTON
(Continued)

Object-of-Expense Informational Listing:

Salaries and Wages	\$ 44,668,730	\$ 47,054,789
Other Personnel Costs	123,230	120,531
Faculty Salaries (Higher Education Only)	50,683,951	49,290,928
Operating Costs	22,388,849	22,778,142
Client Services	125,467	125,467
Capital Expenditures	<u>369,538</u>	<u>313,982</u>
Total, Object-of-Expense Informational Listing	<u>\$ 118,359,765</u>	<u>\$ 119,683,839</u>

2. **Robotics Engineering Research Program Transferability Authority.** The University of Texas at Arlington is hereby authorized to transfer or utilize from funds appropriated above an amount not to exceed \$500,000 to the Robotics Engineering Research Program in addition to the amount specified for that item. However, no funds may be transferred from any specified amount for faculty salaries, general scholarships, or minority scholarships and recruitment.
3. **Center for Mexican American Studies.** The University of Texas at Arlington is hereby authorized to transfer or utilize, from funds appropriated above, an amount not to exceed \$300,000 for the operation of the Center for Mexican American Studies.
4. **Urban Studies Institute.** All funds collected by the Urban Studies Institute are hereby appropriated to The University of Texas at Arlington for the Urban Studies Institute. It is the intent of the Legislature that services provided by the Institute shall be provided at a reduced cost based upon financial need and the availability of like services.

THE UNIVERSITY OF TEXAS AT AUSTIN

	For the Years Ending	
	August 31, 2004	August 31, 2005
I. Educational and General State Support	\$ 377,586,590	\$ 380,997,725
Grand Total, THE UNIVERSITY OF TEXAS AT AUSTIN	\$ 377,586,590	\$ 380,997,725
Method of Financing:		
General Revenue Fund	\$ 241,957,725	\$ 242,693,303
<u>General Revenue Fund - Dedicated</u>		
Estimated Board Authorized Tuition Increases Account No. 704	20,322,068	20,322,068
Estimated Statutory Tuition Increases Account No. 708	3,095,553	6,191,106
Estimated Other Educational and General Income Account No. 770	112,211,244	111,791,248
Subtotal, General Revenue Fund - Dedicated	<u>\$ 135,628,865</u>	<u>\$ 138,304,422</u>
Total, Method of Financing	\$ 377,586,590	\$ 380,997,725
Number of Full-Time-Equivalent Positions (FTE)- Appropriated Funds	7,104.7	7,104.7

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: INSTRUCTION/OPERATIONS

Provide instructional and operations support.

Outcome (Results/Impact):

Percent of First-time, Full-time, Degree-seeking Freshmen Who Earn a Baccalaureate Degree within Six Academic Years	72%	73%
Retention Rate of First-time, Full-time, Degree-seeking Freshmen Students after One Academic Year	93%	94%
Administrative Cost as a Percent of Total Expenditures	5.4%	5.4%
Certification Rate of Teacher Education Graduates	80%	80%
Percent of Baccalaureate Graduates Who Are First Generation College Graduates	23%	24%
Percent of Lower Division Courses Taught by Tenured Faculty	39.4%	39.4%
State Licensure Pass Rate of Law Graduates	93%	93%
State Licensure Pass Rate of Engineering Graduates	94%	94%
State Licensure Pass Rate of Nursing Graduates	96%	96%
State Licensure Pass Rate of Pharmacy Graduates	98%	98%

Dollar Value of External or Sponsored Research Funds (in Millions)	310.6	310.6
A.1.1. Strategy: OPERATIONS SUPPORT	\$ 229,458,242	\$ 231,895,728
A.1.2. Strategy: TEACHING EXPERIENCE SUPPLEMENT	\$ 5,834,106	\$ 5,896,081
A.1.3. Strategy: STAFF GROUP INSURANCE PREMIUMS	\$ 14,636,476	\$ 14,636,476
A.1.4. Strategy: WORKERS' COMPENSATION INSURANCE	\$ 1,442,291	\$ 1,442,291
A.1.5. Strategy: UNEMPLOYMENT COMPENSATION INSURANCE	\$ 42,362	\$ 42,362
A.1.8. Strategy: TEXAS PUBLIC EDUCATION GRANTS	\$ 11,389,116	\$ 11,704,698
A.1.7. Strategy: INDIRECT COST RECOVERY	\$ 39,046,616	\$ 39,046,616

Indirect cost recovery for research related activities.

Total, Goal A: INSTRUCTION/OPERATIONS \$ 301,849,209 \$ 304,664,252

THE UNIVERSITY OF TEXAS AT AUSTIN
(Continued)

B. Goal: INFRASTRUCTURE SUPPORT

Provide infrastructure support.

B.1.1. Strategy: E&G SPACE SUPPORT	\$ 56,114,498	\$ 56,710,590
Educational and general space support.		
B.1.2. Strategy: TUITION REVENUE BOND RETIREMENT	\$ 5,978,492	\$ 5,978,492
B.1.3. Strategy: SKILES ACT REVENUE BOND RETIREMENT	<u>\$ 480,000</u>	<u>\$ 480,000</u>

Total, Goal B: INFRASTRUCTURE SUPPORT	<u>\$ 62,572,990</u>	<u>\$ 63,169,082</u>
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C. Goal: SPECIAL ITEM SUPPORT

Provide special item support.

C.2.1. Strategy: MARINE SCIENCE INSTITUTE	\$ 605,303	\$ 605,303
Marine Science Institute - Port Aransas.		
C.2.2. Strategy: INSTITUTE FOR GEOPHYSICS	\$ 1,048,093	\$ 1,048,093
C.2.3. Strategy: BUREAU OF ECONOMIC GEOLOGY	\$ 1,801,849	\$ 1,801,849
C.2.4. Strategy: BUREAU OF BUSINESS RESEARCH	\$ 232,487	\$ 232,487
C.2.5. Strategy: MCDONALD OBSERVATORY	\$ 2,853,587	\$ 2,853,587
C.2.6. Strategy: ADVANCED STUDIES IN ASTRONOMY	\$ 576,008	\$ 576,008
Center for Advanced Studies in Astronomy.		
C.3.1. Strategy: TEXAS MEMORIAL MUSEUM	\$ 145,097	\$ 145,097
C.3.2. Strategy: PUBLIC POLICY INSTITUTE	\$ 192,215	\$ 192,215
C.3.3. Strategy: POLICY DISPUTE RESOLUTION CENTER	\$ 344,408	\$ 344,408
Center for Public Policy Dispute Resolution.		
C.3.4. Strategy: LATINO WWII ORAL HISTORY	\$ 43,750	\$ 43,750
Latino World War II Oral History.		
C.3.5. Strategy: GARNER MUSEUM	\$ 43,750	\$ 43,750
C.4.1. Strategy: INSTITUTIONAL ENHANCEMENT	<u>\$ 5,277,844</u>	<u>\$ 5,277,844</u>

Total, Goal C: SPECIAL ITEM SUPPORT	<u>\$ 13,164,391</u>	<u>\$ 13,164,391</u>
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Grand Total, THE UNIVERSITY OF TEXAS AT AUSTIN

<u>\$ 377,586,590</u>	<u>\$ 380,997,725</u>
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Method of Financing:

General Revenue Fund	\$ 241,957,725	\$ 242,693,303
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General Revenue Fund - Dedicated

Estimated Board Authorized Tuition Increases Account No. 704	20,322,068	20,322,068
Estimated Statutory Tuition Increases Account No. 708	3,095,553	6,191,106
Estimated Other Educational and General Income Account No. 770	112,211,244	111,791,248

Subtotal, General Revenue Fund - Dedicated	<u>\$ 135,628,865</u>	<u>\$ 138,304,422</u>
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Total, Method of Financing	<u>\$ 377,586,590</u>	<u>\$ 380,997,725</u>
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Object-of-Expense Informational Listing:

Salaries and Wages	\$ 128,930,621	\$ 136,215,661
Other Personnel Costs	2,469,661	3,306,676
Faculty Salaries (Higher Education Only)	145,522,683	146,658,422
Operating Costs	<u>100,663,625</u>	<u>94,816,966</u>

Total, Object-of-Expense Informational Listing	<u>\$ 377,586,590</u>	<u>\$ 380,997,725</u>
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THE UNIVERSITY OF TEXAS AT AUSTIN
(Continued)

2. **Bureau of Economic Geology Contingency.** Contingent upon certification by the Comptroller of Public Accounts that increased activity by the Bureau of Economic Geology will generate at least \$890,000 for the biennium in additional revenue to the General Revenue Fund, \$445,000 in each year of the biennium is included in the appropriation above for the Bureau of Economic Geology.
3. **Public Policy Clinics.** Out of the funds appropriated above, up to \$218,750 in each year of the biennium shall be used for public policy clinics in the Department of Government. The clinics shall be focused on public policy issues salient to the State of Texas and to be offered as graduate-level seminars to help maximize the partnership with the Tomas Rivera Center, the Center for Migration and Border Studies and other academic institutions. These funds shall be used to pay research fellowships, surveys, and other expenses associated with the clinics.
4. **The University of Texas at Austin School of Law Enrollment.** It is the intent of the Legislature that The University of Texas at Austin study the impact that enrollment levels have on the quality of education at the University's Law School. The university shall make recommendations on the optimal enrollment level at which the school can provide the highest quality education. The university shall submit a report to the 79th Legislature, not later than January 1, 2005. It is the intent of the Legislature that a limitation on enrollment not adversely impact current funding levels.

THE UNIVERSITY OF TEXAS AT DALLAS

	For the Years Ending	
	August 31, 2004	August 31, 2005
I. Educational and General State Support	\$ 83,955,165	\$ 84,500,188
Grand Total, THE UNIVERSITY OF TEXAS AT DALLAS	\$ 83,955,165	\$ 84,500,188
Method of Financing:		
General Revenue Fund	\$ 54,978,173	\$ 54,994,434
General Revenue Fund - Dedicated		
Estimated Board Authorized Tuition Increases Account No. 704	3,463,767	3,463,767
Estimated Statutory Tuition Increases Account No. 708	488,610	977,220
Estimated Other Educational and General Income Account No. 770	25,024,615	25,064,767
Subtotal, General Revenue Fund - Dedicated	\$ 28,976,992	\$ 29,505,754
Total, Method of Financing	\$ 83,955,165	\$ 84,500,188
Number of Full-Time-Equivalent Positions (FTE)- Appropriated Funds	1,332.5	1,332.5

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

THE UNIVERSITY OF TEXAS AT DALLAS
(Continued)

A. Goal: INSTRUCTION/OPERATIONS

Provide instructional and operations support.

Outcome (Results/Impact):

Percent of First-time, Full-time, Degree-seeking Freshmen Who Earn a Baccalaureate Degree within Six Academic Years	56.2%	56.6%
Retention Rate of First-time, Full-time, Degree-seeking Freshmen Students after One Academic Year	80.9%	80.9%
Administrative Cost as a Percent of Total Expenditures	9.4%	9.2%
Percent of Baccalaureate Graduates Who Are First Generation College Graduates	45%	45%
Percent of Lower Division Courses Taught by Tenured Faculty	42%	42%

Dollar Value of External or Sponsored Research Funds (in Millions)	18	18
A.1.1. Strategy: OPERATIONS SUPPORT	\$ 57,541,787	\$ 57,964,615
A.1.2. Strategy: TEACHING EXPERIENCE SUPPLEMENT	\$ 765,285	\$ 770,909
A.1.3. Strategy: STAFF GROUP INSURANCE PREMIUMS	\$ 1,640,186	\$ 1,640,186
A.1.4. Strategy: WORKERS' COMPENSATION INSURANCE	\$ 186,499	\$ 186,499
A.1.5. Strategy: UNEMPLOYMENT COMPENSATION INSURANCE	\$ 3,443	\$ 3,443
A.1.6. Strategy: TEXAS PUBLIC EDUCATION GRANTS	\$ 2,280,413	\$ 2,336,825
A.1.7. Strategy: INDIRECT COST RECOVERY	\$ 3,380,536	\$ 3,380,536
Indirect cost recovery for research related activities.		
A.1.8. Strategy: ORGANIZED ACTIVITIES	\$ 3,700,122	\$ 3,700,122
A.1.9. Strategy: EXCELLENCE FUNDING	\$ 1,438,404	\$ 1,438,404
Total, Goal A: INSTRUCTION/OPERATIONS	\$ 70,936,675	\$ 71,421,539

B. Goal: INFRASTRUCTURE SUPPORT

Provide infrastructure support.

B.1.1. Strategy: E&G SPACE SUPPORT	\$ 8,186,891	\$ 8,247,050
Educational and general space support.		
B.1.2. Strategy: TUITION REVENUE BOND RETIREMENT	\$ 2,041,841	\$ 2,041,841
B.1.3. Strategy: SKILES ACT REVENUE BOND RETIREMENT	\$ 140,006	\$ 140,006
Total, Goal B: INFRASTRUCTURE SUPPORT	\$ 10,368,738	\$ 10,428,897

C. Goal: SPECIAL ITEM SUPPORT

Provide special item support.

C.1.1. Strategy: CENTER FOR APPLIED BIOLOGY	\$ 546,875	\$ 546,875
C.1.2. Strategy: NANOTECHNOLOGY	\$ 218,750	\$ 218,750
C.2.1. Strategy: ACADEMIC BRIDGE PROGRAM Intensive Summer Academic Bridge Program.	\$ 218,750	\$ 218,750
C.3.1. Strategy: INSTITUTIONAL ENHANCEMENT	\$ 1,665,377	\$ 1,665,377
Total, Goal C: SPECIAL ITEM SUPPORT	\$ 2,649,752	\$ 2,649,752

Grand Total, THE UNIVERSITY OF TEXAS AT DALLAS

	\$ 83,955,165	\$ 84,500,188
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Method of Financing:

General Revenue Fund	\$ 54,978,173	\$ 54,994,434
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General Revenue Fund - Dedicated

Estimated Board Authorized Tuition Increases Account No. 704	3,463,767	3,463,767
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THE UNIVERSITY OF TEXAS AT DALLAS
(Continued)

Estimated Statutory Tuition Increases Account No. 708	488,610	977,220
Estimated Other Educational and General Income Account No. 770	25,024,615	25,064,767
Subtotal, General Revenue Fund - Dedicated	<u>\$ 28,976,992</u>	<u>\$ 29,505,754</u>
Total, Method of Financing	<u>\$ - 83,955,165</u>	<u>\$ 84,500,188</u>
Object-of-Expense Informational Listing:		
Salaries and Wages	\$ 32,166,599	\$ 29,497,464
Other Personnel Costs	905,651	652,105
Faculty Salaries (Higher Education Only)	31,714,353	33,771,087
Operating Costs	17,151,896	19,229,517
Client Services	11,753	21,230
Grants	3,345	0
Capital Expenditures	<u>2,001,568</u>	<u>1,328,785</u>
Total, Object-of-Expense Informational Listing	<u>\$ 83,955,165</u>	<u>\$ 84,500,188</u>

THE UNIVERSITY OF TEXAS AT EL PASO

	For the Years Ending	
	August 31, 2004	August 31, 2005
1. Educational and General State Support	\$ 83,698,886	\$ 85,224,429
Grand Total, THE UNIVERSITY OF TEXAS AT EL PASO	\$ 83,698,886	\$ 85,224,429
Method of Financing:		
General Revenue Fund	\$ 57,522,984	\$ 58,206,037
<u>General Revenue Fund - Dedicated</u>		
Estimated Board Authorized Tuition Increases Account No. 704	700,000	700,000
Estimated Statutory Tuition Increases Account No. 708	1,410,548	2,821,095
Estimated Other Educational and General Income Account No. 770	22,940,354	22,372,297
Subtotal, General Revenue Fund - Dedicated	<u>\$ 25,050,902</u>	<u>\$ 25,893,392</u>
Permanent Endowment Fund Account No. 817, UT El Paso, estimated	1,125,000	1,125,000
Total, Method of Financing	\$ 83,698,886	\$ 85,224,429
Number of Full-Time-Equivalent Positions (FTE)-Appropriated Funds	1,567.7	1,567.7

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: INSTRUCTION/OPERATIONS

Provide instructional and operations support.

Outcome (Results/Impact):

Percent of First-time, Full-time, Degree-seeking Freshmen Who Earn a Baccalaureate Degree within Six Academic Years	28%	29%
Retention Rate of First-time, Full-time, Degree-seeking Freshmen Students after One Academic Year	72.5%	74%
Administrative Cost as a Percent of Total Expenditures	9.4%	9.4%
Certification Rate of Teacher Education Graduates	72%	75%
Percent of Baccalaureate Graduates Who Are First Generation College Graduates	62.4%	62.4%
Percent of Lower Division Courses Taught by Tenured Faculty	50.8%	50.8%
State Licensure Pass Rate of Engineering Graduates	95%	95%
State Licensure Pass Rate of Nursing Graduates	96.1%	96.6%
Dollar Value of External or Sponsored Research Funds (in Millions)	29.3	30.9

A.1.1. Strategy: OPERATIONS SUPPORT	\$ 46,239,109	\$ 47,347,873
A.1.2. Strategy: TEACHING EXPERIENCE SUPPLEMENT	\$ 1,577,948	\$ 1,615,786
A.1.3. Strategy: STAFF GROUP INSURANCE PREMIUMS	\$ 1,763,378	\$ 1,763,378
A.1.4. Strategy: WORKERS' COMPENSATION INSURANCE	\$ 271,151	\$ 271,151
A.1.5. Strategy: UNEMPLOYMENT COMPENSATION INSURANCE	\$ 3,927	\$ 3,927
A.1.6. Strategy: TEXAS PUBLIC EDUCATION GRANTS	\$ 2,788,440	\$ 2,903,435
A.1.7. Strategy: INDIRECT COST RECOVERY	\$ 4,425,732	\$ 4,425,732
Indirect cost recovery for research related activities.		
A.1.8. Strategy: EXCELLENCE FUNDING	<u>\$ 1,453,544</u>	<u>\$ 1,453,544</u>
Total, Goal A: INSTRUCTION/OPERATIONS	<u>\$ 58,523,229</u>	<u>\$ 59,784,826</u>

THE UNIVERSITY OF TEXAS AT EL PASO
(Continued)

B. Goal: INFRASTRUCTURE SUPPORT		
Provide infrastructure support.		
B.1.1. Strategy: E&G SPACE SUPPORT Educational and general space support.	\$ 11,007,435	\$ 11,271,381
B.1.2. Strategy: TUITION REVENUE BOND RETIREMENT	\$ 2,651,214	\$ 2,651,214
B.1.3. Strategy: SKILES ACT REVENUE BOND RETIREMENT	\$ 200,000	\$ 200,000
Total, Goal B: INFRASTRUCTURE SUPPORT	\$ 13,858,649	\$ 14,122,595
C. Goal: SPECIAL ITEM SUPPORT		
Provide special item support.		
C.2.1. Strategy: BORDER STUDIES INSTITUTE Inter-American and Border Studies Institute.	\$ 86,246	\$ 86,246
C.2.2. Strategy: ENVIRONMENTAL RESOURCE MANAGEMENT Center for Environmental Resource Management.	\$ 229,968	\$ 229,968
C.2.3. Strategy: CENTER FOR LAW AND BORDER STUDIES	\$ 437,500	\$ 437,500
C.3.1. Strategy: EL PASO CENTENNIAL MUSEUM	\$ 119,731	\$ 119,731
C.3.2. Strategy: RURAL NURSING HEALTH CARE Rural nursing health care services.	\$ 63,127	\$ 63,127
C.3.3. Strategy: MANUFACTURE/MATERIALS MANAGEMENT Institute for Manufacturing and Materials Management	\$ 87,942	\$ 87,942
C.3.4. Strategy: ECONOMIC/ENTERPRISE DEVELOPMENT Texas Centers for Economic and Enterprise Development.	\$ 841,416	\$ 841,416
C.3.5. Strategy: ACADEMIC EXCELLENCE Collaborative for Academic Excellence.	\$ 114,984	\$ 114,984
C.3.6. Strategy: BORDER COMMUNITY HEALTH Border Community Health Education Institute.	\$ 284,375	\$ 284,375
C.3.7. Strategy: BORDER HEALTH RESEARCH	\$ 306,250	\$ 306,250
C.3.8. Strategy: US-MEXICO IMMIGRATION CENTER United States - Mexico Immigration Center.	\$ 43,750	\$ 43,750
C.4.1. Strategy: INSTITUTIONAL ENHANCEMENT	\$ 7,576,719	\$ 7,576,719
Total, Goal C: SPECIAL ITEM SUPPORT	\$ 10,192,008	\$ 10,192,008
D. Goal: TOBACCO FUNDS		
D.1.1. Strategy: TOBACCO EARNINGS - UTEP Tobacco earnings for the University of Texas at El Paso.	\$ 1,125,000	\$ 1,125,000
Grand Total, THE UNIVERSITY OF TEXAS AT EL PASO	\$ 83,698,886	\$ 85,224,422
Method of Financing:		
General Revenue Fund	\$ 57,522,984	\$ 58,206,037
General Revenue Fund - Dedicated		
Estimated Board Authorized Tuition Increases Account No. 704	700,000	700,000
Estimated Statutory Tuition Increases Account No. 708	1,410,548	2,821,095
Estimated Other Educational and General Income Account No. 770	22,940,354	22,372,297
Subtotal, General Revenue Fund - Dedicated	\$ 25,050,902	\$ 25,893,392

THE UNIVERSITY OF TEXAS AT EL PASO
(Continued)

Permanent Endowment Fund Account No. 817, UT El Paso, estimated	1,125,000	1,125,000
Total, Method of Financing	\$ 83,698,886	\$ 85,224,429
Object-of-Expense Informational Listing:		
Salaries and Wages	\$ 23,391,533	\$ 24,357,763
Other Personnel Costs	242,112	250,650
Faculty Salaries (Higher Education Only)	35,375,952	37,097,502
Operating Costs	23,526,358	22,357,082
Grants	1,125,000	1,125,000
Capital Expenditures	37,931	36,432
Total, Object-of-Expense Informational Listing	\$ 83,698,886	\$ 85,224,429

2. **Transfer of Consortium Funds.** Funds identified for the Texas Centers for Border Economic and Enterprise Development are to be distributed among the member institutions of the consortium by transfers from appropriations to The University of Texas at El Paso to The University of Texas-Pan American and Texas A&M International University. Such transfers are subject to the special and general provisions of this Act and are authorized as follows:

	<u>2004</u>	<u>2005</u>
Texas A&M International University:		
Institute for International Trade	\$ 193,525	\$ 193,525
The University of Texas - Pan American:		
Center for Entrepreneurship and Economic Development	\$ 321,001	\$ 321,001

3. **Estimated Appropriation and Unexpended Balance.**

- a. Included in the amounts appropriated above are estimated appropriations of amounts available for distribution or investment returns out of the Permanent Endowment Fund for The University of Texas at El Paso.
- b. Amounts available for distribution or investment returns in excess of the amounts estimated above are also appropriated to the institution. In the event that amounts available for distribution or investment returns are less than the amounts estimated above, this Act may not be construed as appropriating funds to makeup the difference.
- c. All balances of estimated appropriations from the Permanent Endowment Fund for The University of Texas at El Paso, except for any General Revenue, at the close of the fiscal year ending August 31, 2003, and the income to said fund during the fiscal years beginning September 1, 2003, are hereby appropriated. Any unexpended appropriations made above as of August 31, 2004, are hereby appropriated to the institution for the same purposes for fiscal year 2005.

THE UNIVERSITY OF TEXAS - PAN AMERICAN

	For the Years Ending	
	August 31, 2004	August 31, 2005
1. Educational and General State Support	\$ 67,977,692	\$ 68,827,986
Grand Total, THE UNIVERSITY OF TEXAS - PAN AMERICAN	<u>\$ 67,977,692</u>	<u>\$ 68,827,986</u>
Method of Financing:		
General Revenue Fund	\$ 49,576,027	\$ 49,726,789
General Revenue Fund - Dedicated		
UT Pan Am Special Mineral Fund No. 4, estimated	291	0
Estimated Board Authorized Tuition Increases Account No. 704	475,324	475,324
Estimated Statutory Tuition Increases Account No. 708	740,189	1,480,379
Estimated Other Educational and General Income Account No. 770	16,864,860	16,824,493
Subtotal, General Revenue Fund - Dedicated	<u>\$ 18,080,664</u>	<u>\$ 18,780,196</u>
Interagency Contracts	321,001	321,001
Total, Method of Financing	<u>\$ 67,977,692</u>	<u>\$ 68,827,986</u>
Number of Full-Time-Equivalent Positions (FTE)-Appropriated Funds	1,437.7	1,437.7

1. Informational Listing of Appropriated Funds. The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: INSTRUCTION/OPERATIONS

Provide instructional and operations support.

Outcome (Results/Impact):

Percent of First-time, Full-time, Degree-seeking Freshmen Who Earn a Baccalaureate Degree within Six Academic Years	27%	28%
Retention Rate of First-time, Full-time, Degree-seeking Freshmen Students after One Academic Year	67%	67%
Administrative Cost as a Percent of Total Expenditures	9.2%	9.2%
Certification Rate of Teacher Education Graduates	65%	70%
Percent of Baccalaureate Graduates Who Are First Generation College Graduates	66%	67%
Percent of Lower Division Courses Taught by Tenured Faculty	47.5%	47.5%
State Licensure Pass Rate of Nursing Graduates	90%	91%
Dollar Value of External or Sponsored Research Funds (in Millions)	2.42	2.66

A.1.1. Strategy: OPERATIONS SUPPORT	\$ 38,196,444	\$ 38,792,573
A.1.2. Strategy: TEACHING EXPERIENCE SUPPLEMENT	\$ 1,307,456	\$ 1,327,861
A.1.3. Strategy: STAFF GROUP INSURANCE PREMIUMS	\$ 1,157,257	\$ 1,157,257
A.1.4. Strategy: WORKERS' COMPENSATION INSURANCE	\$ 149,986	\$ 149,986
A.1.5. Strategy: TEXAS PUBLIC EDUCATION GRANTS	\$ 2,687,503	\$ 2,797,898
A.1.6. Strategy: INDIRECT COST RECOVERY	\$ 1,169,880	\$ 1,169,880
Indirect cost recovery for research related activities.		
A.1.7. Strategy: EXCELLENCE FUNDING	<u>\$ 985,341</u>	<u>\$ 985,341</u>

Total, Goal A: INSTRUCTION/OPERATIONS \$ 45,653,867 \$ 46,380,796

THE UNIVERSITY OF TEXAS - PAN AMERICAN
(Continued)

B. Goal: INFRASTRUCTURE SUPPORT

Provide infrastructure support.

B.1.1. Strategy: E&G SPACE SUPPORT	\$ 7,923,155	\$ 8,046,811
Educational and general space support.		
B.1.2. Strategy: TUITION REVENUE BOND RETIREMENT	\$ 4,262,518	\$ 4,262,518
Total, Goal B: INFRASTRUCTURE SUPPORT	\$ 12,185,673	\$ 12,309,329

C. Goal: SPECIAL ITEM SUPPORT

Provide special item support.

C.1.1. Strategy: PROF DEVELOPMENT/DISTANCE LEARNING	\$ 218,750	\$ 218,750
Professional development/distance learning.		
C.1.2. Strategy: COOPERATIVE PHARMACY DOCTORATE	\$ 262,500	\$ 262,500
C.1.3. Strategy: STARR COUNTY UPPER LEVEL CENTER	\$ 131,250	\$ 131,250
C.3.1. Strategy: ECONOMIC DEVELOPMENT	\$ 461,279	\$ 461,279
Center for Entrepreneurship and Economic Development.		
C.3.2. Strategy: CENTER FOR MANUFACTURING	\$ 218,992	\$ 218,992
C.3.3. Strategy: UT SYSTEM K-12 COLLABORATION	\$ 153,772	\$ 153,772
University of Texas System K-12 Collaboration Initiative.		
C.3.4. Strategy: TRADE & TECHNOLOGY/TELECOMM	\$ 115,329	\$ 115,329
Provide video teleconferencing capabilities to local small businesses.		
C.3.5. Strategy: DIABETES REGISTRY	\$ 220,888	\$ 220,888
C.3.6. Strategy: TEXAS/MEXICO BORDER HEALTH	\$ 306,250	\$ 306,250
C.4.1. Strategy: INSTITUTIONAL ENHANCEMENT	\$ 7,611,642	\$ 7,611,351
C.4.2. Strategy: TRANSITION TO COLLEGE	\$ 437,500	\$ 437,500
Successful Transition to College Project.		
Total, Goal C: SPECIAL ITEM SUPPORT	\$ 10,138,152	\$ 10,137,861

Grand Total, THE UNIVERSITY OF TEXAS - PAN AMERICAN

\$ 67,977,692 \$ 68,827,986

Method of Financing:

General Revenue Fund	\$ 49,576,027	\$ 49,726,789
General Revenue Fund - Dedicated		
UT Pan Am Special Mineral Fund No. 4, estimated	291	0
Estimated Board Authorized Tuition Increases Account No. 704	475,324	475,324
Estimated Statutory Tuition Increases Account No. 708	740,189	1,480,379
Estimated Other Educational and General Income Account No. 770	16,864,860	16,824,493
Subtotal, General Revenue Fund - Dedicated	\$ 18,080,664	\$ 18,780,196
Interagency Contracts	321,001	321,001
Total, Method of Financing	\$ 67,977,692	\$ 68,827,986

Object-of-Expense Informational Listing:

Salaries and Wages	\$ 18,835,026	\$ 22,034,427
Other Personnel Costs	612,216	1,066,781
Faculty Salaries (Higher Education Only)	26,185,910	26,823,406

THE UNIVERSITY OF TEXAS - PAN AMERICAN
(Continued)

Operating Costs	19,591,412	16,039,849
Client Services	<u>2,753,128</u>	<u>2,863,523</u>
Total, Object-of-Expense Informational Listing	<u>\$ 67,977,692</u>	<u>\$ 68,827,986</u>

2. **Appropriation of Special Mineral Fund.** The balance of funds on hand for the year ending August 31, 2003 (estimated to be \$291), in The University of Texas - Pan American Special Mineral Fund No. 4 and any income during the biennium beginning September 1, 2003, deposited to that fund are appropriated in the funds above to The University of Texas - Pan American for the general operations of the university. No additional Mineral Funds are expected for the 2004-05 biennium.

3. **Center for Entrepreneurship and Economic Development.** Included in the appropriation above to The University of Texas - Pan American in Strategy C.3.1, Economic Development, is \$140,278 in each year of the biennium for the Center for Entrepreneurship and Economic Development contingent upon certification by the Comptroller of Public Accounts that increased activity by the center will generate at least \$280,556 for the biennium in additional revenue to the General Revenue Fund.

4. **Center for Manufacturing.** Included in the appropriation above to The University of Texas - Pan American in Strategy C.3.2, Center for Manufacturing, is \$218,992 in each year of the biennium for the Center for Manufacturing contingent upon certification by the Comptroller of Public Accounts that increased activity by the center will generate at least \$437,984 for the biennium in additional revenue to the General Revenue Fund.

THE UNIVERSITY OF TEXAS AT BROWNSVILLE

	For the Years Ending	
	August 31, 2004	August 31, 2005
1. Educational and General State Support	\$ 22,449,504	\$ 22,789,566
Grand Total, THE UNIVERSITY OF TEXAS AT BROWNSVILLE	\$ 22,449,504	\$ 22,789,566
Method of Financing:		
General Revenue Fund	\$ 18,694,298	\$ 18,913,210
<u>General Revenue Fund - Dedicated</u>		
Estimated Board Authorized Tuition Increases Account No. 704	148,848	148,848
Estimated Statutory Tuition Increases Account No. 708	175,215	350,430
Estimated Other Educational and General Income Account No. 770	3,431,143	3,377,078
Subtotal, General Revenue Fund - Dedicated	\$ 3,755,206	\$ 3,876,356
Total, Method of Financing	\$ 22,449,504	\$ 22,789,566
Number of Full-Time-Equivalent Positions (FTE)-Appropriated Funds	324.0	324.0

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: INSTRUCTION/OPERATIONS

Provide instructional and operations support.

Outcome (Results/Impact):

Retention Rate of First-time, Full-time, Degree-seeking Freshmen Students after One Academic Year	68.97%	68.97%
Administrative Cost as a Percent of Total Expenditures	9.8%	9.8%
Certification Rate of Teacher Education Graduates	80.7%	80.7%
Percent of Baccalaureate Graduates Who Are First Generation College Graduates	79.7%	80.1%
Percent of Lower Division Courses Taught by Tenured Faculty	49.2%	53.1%
Percent of Incoming Full-time Undergraduate Transfer Students Who Graduate within Four Years	77.8%	77.8%

A.1.1. Strategy: OPERATIONS SUPPORT	\$ 7,564,385	\$ 7,694,110
A.1.2. Strategy: TEACHING EXPERIENCE SUPPLEMENT	\$ 407,196	\$ 414,179
A.1.3. Strategy: STAFF GROUP INSURANCE PREMIUMS	\$ 120,601	\$ 120,601
A.1.4. Strategy: WORKERS' COMPENSATION INSURANCE	\$ 17,883	\$ 17,883
A.1.5. Strategy: TEXAS PUBLIC EDUCATION GRANTS	\$ 530,739	\$ 552,429
A.1.6. Strategy: INDIRECT COST RECOVERY	\$ 677,028	\$ 677,028

Indirect cost recovery for research related activities.		
A.1.7. Strategy: EXCELLENCE FUNDING	\$ 170,277	\$ 170,277

Total, Goal A: INSTRUCTION/OPERATIONS	\$ 9,488,109	\$ 9,646,507
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B. Goal: INFRASTRUCTURE SUPPORT

Provide infrastructure support.

B.1.1. Strategy: E&G SPACE SUPPORT	\$ 2,245,392	\$ 2,283,899
Educational and general space support.		
B.1.2. Strategy: TUITION REVENUE BOND RETIREMENT	\$ 3,511,911	\$ 3,511,911

THE UNIVERSITY OF TEXAS AT BROWNSVILLE
(Continued)

B.1.3. Strategy: LEASE OF FACILITIES	\$ 1,287,997	\$ 1,431,154
Total, Goal B: INFRASTRUCTURE SUPPORT	<u>\$ 7,045,300</u>	<u>\$ 7,226,964</u>
C. Goal: SPECIAL ITEM SUPPORT		
Provide special item support.		
C.3.1. Strategy: ECONOMIC DEVELOPMENT Texas Center for Border Economic Development.	\$ 250,000	\$ 250,000
C.3.2. Strategy: K-18 COLLABORATION IN UTB SRV AREA K-16 collaboration in the UT-Brownsville service area.	\$ 218,750	\$ 218,750
C.4.1. Strategy: INSTITUTIONAL ENHANCEMENT	<u>\$ 5,447,345</u>	<u>\$ 5,447,345</u>
Total, Goal C: SPECIAL ITEM SUPPORT	<u>\$ 5,916,095</u>	<u>\$ 5,916,095</u>
 Grand Total, THE UNIVERSITY OF TEXAS AT BROWNSVILLE	 <u>\$ 22,449,504</u>	 <u>\$ 22,789,566</u>
Method of Financing:		
General Revenue Fund	\$ 18,694,298	\$ 18,913,210
General Revenue Fund - Dedicated		
Estimated Board Authorized Tuition Increases Account No. 704	148,848	148,848
Estimated Statutory Tuition Increases Account No. 708	175,215	350,430
Estimated Other Educational and General Income Account No. 770	3,431,143	3,377,078
Subtotal, General Revenue Fund - Dedicated	<u>\$ 3,755,206</u>	<u>\$ 3,876,356</u>
Total, Method of Financing	<u>\$ 22,449,504</u>	<u>\$ 22,789,566</u>
Object-of-Expense Informational Listing:		
Salaries and Wages	\$ 4,246,248	\$ 4,782,284
Other Personnel Costs	831,423	886,614
Faculty Salaries (Higher Education Only)	4,870,997	5,135,949
Professional Salaries - Faculty Equivalent (Higher Education Only)	866,214	691,612
Operating Costs	11,009,298	10,644,470
Client Services	530,739	552,429
Capital Expenditures	<u>94,585</u>	<u>96,208</u>
Total, Object-of-Expense Informational Listing	<u>\$ 22,449,504</u>	<u>\$ 22,789,566</u>

2. **Texas Center for Border Economic Development.** Included in the appropriation above to The University of Texas at Brownsville in Strategy C.3.1, Economic Development, is \$250,000 in each year of the biennium for the Texas Center for Border Economic Development contingent upon certification by the Comptroller of Public Accounts that increased activity by the center will generate at least \$500,000 for the biennium in additional revenue to the General Revenue Fund.

THE UNIVERSITY OF TEXAS OF THE PERMIAN BASIN

	For the Years Ending	
	August 31, 2004	August 31, 2005
1. Educational and General State Support	\$ 16,698,198	\$ 16,856,751
Grand Total, THE UNIVERSITY OF TEXAS OF THE PERMIAN BASIN	\$ 16,698,198	\$ 16,856,751
 Method of Financing:		
General Revenue Fund	\$ 13,275,735	\$ 13,300,212
 <u>General Revenue Fund - Dedicated</u>		
Estimated Board Authorized Tuition Increases Account No. 704	181,500	181,500
Estimated Statutory Tuition Increases Account No. 708	140,085	280,169
Estimated Other Educational and General Income Account No. 770	3,100,878	3,094,870
Subtotal, General Revenue Fund - Dedicated	\$ 3,422,463	\$ 3,556,539
Total, Method of Financing	\$ 16,698,198	\$ 16,856,751
Number of Full-Time-Equivalent Positions (FTE)- Appropriated Funds	255.6	255.6

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: INSTRUCTION/OPERATIONS

Provide instructional and operations support.

Outcome (Results/Impact):

Percent of First-time, Full-time, Degree-seeking Freshmen Who Earn a Baccalaureate Degree within Six Academic Years	31%	31%
Retention Rate of First-time, Full-time, Degree-seeking Freshmen Students after One Academic Year	64.9%	65.4%
Administrative Cost as a Percent of Total Expenditures	12.3%	12.3%
Certification Rate of Teacher Education Graduates	70.5%	71%
Percent of Baccalaureate Graduates Who Are First Generation College Graduates	57.4%	57.4%
Percent of Lower Division Courses Taught by Tenured Faculty	54.1%	54.1%

A.1.1. Strategy: OPERATIONS SUPPORT	\$ 6,535,950	\$ 6,637,892
A.1.2. Strategy: TEACHING EXPERIENCE SUPPLEMENT	\$ 283,989	\$ 288,418
A.1.3. Strategy: STAFF GROUP INSURANCE PREMIUMS	\$ 154,472	\$ 154,472
A.1.4. Strategy: WORKERS' COMPENSATION INSURANCE	\$ 32,262	\$ 32,262
A.1.5. Strategy: TEXAS PUBLIC EDUCATION GRANTS	\$ 459,298	\$ 477,767
A.1.6. Strategy: INDIRECT COST RECOVERY	\$ 41,026	\$ 41,026
Indirect cost recovery for research related activities.		
A.1.7. Strategy: FORMULA HOLD HARMLESS	\$ 336,369	\$ 336,369
A.1.8. Strategy: EXCELLENCE FUNDING	\$ 184,308	\$ 184,308
Total, Goal A: INSTRUCTION/OPERATIONS	\$ 8,027,674	\$ 8,152,514

B. Goal: INFRASTRUCTURE SUPPORT

Provide infrastructure support.

B.1.1. Strategy: E&G SPACE SUPPORT	\$ 2,161,512	\$ 2,195,225
Educational and general space support.		

THE UNIVERSITY OF TEXAS OF THE PERMIAN BASIN
(Continued)

B.1.2. Strategy: TUITION REVENUE BOND		
RETIREMENT	\$ 1,694,203	\$ 1,694,203
B.1.3. Strategy: SKILES ACT REVENUE BOND		
RETIREMENT	\$ 24,718	\$ 24,718
Total, Goal B: INFRASTRUCTURE SUPPORT	\$ 3,880,433	\$ 3,914,146
C. Goal: SPECIAL ITEM SUPPORT		
Provide special item support.		
C.2.1. Strategy: CENTER FOR ENERGY	\$ 288,322	\$ 288,322
C.3.1. Strategy: PUBLIC LEADERSHIP INSTITUTE	\$ 768,860	\$ 768,860
John Ben Shepperd Public Leadership Institute.		
C.3.2. Strategy: SMALL BUSINESS DEVELOPMENT		
CENTER	\$ 112,200	\$ 112,200
C.4.1. Strategy: INSTITUTIONAL ENHANCEMENT	\$ 3,620,709	\$ 3,620,709
Total, Goal C: SPECIAL ITEM SUPPORT	\$ 4,790,091	\$ 4,790,091
Grand Total, THE UNIVERSITY OF TEXAS OF		
THE PERMIAN BASIN	\$ 16,698,198	\$ 16,856,751
Method of Financing:		
General Revenue Fund	\$ 13,275,735	\$ 13,300,212
General Revenue Fund - Dedicated		
Estimated Board Authorized Tuition Increases Account		
No. 704	181,500	181,500
Estimated Statutory Tuition Increases Account No. 708	140,085	280,169
Estimated Other Educational and General Income		
Account No. 770	3,100,878	3,094,870
Subtotal, General Revenue Fund - Dedicated	\$ 3,422,463	\$ 3,556,539
Total, Method of Financing	\$ 16,698,198	\$ 16,856,751
Object-of-Expense Informational Listing:		
Salaries and Wages	\$ 4,744,143	\$ 5,012,653
Other Personnel Costs	181,979	181,576
Faculty Salaries (Higher Education Only)	5,197,276	5,510,887
Operating Costs	5,374,245	4,790,135
Client Services	459,298	477,767
Capital Expenditures	741,257	883,733
Total, Object-of-Expense Informational Listing	\$ 16,698,198	\$ 16,856,751

2. **Small Business Development Center.** Included in the appropriation above to The University of Texas of the Permian Basin in Strategy C.3.2, Small Business Development Center, is \$112,200 in each year of the biennium for the Small Business Development Center, or its equivalent due to special provisions of this Act. This \$112,200 in each year is contingent upon certification by the Comptroller of Public Accounts that increased activity by the Small Business Development Center will generate at least \$224,400 additional revenue to the General Revenue Fund. It is the intent of the Legislature that state funds provided to the Small Business Development Center be used by the center to attract federal funds on a dollar-for-dollar basis.

THE UNIVERSITY OF TEXAS AT SAN ANTONIO

	For the Years Ending	
	August 31, 2004	August 31, 2005
1. Educational and General State Support	\$ 95,871,863	\$ 97,248,022
Grand Total, THE UNIVERSITY OF TEXAS AT SAN ANTONIO	<u>\$ 95,871,863</u>	<u>\$ 97,248,022</u>
Method of Financing:		
General Revenue Fund	\$ 66,888,362	\$ 67,216,343
<u>General Revenue Fund - Dedicated</u>		
Estimated Board Authorized Tuition Increases Account No. 704	1,650,572	1,650,572
Estimated Statutory Tuition Increases Account No. 708	1,231,493	2,462,986
Estimated Other Educational and General Income Account No. 770	26,101,436	25,918,121
Subtotal, General Revenue Fund - Dedicated	<u>\$ 28,983,501</u>	<u>\$ 30,031,679</u>
Total, Method of Financing	<u>\$ 95,871,863</u>	<u>\$ 97,248,022</u>
Number of Full-Time-Equivalent Positions (FTE)-Appropriated Funds	1,718.5	1,718.5

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: INSTRUCTION/OPERATIONS

Provide instructional and operations support.

Outcome (Results/Impact):

Percent of First-time, Full-time, Degree-seeking Freshmen Who Earn a Baccalaureate Degree within Six Academic Years	27.4%	28%
Retention Rate of First-time, Full-time, Degree-seeking Freshmen Students after One Academic Year	65.8%	65.8%
Administrative Cost as a Percent of Total Expenditures	11%	11%
Certification Rate of Teacher Education Graduates	65%	65%
Percent of Baccalaureate Graduates Who Are First Generation College Graduates	62.5%	64%
Percent of Lower Division Courses Taught by Tenured Faculty	33.5%	34.4%
State Licensure Pass Rate of Engineering Graduates	78.8%	79.5%
Dollar Value of External or Sponsored Research Funds (in Millions)	10.6	11.4
A.1.1. Strategy: OPERATIONS SUPPORT	\$ 56,025,161	\$ 57,036,057
A.1.2. Strategy: TEACHING EXPERIENCE SUPPLEMENT	\$ 2,112,008	\$ 2,150,116
A.1.3. Strategy: STAFF GROUP INSURANCE PREMIUMS	\$ 1,719,346	\$ 1,719,346
A.1.4. Strategy: WORKERS' COMPENSATION INSURANCE	\$ 185,579	\$ 185,579
A.1.5. Strategy: UNEMPLOYMENT COMPENSATION INSURANCE	\$ 340	\$ 340
A.1.6. Strategy: TEXAS PUBLIC EDUCATION GRANTS	\$ 3,794,067	\$ 3,938,733
A.1.7. Strategy: INDIRECT COST RECOVERY	\$ 1,653,412	\$ 1,653,412
Indirect cost recovery for research related activities.		
A.1.8. Strategy: EXCELLENCE FUNDING	<u>\$ 2,257,017</u>	<u>\$ 2,257,017</u>
Total, Goal A: INSTRUCTION/OPERATIONS	<u>\$ 67,746,930</u>	<u>\$ 68,940,600</u>

B. Goal: INFRASTRUCTURE SUPPORT

Provide infrastructure support.

THE UNIVERSITY OF TEXAS AT SAN ANTONIO
(Continued)

B.1.1. Strategy: E&G SPACE SUPPORT	\$	10,113,790	\$	10,296,279
Educational and general space support.				
B.1.2. Strategy: TUITION REVENUE BOND RETIREMENT	\$	6,616,458	\$	6,616,458
B.1.3. Strategy: SKILES ACT REVENUE BOND RETIREMENT	\$	<u>241,100</u>	\$	<u>241,100</u>
Total, Goal B: INFRASTRUCTURE SUPPORT	\$	<u>16,971,348</u>	\$	<u>17,153,837</u>
C. Goal: SPECIAL ITEM SUPPORT				
Provide special item support.				
C.1.1. Strategy: TEXAS PRE-ENGINEERING PROGRAM	\$	557,190	\$	557,190
C.2.1. Strategy: CENTER FOR WATER RESEARCH	\$	131,250	\$	131,250
C.3.1. Strategy: SMALL BUSINESS DEVELOPMENT CENTER	\$	2,126,097	\$	2,126,097
C.3.2. Strategy: INSTITUTE OF TEXAN CULTURES	\$	1,953,126	\$	1,953,126
C.4.1. Strategy: DOWNTOWN CAMPUS PHASE II	\$	1,312,500	\$	1,312,500
C.4.2. Strategy: INSTITUTIONAL ENHANCEMENT	\$	<u>5,073,422</u>	\$	<u>5,073,422</u>
Total, Goal C: SPECIAL ITEM SUPPORT	\$	<u>11,153,585</u>	\$	<u>11,153,585</u>
 Grand Total, THE UNIVERSITY OF TEXAS AT SAN ANTONIO				
	\$	<u>95,871,863</u>	\$	<u>97,248,022</u>
 Method of Financing:				
General Revenue Fund	\$	66,888,362	\$	67,216,343
 <u>General Revenue Fund - Dedicated</u>				
Estimated Board Authorized Tuition Increases Account No. 704		1,650,572		1,650,572
Estimated Statutory Tuition Increases Account No. 708		1,231,493		2,462,986
Estimated Other Educational and General Income Account No. 770		26,101,436		25,918,121
Subtotal, General Revenue Fund - Dedicated	\$	<u>28,983,501</u>	\$	<u>30,031,679</u>
 Total, Method of Financing				
	\$	<u>95,871,863</u>	\$	<u>97,248,022</u>
 Object-of-Expense Informational Listing:				
Salaries and Wages	\$	36,182,997	\$	38,403,645
Other Personnel Costs		1,721,971		1,721,971
Faculty Salaries (Higher Education Only)		34,743,819		37,841,576
Operating Costs		21,612,502		18,028,197
Client Services		0		91,232
Capital Expenditures		<u>1,610,574</u>		<u>1,161,401</u>
Total, Object-of-Expense Informational Listing	\$	<u>95,871,863</u>	\$	<u>97,248,022</u>

2. **Small Business Development Center.** Contingent upon certification by the Comptroller of Public Accounts that increased activity by the Small Business Development Center will generate at least \$4,252,194 for the biennium in additional revenue to the General Revenue Fund, \$2,126,097 is included in the appropriation above in each year of the biennium for the Small Business Development Center. It is the intent of the Legislature that state funds provided to the Small Business Development Center be used by the center to attract federal funds on a dollar-for-dollar basis.

THE UNIVERSITY OF TEXAS AT SAN ANTONIO
(Continued)

3. **Institute of Texan Cultures.** Out of the funds appropriated above, it is the intent of the Legislature that The University of Texas at San Antonio spend up to \$1,953,126 each year of the biennium for the Institute of Texan Cultures.

THE UNIVERSITY OF TEXAS AT TYLER

	For the Years Ending	
	August 31, 2004	August 31, 2005
1. Educational and General State Support	\$ 26,317,000	\$ 25,905,791
Grand Total, THE UNIVERSITY OF TEXAS AT TYLER	\$ 26,317,000	\$ 25,905,791
Method of Financing:		
General Revenue Fund	\$ 22,127,593	\$ 21,543,801
<u>General Revenue Fund - Dedicated</u>		
Estimated Statutory Tuition Increases Account No. 708	198,515	397,030
Estimated Other Educational and General Income Account No. 770	3,990,892	3,964,960
Subtotal, General Revenue Fund - Dedicated	\$ 4,189,407	\$ 4,361,990
Total, Method of Financing	\$ 26,317,000	\$ 25,905,791
Number of Full-Time-Equivalent Positions (FTE)-Appropriated Funds	427.5	427.5

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: INSTRUCTION/OPERATIONS

Provide instructional and operations support.

Outcome (Results/Impact):

Percent of First-time, Full-time, Degree-seeking Freshmen Who Earn a Baccalaureate Degree Within Six Academic Years	65%	65%
Retention Rate of First-time, Full-time, Degree-seeking Freshmen Students after One Academic Year	72%	73%
Administrative Cost as a Percent of Total Expenditures	12%	12%
Certification Rate of Teacher Education Graduates	88%	88%
Percent of Baccalaureate Graduates Who Are First Generation College Graduates	52%	54%
Percent of Lower Division Courses Taught by Tenured Faculty	68.5%	70%
State Licensure Pass Rate of Nursing Graduates	98%	98%

A.1.1. Strategy: OPERATIONS SUPPORT	\$ 12,129,425	\$ 12,282,236
A.1.2. Strategy: TEACHING EXPERIENCE SUPPLEMENT	\$ 557,964	\$ 564,994
A.1.3. Strategy: STAFF GROUP INSURANCE PREMIUMS	\$ 184,629	\$ 184,629
A.1.4. Strategy: WORKERS' COMPENSATION INSURANCE	\$ 60,002	\$ 60,002
A.1.5. Strategy: TEXAS PUBLIC EDUCATION GRANTS	\$ 881,622	\$ 918,334
A.1.6. Strategy: INDIRECT COST RECOVERY	\$ 50,000	\$ 50,000
Indirect cost recovery for research related activities.		
A.1.7. Strategy: EXCELLENCE FUNDING	\$ 374,604	\$ 374,604

Total, Goal A: INSTRUCTION/OPERATIONS \$ 14,238,246 \$ 14,434,799

THE UNIVERSITY OF TEXAS AT TYLER
(Continued)

B. Goal: INFRASTRUCTURE SUPPORT

Provide infrastructure support.

B.1.1. Strategy: E&G SPACE SUPPORT	\$ 3,069,831	\$ 3,108,506
Educational and general space support.		
B.1.2. Strategy: TUITION REVENUE BOND	\$ 1,500,578	\$ 1,500,578
RETIREMENT		
B.1.3. Strategy: SKILES ACT REVENUE BOND	\$ 48,406	\$ 48,406
RETIREMENT		

Total, Goal B: INFRASTRUCTURE SUPPORT	\$ 4,618,815	\$ 4,657,490
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C. Goal: SPECIAL ITEM SUPPORT

Provide special item support.

C.1.1. Strategy: 4-YEAR START UP OPERATIONS	\$ 1,120,000	\$ 1,203,125
C.1.2. Strategy: LONGVIEW CAMPUS	\$ 1,205,422	\$ 1,205,422
C.2.1. Strategy: INSTITUTIONAL ENHANCEMENT	\$ 5,134,517	\$ 4,404,955

Total, Goal C: SPECIAL ITEM SUPPORT	\$ 7,459,939	\$ 6,813,502
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Grand Total, THE UNIVERSITY OF TEXAS AT TYLER	\$ 26,317,000	\$ 25,905,791
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Method of Financing:

General Revenue Fund	\$ 22,127,593	\$ 21,543,801
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General Revenue Fund - Dedicated

Estimated Statutory Tuition Increases Account No. 708	198,515	397,030
Estimated Other Educational and General Income Account No. 770	3,990,892	3,964,960

Subtotal, General Revenue Fund - Dedicated	\$ 4,189,407	\$ 4,361,990
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Total, Method of Financing	\$ 26,317,000	\$ 25,905,791
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Object-of-Expense Informational Listing:

Salaries and Wages	\$ 4,288,959	\$ 4,863,372
Other Personnel Costs	184,629	184,629
Faculty Salaries (Higher Education Only)	10,323,502	8,928,060
Operating Costs	5,477,750	6,580,847
Client Services	881,622	918,334
Grants	5,131,809	4,404,955
Capital Expenditures	28,729	25,594

Total, Object-of-Expense Informational Listing	\$ 26,317,000	\$ 25,905,791
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TEXAS A&M UNIVERSITY SYSTEM ADMINISTRATIVE AND GENERAL OFFICES

	For the Years Ending	
	August 31, 2004	August 31, 2005
1. Educational and General State Support	\$ 5,819,300	\$ 3,629,806
Grand Total, TEXAS A&M UNIVERSITY SYSTEM ADMINISTRATIVE AND GENERAL OFFICES	\$ 5,819,300	\$ 3,629,806
 Method of Financing:		
General Revenue Fund	\$ 2,747,300	\$ 557,806
GR Dedicated - Texas A&M University Mineral Income Account No. 096, estimated	3,072,000	3,072,000
Total, Method of Financing	\$ 5,819,300	\$ 3,629,806
 Number of Full-Time-Equivalent Positions (FTE)- Appropriated Funds		
	84.0	84.0
 1. Informational Listing of Appropriated Funds. The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.		
A. Goal: INSTRUCTION/OPERATIONS Provide instructional and operations support.		
A.1.1. Strategy: SYSTEM OFFICE OPERATIONS	\$ 3,631,800	\$ 3,629,806
B. Goal: SPECIAL ITEM SUPPORT Provide special item support.		
B.1.1. Strategy: SCHOLARSHIPS	\$ 2,187,500	\$ 0
Grand Total, TEXAS A&M UNIVERSITY SYSTEM ADMINISTRATIVE AND GENERAL OFFICES	\$ 5,819,300	\$ 3,629,806
 Method of Financing:		
General Revenue Fund	\$ 2,747,300	\$ 557,806
GR Dedicated - Texas A&M University Mineral Income Account No. 096, estimated	3,072,000	3,072,000
Total, Method of Financing	\$ 5,819,300	\$ 3,629,806
 Object-of-Expense Informational Listing:		
Salaries and Wages	\$ 559,800	\$ 557,806
Operating Costs	5,259,500	3,072,000
Total, Object-of-Expense Informational Listing	\$ 5,819,300	\$ 3,629,806

2. **Appropriation, Governing Board.** Out of the funds appropriated above, an amount not to exceed \$325,000 in each year of the biennium shall be for all expenses associated with the governing board's duties including, but not limited to: travel, entertainment, lodging, and expenses of state employees who provide services for the governing board.

A separate record of the board's expenditures shall be kept and retained in the same manner as the fiscal records of the institution(s) the board governs. No funds may be used for the governing board's expenses except for the specific amounts designated above. Funds appropriated for the governing board's expenses may be used for any other purpose covered by this Act.

TEXAS A&M UNIVERSITY SYSTEM ADMINISTRATIVE AND GENERAL OFFICES
(Continued)

3. **Mineral Fund Appropriated.** Appropriated in the funds above to the Board of Regents of the Texas A&M University System are the funds in the Texas A&M University System Special Mineral Fund to be invested by said board in accordance with Education Code § 85.70. The income from said Fund is included in the appropriation above to the Board of Regents of the Texas A&M University System to be disbursed for the purposes provided for and in accordance with the provisions of the above citation. Mineral Funds are estimated to be \$3,072,000 in fiscal year 2004 and \$3,072,000 in fiscal year 2005.

TEXAS A&M UNIVERSITY

	For the Years Ending	
	August 31, 2004	August 31, 2005
1. Educational and General State Support	\$ 295,105,015	\$ 297,559,569
Grand Total, TEXAS A&M UNIVERSITY	\$ 295,105,015	\$ 297,559,569
Method of Financing:		
General Revenue Fund	\$ 208,479,371	\$ 208,871,167
General Revenue Fund - Dedicated		
Estimated Board Authorized Tuition Increases Account No. 704	6,025,000	6,025,000
Estimated Statutory Tuition Increases Account No. 708	2,590,123	5,180,247
Estimated Other Educational and General Income Account No. 770	75,785,521	75,333,155
Subtotal, General Revenue Fund - Dedicated	<u>\$ 84,400,644</u>	<u>\$ 86,538,402</u>
Real Estate Fee Trust Account No. 969	2,225,000	2,150,000
Total, Method of Financing	\$ 295,105,015	\$ 297,559,569
Number of Full-Time-Equivalent Positions (FTE)-		
Appropriated Funds	5,821.3	5,821.3

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: INSTRUCTION/OPERATIONS

Provide instructional and operations support.

Outcome (Results/Impact):

Percent of First-time, Full-time, Degree-seeking Freshmen Who Earn a Baccalaureate Degree Within Six Academic Years	74.5%	74.5%
Retention Rate of First-time, Full-time, Degree-seeking Freshmen Students after One Academic Year	89.5%	89.5%
Administrative Cost as a Percent of Total Expenditures	3.1%	3.1%
Certification Rate of Teacher Education Graduates	94%	94%
Percent of Baccalaureate Graduates Who Are First Generation College Graduates	31%	31%
Percent of Lower Division Courses Taught by Tenured Faculty	26.2%	26.2%
State Licensure Pass Rate of Engineering Graduates	93.3%	93.3%
State Licensure Examination Pass Rate of Veterinary Medicine Graduates	98%	98%
Dollar Value of External or Sponsored Research Funds (In Millions)	100.5	101.5
A.1.1. Strategy: OPERATIONS SUPPORT	\$ 194,708,975	\$ 196,825,884
A.1.2. Strategy: TEACHING EXPERIENCE SUPPLEMENT	\$ 5,054,417	\$ 5,109,369
A.1.3. Strategy: STAFF GROUP INSURANCE PREMIUMS	\$ 9,839,946	\$ 9,839,946

TEXAS A&M UNIVERSITY
(Continued)

A.1.4. Strategy: WORKERS' COMPENSATION INSURANCE	\$ 2,025,818	\$ 2,025,818
A.1.5. Strategy: TEXAS PUBLIC EDUCATION GRANTS	\$ 7,866,141	\$ 8,113,116
A.1.6. Strategy: INDIRECT COST RECOVERY Indirect cost recovery for research related activities.	\$ 8,574,680	\$ 8,574,680
A.1.7. Strategy: ORGANIZED ACTIVITIES	<u>\$ 8,218,553</u>	<u>\$ 8,218,553</u>
Total, Goal A: INSTRUCTION/OPERATIONS	<u>\$ 236,288,530</u>	<u>\$ 238,707,366</u>
B. Goal: INFRASTRUCTURE SUPPORT		
Provide infrastructure support.		
B.1.1. Strategy: E&G SPACE SUPPORT Educational and general space support.	\$ 38,470,944	\$ 38,889,206
B.1.2. Strategy: TUITION REVENUE BOND RETIREMENT	\$ 526,063	\$ 526,063
B.1.3. Strategy: SKILES ACT REVENUE BOND RETIREMENT	<u>\$ 462,782</u>	<u>\$ 462,782</u>
Total, Goal B: INFRASTRUCTURE SUPPORT	<u>\$ 39,459,789</u>	<u>\$ 39,878,051</u>
C. Goal: SPECIAL ITEM SUPPORT		
Provide special item support.		
C.2.1. Strategy: CYCLOTRON INSTITUTE	\$ 548,154	\$ 548,154
C.2.2. Strategy: SEA GRANT PROGRAM	\$ 359,678	\$ 359,678
C.2.3. Strategy: ENERGY RESOURCES PROGRAM	\$ 551,765	\$ 551,765
C.2.4. Strategy: PUBLIC POLICY RESOURCE LABORATORY	\$ 41,243	\$ 41,243
C.2.5. Strategy: REAL ESTATE RESEARCH CENTER	\$ 2,225,000	\$ 2,150,000
C.3.1. Strategy: SCHOOL OF ARCHITECTURE	\$ 750,274	\$ 750,274
C.4.1. Strategy: INSTITUTIONAL ENHANCEMENT	<u>\$ 14,880,582</u>	<u>\$ 14,573,038</u>
Total, Goal C: SPECIAL ITEM SUPPORT	<u>\$ 19,356,696</u>	<u>\$ 18,974,152</u>
Grand Total, TEXAS A&M UNIVERSITY	<u>\$ 295,105,015</u>	<u>\$ 297,559,569</u>
Method of Financing:		
General Revenue Fund	\$ 208,479,371	\$ 208,871,167
General Revenue Fund - Dedicated		
Estimated Board Authorized Tuition Increases Account No. 704	6,025,000	6,025,000
Estimated Statutory Tuition Increases Account No. 708	2,590,123	5,180,247
Estimated Other Educational and General Income Account No. 770	75,785,521	75,333,155
Subtotal, General Revenue Fund - Dedicated	<u>\$ 84,400,644</u>	<u>\$ 86,538,402</u>
Real Estate Fee Trust Account No. 969	2,225,000	2,150,000
Total, Method of Financing	<u>\$ 295,105,015</u>	<u>\$ 297,559,569</u>
Object-of-Expense Informational Listing:		
Salaries and Wages	\$ 91,720,519	\$ 93,605,238
Other Personnel Costs	4,628,254	6,893,737
Faculty Salaries (Higher Education Only)	107,871,661	121,872,028
Professional Salaries - Faculty Equivalent (Higher Education Only)	3,680,846	0

TEXAS A&M UNIVERSITY
(Continued)

Operating Costs	54,869,349	43,703,750
Client Services	1,180,547	580,109
Grants	30,965,276	30,904,707
Capital Expenditures	<u>188,563</u>	<u>0</u>
Total, Object-of-Expense Informational Listing	\$ <u>295,105,015</u>	\$ <u>297,559,569</u>

2. **Real Estate Research Center.** Funds derived from the provisions of VTCS, Article 6573a, § 5.m, in support of the Real Estate Research Center at Texas A&M University, are appropriated above to said center for the purposes stipulated therein. No employee paid from funds appropriated by this Act shall be paid both a salary and compensatory per diem for concurrent service as a state employee and as a board or commission member.

TEXAS A&M UNIVERSITY AT GALVESTON

	For the Years Ending	
	August 31, <u>2004</u>	August 31, <u>2005</u>
1. Educational and General State Support	\$ 14,067,579	\$ 14,174,640
Grand Total, TEXAS A&M UNIVERSITY AT GALVESTON	\$ <u>14,067,579</u>	\$ <u>14,174,640</u>
Method of Financing:		
General Revenue Fund	\$ 10,435,197	\$ 10,450,597
General Revenue Fund - Dedicated		
Estimated Board Authorized Tuition Increases Account No. 704	38,280	38,280
Estimated Statutory Tuition Increases Account No. 708	87,191	174,382
Estimated Other Educational and General Income Account No. 770	3,506,911	3,511,381
Subtotal, General Revenue Fund - Dedicated	\$ <u>3,632,382</u>	\$ <u>3,724,043</u>
Total, Method of Financing	\$ <u>14,067,579</u>	\$ <u>14,174,640</u>
Number of Full-Time-Equivalent Positions (FTE)-Appropriated Funds	261.3	261.3

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: INSTRUCTION/OPERATIONS

Provide instructional and operations support.

Outcomes (Results/Impact):

Percent of First-time, Full-time, Degree-seeking Freshmen Who Earn a Baccalaureate Degree within Six Academic Years	39.2%	41%
Retention Rate of First-time, Full-time, Degree-seeking Freshmen Students after One Academic Year	57.6%	57.6%
Administrative Cost as a Percent of Total Expenditures	12.4%	12.4%
Percent of Baccalaureate Graduates Who Are First Generation College Graduates	35%	38%

TEXAS A&M UNIVERSITY AT GALVESTON
(Continued)

Percent of Lower Division Courses Taught by Tenured Faculty	39%	41%
Dollar Value of External or Sponsored Research Funds (in Millions)	3.95	4.54
A.1.1. Strategy: OPERATIONS SUPPORT	\$ 3,915,879	\$ 3,971,566
A.1.2. Strategy: TEACHING EXPERIENCE SUPPLEMENT	\$ 175,724	\$ 178,222
A.1.3. Strategy: STAFF GROUP INSURANCE PREMIUMS	\$ 307,823	\$ 307,823
A.1.4. Strategy: WORKERS' COMPENSATION INSURANCE	\$ 83,698	\$ 83,698
A.1.5. Strategy: UNEMPLOYMENT COMPENSATION INSURANCE	\$ 725	\$ 725
A.1.6. Strategy: TEXAS PUBLIC EDUCATION GRANTS	\$ 303,044	\$ 312,569
A.1.7. Strategy: INDIRECT COST RECOVERY	\$ 615,000	\$ 615,000
Indirect cost recovery for research related activities.		
A.1.8. Strategy: EXCELLENCE FUNDING	<u>\$ 211,275</u>	<u>\$ 211,275</u>
Total, Goal A: INSTRUCTION/OPERATIONS	<u>\$ 5,613,168</u>	<u>\$ 5,680,878</u>
B. Goal: INFRASTRUCTURE SUPPORT		
Provide infrastructure support.		
B.1.1. Strategy: E&G SPACE SUPPORT	\$ 2,039,616	\$ 2,068,621
Educational and general space support.		
B.1.2. Strategy: TUITION REVENUE BOND RETIREMENT	<u>\$ 326,617</u>	<u>\$ 326,617</u>
Total, Goal B: INFRASTRUCTURE SUPPORT	<u>\$ 2,366,233</u>	<u>\$ 2,395,238</u>
C. Goal: SPECIAL ITEM SUPPORT		
Provide special item support.		
C.1.1. Strategy: MARINE/MARITIME INSTRUCTION	\$ 2,056,445	\$ 2,102,732
Marine and maritime instructional enhancement.		
C.2.1. Strategy: COASTAL ZONE LABORATORY	\$ 22,882	\$ 22,882
C.2.2. Strategy: INSTITUTE OF OCEANOGRAPHY	\$ 469,326	\$ 469,326
Texas Institute of Oceanography.		
C.4.1. Strategy: DREDGING OF DOCK AREA	\$ 35,941	\$ 0
C.4.2. Strategy: SHIP OPERATION & MAINTENANCE	\$ 902,100	\$ 902,100
Ship operation and maintenance.		
C.4.3. Strategy: MARINE TERMINAL OPERATION	\$ 402,227	\$ 402,227
Marine terminal operations.		
C.4.4. Strategy: INSTITUTIONAL ENHANCEMENT	<u>\$ 2,199,257</u>	<u>\$ 2,199,257</u>
Total, Goal C: SPECIAL ITEM SUPPORT	<u>\$ 6,088,178</u>	<u>\$ 6,098,524</u>
Grand Total, TEXAS A&M UNIVERSITY AT GALVESTON	<u>\$ 14,067,579</u>	<u>\$ 14,174,640</u>
Method of Financing:		
General Revenue Fund	\$ 10,435,197	\$ 10,450,597
General Revenue Fund - Dedicated		
Estimated Board Authorized Tuition Increases Account No. 704	38,280	38,280
Estimated Statutory Tuition Increases Account No. 708	87,191	174,382
Estimated Other Educational and General Income Account No. 770	3,506,911	3,511,381
Subtotal, General Revenue Fund - Dedicated	<u>\$ 3,632,382</u>	<u>\$ 3,724,043</u>
Total, Method of Financing	<u>\$ 14,067,579</u>	<u>\$ 14,174,640</u>

TEXAS A&M UNIVERSITY AT GALVESTON
(Continued)

Object-of-Expense Informational Listing:		
Salaries and Wages	\$ 3,735,100	\$ 3,894,875
Other Personnel Costs	104,790	131,873
Faculty Salaries (Higher Education Only)	2,085,012	2,625,646
Professional Salaries - Faculty Equivalent (Higher Education Only)	220,521	0
Operating Costs	2,718,851	2,907,688
Grants	2,864,859	2,511,826
Capital Expenditures	<u>2,338,446</u>	<u>2,102,732</u>
Total, Object-of-Expense Informational Listing	\$ <u>14,067,579</u>	\$ <u>14,174,640</u>

2. **Training Vessel.** No funds appropriated to Texas A&M University at Galveston may be expended for purchase of a training vessel.

PRAIRIE VIEW A&M UNIVERSITY

	For the Years Ending	
	August 31, 2004	August 31, 2005
I. Educational and General State Support	\$ 61,119,899	\$ 57,406,259
Grand Total, PRAIRIE VIEW A&M UNIVERSITY	\$ <u>61,119,899</u>	\$ <u>57,406,259</u>
Method of Financing:		
General Revenue Fund	\$ 48,489,472	\$ 43,266,850
General Revenue Fund - Dedicated		
Estimated Board Authorized Tuition Increases Account No. 704	114,757	114,757
Estimated Statutory Tuition Increases Account No. 708	329,283	658,567
Estimated Other Educational and General Income Account No. 770	10,897,053	10,889,385
Center for Study and Prevention of Juvenile Crime and Delinquency Account No. 5029, estimated	1,289,334	2,476,700
Subtotal, General Revenue Fund - Dedicated	\$ <u>12,630,427</u>	\$ <u>14,139,409</u>
Total, Method of Financing	\$ <u>61,119,899</u>	\$ <u>57,406,259</u>
Number of Full-Time-Equivalent Positions (FTE)-Appropriated Funds	929.3	929.3

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: INSTRUCTION/OPERATIONS

Provide instructional and operations support.

Outcome (Results/Impact):

Percent of First-time, Full-time, Degree-seeking Freshmen Who Earn a Baccalaureate Degree within Six Academic Years	34%	35%
Retention Rate of First-time, Full-time, Degree-seeking Freshmen Students after One Academic Year	70%	70%
Administrative Cost as a Percent of Total Expenditures	11%	11%
Certification Rate of Teacher Education Graduates	65%	65%

PRAIRIE VIEW A&M UNIVERSITY
(Continued)

Percent of Baccalaureate Graduates Who Are First Generation College Graduates	54%	54%
Percent of Lower Division Courses Taught by Tenured Faculty	58.4%	58.4%
State Licensure Pass Rate of Engineering Graduates	66.7%	66.7%
State Licensure Pass Rate of Nursing Graduates	90%	90%
Dollar Value of External or Sponsored Research Funds (in Millions)	7.9	7.9
A.1.1. Strategy: OPERATIONS SUPPORT	\$ 22,326,937	\$ 22,588,870
A.1.2. Strategy: TEACHING EXPERIENCE SUPPLEMENT	\$ 977,549	\$ 989,017
A.1.3. Strategy: STAFF GROUP INSURANCE PREMIUMS	\$ 1,504,070	\$ 1,504,070
A.1.4. Strategy: WORKERS' COMPENSATION INSURANCE	\$ 219,884	\$ 219,884
A.1.5. Strategy: UNEMPLOYMENT COMPENSATION INSURANCE	\$ 6,876	\$ 6,876
A.1.6. Strategy: TEXAS PUBLIC EDUCATION GRANTS	\$ 1,303,058	\$ 1,344,782
A.1.7. Strategy: INDIRECT COST RECOVERY	\$ 1,607,826	\$ 1,607,826
Indirect cost recovery for research related activities.		
A.1.8. Strategy: EXCELLENCE FUNDING	\$ <u>669,825</u>	\$ <u>669,825</u>
Total, Goal A: INSTRUCTION/OPERATIONS	\$ <u>28,616,025</u>	\$ <u>28,931,150</u>
B. Goal: INFRASTRUCTURE SUPPORT		
Provide infrastructure support.		
B.1.1. Strategy: E&G SPACE SUPPORT	\$ 4,763,438	\$ 4,819,321
Educational and general space support.		
B.1.2. Strategy: TUITION REVENUE BOND RETIREMENT	\$ <u>2,859,976</u>	\$ <u>2,859,976</u>
Total, Goal B: INFRASTRUCTURE SUPPORT	\$ <u>7,623,414</u>	\$ <u>7,679,297</u>
C. Goal: SPECIAL ITEM SUPPORT		
Provide special item support.		
C.1.1. Strategy: STUDENT NURSE STIPENDS	\$ 168,389	\$ 168,389
C.1.2. Strategy: HONORS PROGRAM	\$ 87,500	\$ 87,500
C.1.3. Strategy: TEXAS MEDICAL CENTER LIBRARY	\$ 23,859	\$ 23,859
Texas Medical Center library assessment.		
C.2.1. Strategy: AGRICULTURE RESEARCH CENTER	\$ 872,829	\$ 872,829
Cooperative Agriculture Research Center.		
C.3.1. Strategy: EXTENSION AND PUBLIC SERVICE	\$ 1,923,081	\$ 1,923,081
C.3.2. Strategy: JUVENILE CRIME PREVENTION CENTER	\$ 1,289,334	\$ 2,476,700
C.3.3. Strategy: COMMUNITY DEVELOPMENT	\$ 131,250	\$ 131,250
C.4.1. Strategy: INSTITUTIONAL ENHANCEMENT	\$ <u>4,174,705</u>	\$ <u>4,174,704</u>
Total, Goal C: SPECIAL ITEM SUPPORT	\$ <u>8,670,947</u>	\$ <u>9,858,312</u>
D. Goal: TEXAS COMMITMENT-OCR PRIORITY PLAN		
Texas commitment - OCR Priority Plan.		
D.1.1. Strategy: OCR PRIORITY PLAN	\$ 16,209,513	\$ 10,937,500
Provide funding to meet the Texas commitment to enhance programs, systems, and the recruitment, retention, and graduation of students.		& UB
Grand Total, PRAIRIE VIEW A&M UNIVERSITY	\$ <u>61,119,899</u>	\$ <u>57,406,259</u>
Method of Financing:		
General Revenue Fund	\$ 48,489,472	\$ 43,266,850
General Revenue Fund - Dedicated		
Estimated Board Authorized Tuition Increases Account No. 704	114,757	114,757

PRAIRIE VIEW A&M UNIVERSITY
(Continued)

Estimated Statutory Tuition Increases Account No. 708	329,283	658,567
Estimated Other Educational and General Income Account No. 770	10,897,053	10,889,385
Center for Study and Prevention of Juvenile Crime and Delinquency Account No. 5029, estimated	1,289,334	2,476,700
Subtotal, General Revenue Fund - Dedicated	\$ 12,630,427	\$ 14,139,409
Total, Method of Financing	\$ 61,119,899	\$ 57,406,259
Object-of-Expense Informational Listing:		
Salaries and Wages	\$ 18,425,156	\$ 17,620,362
Other Personnel Costs	570,911	678,282
Faculty Salaries (Higher Education Only)	14,838,496	15,416,348
Professional Salaries - Faculty Equivalent (Higher Education Only)	126,179	40,773
Professional Salaries - Extension (Texas Agricultural Extension Svc)	246,181	0
Operating Costs	19,904,642	20,620,791
Client Services	1,475,195	1,559,350
Grants	1,972,883	1,344,782
Capital Expenditures	3,560,256	125,571
Total, Object-of-Expense Informational Listing	\$ 61,119,899	\$ 57,406,259

2. **Texas Commitment - OCR Priority Plan.** Out of the funds appropriated above in D. Goal: Texas Commitment - OCR Priority Plan, the following items are included in the Priority Plan:

OCR Priority Plan Items	in millions	
	<u>2004</u>	<u>2005</u>
1. University College and Project Access	\$1.05	\$1.05
2. Student Development and Support Center	\$0.87	\$0.88
3. Honors Endowed Scholarships	\$0.88	\$1.75
4. Information Technology	\$0.70	\$0.70
5. Accreditation	\$0.87	\$0.88
6. College of Nursing	\$0.44	\$0.44
7. College of Engineering	\$0.44	\$0.17
8. MS Accounting	\$0.26	\$0.26
9. MS/PhD Electrical Engineering	\$0.79	\$0.79
10. Enhance Educator Preparation	\$0.35	\$0.35
11. MS Architecture	\$0.44	\$0.44
12. Four Endowed Chairs	\$0.88	\$0.87
13. MS Information Systems	\$0.61	\$0.07
14. Faculty Recruitment, Retention, and Development	\$1.31	\$1.31
15. MS Computer Science	\$0.35	\$0.35
16. PhD Juvenile Forensic Psychology	\$0.67	\$0.66
TOTAL:	\$10.91	\$10.97 & UB

3. **OCR Priority Plan Reporting Requirements.** Prairie View A&M University shall work with the Texas A&M University System; Prairie View A&M University and the Texas A&M University System shall work with the Texas Higher Education Coordinating Board, the Governor, and the Legislative Budget Board regarding any proposed changes to the detailed plan, the benchmarks and performance measures adopted in accordance with the OCR Priority Plan. Prairie View A&M University shall report their progress regarding the OCR Priority Plan benchmarks, performance measures, and expenditures for the above items, semi-annually by

PRAIRIE VIEW A&M UNIVERSITY
(Continued)

December 31 and June 30 to the institution's Board of Regents, the Texas Higher Education Coordinating Board, the Governor, and the Legislative Budget Board. Funds appropriated in Strategy D.1.1, OCR Priority Plan, include unexpended balances as of August 31, 2003 (estimated to be \$5,272,013) to Prairie View A&M University for the biennium beginning September 1, 2004, for continuation of the OCR Priority Plan and funding of the items as identified by the 78th Legislature. It is legislative intent that any funds not spent during the 2004-05 biennium be transferred to the 2006-07 biennium without any reduction in future funding for the Office of Civil Rights Priority Plan.

4. **Establishment of America's Promise School.** Out of the funds appropriated above Prairie View A&M University will jointly operate an America's Promise School with Waller Independent School District. The school will be a full service pre-kindergarten through fourth grade community-centered elementary school based around the America's Promise concept, which includes the following five promises: (1) an ongoing relationship with a caring adult/mentor; (2) safe places and structured activities before and after school; (3) a healthy start, including nutritional and health-related services; (4) students developing marketable skills through effective education; and (5) opportunities for the students to serve and give back to the community.
5. **OCR Multi-year Commitment.** It is the intent of the Legislature that the funding identified above in the OCR Priority Plan be continued as a multi-year commitment by the Legislature.
6. **Contingency for House Bill 85.** Contingent upon enactment of House Bill 85, or similar legislation relating to the establishment of a Prairie View A&M University Undergraduate Medical Academy, by the Seventy-eighth Legislature, Regular Session, Prairie View A&M is allocated out of funds appropriated above, up to \$2,500,000 in fiscal year 2004 and \$2,500,000 in fiscal year 2005 for the sole purpose of implementing that Act.

TARLETON STATE UNIVERSITY

	For the Years Ending	
	August 31, 2004	August 31, 2005
1. Educational and General State Support	\$ 38,441,541	\$ 38,895,846
Grand Total, TARLETON STATE UNIVERSITY	\$ 38,441,541	\$ 38,895,846
Method of Financing:		
General Revenue Fund	\$ 27,561,360	\$ 27,657,832
General Revenue Fund - Dedicated		
Estimated Board Authorized Tuition Increases Account No. 704	200,000	200,000
Estimated Statutory Tuition Increases Account No. 708	407,970	815,940
Estimated Other Educational and General Income Account No. 770	10,272,211	10,222,074
Subtotal, General Revenue Fund - Dedicated	\$ 10,880,181	\$ 11,238,014
Total, Method of Financing	\$ 38,441,541	\$ 38,895,846
Number of Full-Time-Equivalent Positions (FTE)- Appropriated Funds	701.1	701.1

TARLETON STATE UNIVERSITY
(Continued)

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: INSTRUCTION/OPERATIONS

Provide instructional and operations support.

Outcome (Results/Impact):

Percent of First-time, Full-time, Degree-seeking Freshmen Who Earn a Baccalaureate Degree within Six Academic Years	45.2%	45.2%
Retention Rate of First-time, Full-time, Degree-seeking Freshmen Students after One Academic Year	68.69%	69%
Administrative Cost as a Percent of Total Expenditures	8.8%	8.4%
Certification Rate of Teacher Education Graduates	87.5%	87.5%
Percent of Baccalaureate Graduates Who Are First Generation College Graduates	62%	63%
Percent of Lower Division Courses Taught by Tenured Faculty	47%	47%
State Licensure Pass Rate of Nursing Graduates	97%	97%

Dollar Value of External or Sponsored Research Funds (in Millions)	4.9	4.9
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A.1.1. Strategy: OPERATIONS SUPPORT	\$ 21,950,688	\$ 22,280,790
A.1.2. Strategy: TEACHING EXPERIENCE SUPPLEMENT	\$ 947,763	\$ 962,016
A.1.3. Strategy: STAFF GROUP INSURANCE PREMIUMS	\$ 1,173,521	\$ 1,173,521
A.1.4. Strategy: WORKERS' COMPENSATION INSURANCE	\$ 141,821	\$ 141,821
A.1.5. Strategy: UNEMPLOYMENT COMPENSATION INSURANCE	\$ 26,250	\$ 26,250
A.1.6. Strategy: TEXAS PUBLIC EDUCATION GRANTS	\$ 1,281,116	\$ 1,327,451
A.1.7. Strategy: INDIRECT COST RECOVERY	\$ 515,382	\$ 515,382
Indirect cost recovery for research related activities.		
A.1.8. Strategy: ORGANIZED ACTIVITIES	\$ 510,000	\$ 510,000
A.1.9. Strategy: EXCELLENCE FUNDING	<u>\$ 521,037</u>	<u>\$ 521,037</u>

Total, Goal A: INSTRUCTION/OPERATIONS	<u>\$ 27,067,578</u>	<u>\$ 27,458,268</u>
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B. Goal: INFRASTRUCTURE SUPPORT

Provide infrastructure support.

B.1.1. Strategy: E&G SPACE SUPPORT	\$ 4,230,195	\$ 4,293,810
Educational and general space support.		
B.1.2. Strategy: TUITION REVENUE BOND RETIREMENT	<u>\$ 1,743,032</u>	<u>\$ 1,743,032</u>

Total, Goal B: INFRASTRUCTURE SUPPORT	<u>\$ 5,973,227</u>	<u>\$ 6,036,842</u>
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C. Goal: SPECIAL ITEM SUPPORT

Provide special item support.

C.1.1. Strategy: CENTRAL TEXAS CENTER	\$ 1,179,375	\$ 1,179,375
University System Center - Central Texas.		
C.2.1. Strategy: ENVIRONMENTAL RESEARCH	\$ 1,400,000	\$ 1,400,000
Institute for Applied Environmental Research.		
C.2.2. Strategy: AGRICULTURE CENTER	\$ 328,125	\$ 328,125
Tarleton Agriculture Center.		
C.3.1. Strategy: INSTITUTIONAL ENHANCEMENT	<u>\$ 2,493,236</u>	<u>\$ 2,493,236</u>

Total, Goal C: SPECIAL ITEM SUPPORT	<u>\$ 5,400,736</u>	<u>\$ 5,400,736</u>
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Grand Total, TARLETON STATE UNIVERSITY	<u>\$ 38,441,541</u>	<u>\$ 38,895,846</u>
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TARLETON STATE UNIVERSITY
(Continued)

Method of Financing:		
General Revenue Fund	\$ 27,561,360	\$ 27,657,832
<u>General Revenue Fund - Dedicated</u>		
Estimated Board Authorized Tuition Increases Account No. 704	200,000	200,000
Estimated Statutory Tuition Increases Account No. 708	407,970	815,940
Estimated Other Educational and General Income Account No. 770	10,272,211	10,222,074
Subtotal, General Revenue Fund - Dedicated	<u>\$ 10,880,181</u>	<u>\$ 11,238,014</u>
Total, Method of Financing	<u>\$ 38,441,541</u>	<u>\$ 38,895,846</u>
Object-of-Expense Informational Listing:		
Salaries and Wages	\$ 11,033,305	\$ 11,508,567
Other Personnel Costs	263,991	263,093
Faculty Salaries (Higher Education Only)	15,089,688	15,251,001
Operating Costs	7,219,559	6,992,166
Client Services	24,227	23,913
Grants	<u>4,810,771</u>	<u>4,857,106</u>
Total, Object-of-Expense Informational Listing	<u>\$ 38,441,541</u>	<u>\$ 38,895,846</u>

2. **Bosque River Monitoring Project.** The Institute for Applied Environmental Research shall conduct water quality monitoring for the Bosque River. The institute shall coordinate the collection and reporting of data to conform with Texas Commission on Environmental Quality protocols. The Institute shall report on the water quality in the Bosque River by July 1 and February 1 of each year to the commission. It is legislative intent that the water quality monitoring efforts of the Institute for Applied Environmental Research, Texas Commission on Environmental Quality, and other appropriate agencies and entities be cooperative and non-duplicative.
3. **Scholarship Match.** Out of the funds appropriated above, funds may be used to provide a match for funds collected by a one dollar per semester credit hour fee for a student endowment scholarship and internship adopted by student referendum, pursuant to Education Code § 56.242.

TEXAS A&M UNIVERSITY - CORPUS CHRISTI

	For the Years Ending	
	August 31, 2004	August 31, 2005
1. Educational and General State Support	\$ 50,396,730	\$ 50,854,261
Grand Total, TEXAS A&M UNIVERSITY - CORPUS CHRISTI	<u>\$ 50,396,730</u>	<u>\$ 50,854,261</u>
Method of Financing:		
General Revenue Fund	\$ 40,696,393	\$ 40,815,280
<u>General Revenue Fund - Dedicated</u>		
Estimated Board Authorized Tuition Increases Account No. 704	192,236	192,236

TEXAS A&M UNIVERSITY - CORPUS CHRISTI
(Continued)

Estimated Statutory Tuition Increases Account No. 708	416,448	832,896
Estimated Other Educational and General Income Account No. 770	9,091,653	9,013,849
Subtotal, General Revenue Fund - Dedicated	<u>\$ 9,700,337</u>	<u>\$ 10,038,981</u>
Total, Method of Financing	<u>\$ 50,396,730</u>	<u>\$ 50,854,261</u>
Number of Full-Time-Equivalent Positions (FTE)- Appropriated Funds	818.1	818.1

1. Informational Listing of Appropriated Funds. The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: INSTRUCTION/OPERATIONS

Provide instructional and operations support.

Outcome (Results/Impact):

Percent of First-time, Full-time, Degree-seeking Freshmen Who Earn a Baccalaureate Degree within Six Academic Years	41%	41.5%
Retention Rate of First-time, Full-time, Degree-seeking Freshmen Students after One Academic Year	73%	73.5%
Administrative Cost as a Percent of Total Expenditures	13%	13%
Certification Rate of Teacher Education Graduates	80.1%	80.1%
Percent of Baccalaureate Graduates Who Are First Generation College Graduates	66.5%	67%
Percent of Lower Division Courses Taught by Tenured Faculty	49.5%	50%
State Licensure Pass Rate of Nursing Graduates	95%	95%
Dollar Value of External or Sponsored Research Funds (in Millions)	4.6	4.6

A.1.1. Strategy: OPERATIONS SUPPORT	\$ 21,605,678	\$ 21,944,104
A.1.2. Strategy: TEACHING EXPERIENCE SUPPLEMENT	\$ 1,085,365	\$ 1,102,365
A.1.3. Strategy: STAFF GROUP INSURANCE PREMIUMS	\$ 1,191,575	\$ 1,191,575
A.1.4. Strategy: WORKERS' COMPENSATION INSURANCE	\$ 104,225	\$ 104,225
A.1.5. Strategy: UNEMPLOYMENT COMPENSATION INSURANCE	\$ 10,165	\$ 10,165
A.1.6. Strategy: TEXAS PUBLIC EDUCATION GRANTS	\$ 1,106,407	\$ 1,147,489
A.1.7. Strategy: INDIRECT COST RECOVERY	\$ 519,250	\$ 519,250
Indirect cost recovery for research related activities.		
A.1.8. Strategy: EXCELLENCE FUNDING	<u>\$ 597,444</u>	<u>\$ 597,444</u>
Total, Goal A: INSTRUCTION/OPERATIONS	<u>\$ 26,220,109</u>	<u>\$ 26,616,617</u>

B. Goal: INFRASTRUCTURE SUPPORT

Provide infrastructure support.

B.1.1. Strategy: E&G SPACE SUPPORT	\$ 3,895,712	\$ 3,956,734
Educational and general space support.		
B.1.2. Strategy: TUITION REVENUE BOND RETIREMENT	<u>\$ 10,244,554</u>	<u>\$ 10,244,554</u>
Total, Goal B: INFRASTRUCTURE SUPPORT	<u>\$ 14,140,266</u>	<u>\$ 14,201,288</u>

C. Goal: SPECIAL ITEM SUPPORT

Provide special item support.

C.1.1. Strategy: SCHOOL NURSING PROGRAM	\$ 306,250	\$ 306,250
School Nursing Program for Early Childhood Development Center.		
C.1.2. Strategy: ENVIRONMENTAL CENTER	\$ 175,000	\$ 175,000
Environmental Learning Center.		
C.2.1. Strategy: COASTAL STUDIES	\$ 265,969	\$ 265,969
Center for Coastal Studies.		

TEXAS A&M UNIVERSITY - CORPUS CHRISTI
(Continued)

C.2.2. Strategy: GULF OF MEXICO ENVIRONMENTAL LAB	\$ 262,500	\$ 262,500
Gulf of Mexico Environmental Research Laboratory.		
C.3.1. Strategy: WATER RESOURCES CENTER	\$ 65,839	\$ 65,839
C.3.2. Strategy: ART MUSEUM	\$ 346,657	\$ 346,658
C.4.1. Strategy: INSTITUTIONAL ENHANCEMENT	<u>\$ 8,614,140</u>	<u>\$ 8,614,140</u>
Total, Goal C: SPECIAL ITEM SUPPORT	<u>\$ 10,036,355</u>	<u>\$ 10,036,356</u>
Grand Total, TEXAS A&M UNIVERSITY - CORPUS CHRISTI	<u>\$ 50,396,730</u>	<u>\$ 50,854,261</u>
Method of Financing:		
General Revenue Fund	\$ 40,696,393	\$ 40,815,280
General Revenue Fund - Dedicated		
Estimated Board Authorized Tuition Increases Account No. 704	192,236	192,236
Estimated Statutory Tuition Increases Account No. 708	416,448	832,896
Estimated Other Educational and General Income Account No. 770	9,091,653	9,013,849
Subtotal, General Revenue Fund - Dedicated	<u>\$ 9,700,337</u>	<u>\$ 10,038,981</u>
Total, Method of Financing	<u>\$ 50,396,730</u>	<u>\$ 50,854,261</u>
Object-of-Expense Informational Listing:		
Salaries and Wages	\$ 13,724,996	\$ 14,318,296
Other Personnel Costs	123,596	171,905
Faculty Salaries (Higher Education Only)	18,710,455	18,836,076
Operating Costs	15,796,208	15,466,176
Client Services	1,119,218	1,157,174
Capital Expenditures	<u>922,257</u>	<u>904,634</u>
Total, Object-of-Expense Informational Listing	<u>\$ 50,396,730</u>	<u>\$ 50,854,261</u>

2. **Art Museum Contingency.** Out of the General Revenue funds appropriated above, \$263,609 in each year of the biennium for the Art Museum is contingent upon the Art Museum receiving at least \$527,218 each year from local gifts, grants, and donations for the purposes of the operations of the Art Museum. In the event that gifts, grants, or donations for each fiscal year total less than \$527,218, the appropriation in each fiscal year is reduced to an amount equal to one-half of the total gifts, grants, and donations received in that fiscal year.

TEXAS A&M UNIVERSITY - KINGSVILLE

	For the Years Ending	
	August 31, 2004	August 31, 2005
1. Educational and General State Support	\$ 43,300,434	\$ 42,253,592
Grand Total, TEXAS A&M UNIVERSITY - KINGSVILLE	\$ 43,300,434	\$ 42,253,592
Method of Financing:		
General Revenue Fund	\$ 33,820,912	\$ 32,485,875
<u>General Revenue Fund - Dedicated</u>		
Estimated Statutory Tuition Increases Account No. 708	336,243	672,485
Estimated Other Educational and General Income Account No. 770	9,143,279	9,095,232
Subtotal, General Revenue Fund - Dedicated	<u>\$ 9,479,522</u>	<u>\$ 9,767,717</u>
Total, Method of Financing	\$ 43,300,434	\$ 42,253,592
Number of Full-Time-Equivalent Positions (FTE)- Appropriated Funds	815.2	815.2

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: INSTRUCTION/OPERATIONS

Provide instructional and operations support.

Outcome (Results/Impact):

Percent of First-time, Full-time, Degree-seeking Freshmen Who Earn a Baccalaureate Degree within Six Academic Years	31%	32%
Retention Rate of First-time, Full-time, Degree-seeking Freshmen Students after One Academic Year	66%	66%
Administrative Cost as a Percent of Total Expenditures	12.5%	12%
Certification Rate of Teacher Education Graduates	57.9%	57.9%
Percent of Baccalaureate Graduates Who Are First Generation College Graduates	63.8%	63.8%
Percent of Lower Division Courses Taught by Tenured Faculty	59%	60%
State Licensure Pass Rate of Engineering Graduates	88.7%	88.7%
Dollar Value of External or Sponsored Research Funds (in Millions)	7.8	7.8
A.1.1. Strategy: OPERATIONS SUPPORT	\$ 19,908,727	\$ 20,180,100
A.1.2. Strategy: TEACHING EXPERIENCE SUPPLEMENT	\$ 864,310	\$ 876,092
A.1.3. Strategy: STAFF GROUP INSURANCE PREMIUMS	\$ 1,336,502	\$ 1,336,502
A.1.4. Strategy: WORKERS' COMPENSATION INSURANCE	\$ 200,604	\$ 200,604
A.1.5. Strategy: UNEMPLOYMENT COMPENSATION INSURANCE	\$ 2,097	\$ 2,097
A.1.6. Strategy: TEXAS PUBLIC EDUCATION GRANTS	\$ 1,105,925	\$ 1,144,715
A.1.7. Strategy: INDIRECT COST RECOVERY	\$ 745,548	\$ 745,548
Indirect cost recovery for research related activities.		
A.1.8. Strategy: ORGANIZED ACTIVITIES	\$ 274,000	\$ 274,000
A.1.9. Strategy: EXCELLENCE FUNDING	\$ 576,137	\$ 576,137
Total, Goal A: INSTRUCTION/OPERATIONS	\$ 25,013,850	\$ 25,335,795

TEXAS A&M UNIVERSITY - KINGSVILLE
(Continued)

B. Goal: INFRASTRUCTURE SUPPORT		
Provide infrastructure support.		
B.1.1. Strategy: E&G SPACE SUPPORT Educational and general space support.	\$ 3,894,669	\$ 3,947,757
B.1.2. Strategy: TUITION REVENUE BOND RETIREMENT	<u>\$ 3,686,979</u>	<u>\$ 3,686,979</u>
Total, Goal B: INFRASTRUCTURE SUPPORT	<u>\$ 7,581,648</u>	<u>\$ 7,634,736</u>
C. Goal: SPECIAL ITEM SUPPORT		
Provide special item support.		
C.1.1. Strategy: PHD IN ENGINEERING	\$ 240,625	\$ 0
C.1.2. Strategy: PHARMACY SCHOOL START-UP	\$ 306,250	\$ 0
C.1.3. Strategy: SYSTEM CENTER - SAN ANTONIO TAMUK System Center - San Antonio.	\$ 2,275,000	\$ 1,400,000
C.2.1. Strategy: CITRUS CENTER	\$ 740,989	\$ 740,989
C.2.2. Strategy: WILDLIFE RESEARCH INSTITUTE	\$ 276,000	\$ 276,000
C.3.1. Strategy: JOHN E. CONNOR MUSEUM	\$ 27,231	\$ 27,231
C.3.2. Strategy: SOUTH TEXAS ARCHIVES	\$ 109,375	\$ 109,375
C.4.1. Strategy: INSTITUTIONAL ENHANCEMENT	<u>\$ 6,729,466</u>	<u>\$ 6,729,466</u>
Total, Goal C: SPECIAL ITEM SUPPORT	<u>\$ 10,704,936</u>	<u>\$ 9,283,061</u>
 Grand Total, TEXAS A&M UNIVERSITY - KINGSVILLE	 <u>\$ 43,300,434</u>	 <u>\$ 42,253,592</u>
 Method of Financing:		
General Revenue Fund	\$ 33,820,912	\$ 32,485,875
General Revenue Fund - Dedicated		
Estimated Statutory Tuition Increases Account No. 708	336,243	672,485
Estimated Other Educational and General Income Account No. 770	9,143,279	9,095,232
Subtotal, General Revenue Fund - Dedicated	<u>\$ 9,479,522</u>	<u>\$ 9,767,717</u>
Total, Method of Financing	<u>\$ 43,300,434</u>	<u>\$ 42,253,592</u>
 Object-of-Expense Informational Listing:		
Salaries and Wages	\$ 10,828,434	\$ 10,643,741
Other Personnel Costs	1,405,308	1,320,971
Faculty Salaries (Higher Education Only)	15,963,324	16,197,232
Professional Salaries - Faculty Equivalent (Higher Education Only)	353,289	400,745
Operating Costs	11,731,194	10,977,226
Client Services	1,307,161	1,391,992
Grants	576,137	576,137
Capital Expenditures	<u>1,135,587</u>	<u>745,548</u>
Total, Object-of-Expense Informational Listing	<u>\$ 43,300,434</u>	<u>\$ 42,253,592</u>

TEXAS A&M INTERNATIONAL UNIVERSITY

	For the Years Ending	
	August 31, 2004	August 31, 2005
I. Educational and General State Support	\$ 36,051,603	\$ 36,244,817
Grand Total, TEXAS A&M INTERNATIONAL UNIVERSITY	\$ 36,051,603	\$ 36,244,817
Method of Financing:		
General Revenue Fund	\$ 31,453,001	\$ 31,496,641
<u>General Revenue Fund - Dedicated</u>		
Estimated Board Authorized Tuition Increases Account No. 704	155,758	155,758
Estimated Statutory Tuition Increases Account No. 708	175,617	351,233
Estimated Other Educational and General Income Account No. 770	4,073,702	4,047,660
Subtotal, General Revenue Fund - Dedicated	\$ 4,405,077	\$ 4,554,651
Interagency Contracts	193,525	193,525
Total, Method of Financing	\$ 36,051,603	\$ 36,244,817
Number of Full-Time-Equivalent Positions (FTE)- Appropriated Funds	489.5	489.5

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: INSTRUCTION/OPERATIONS

Provide instructional and operations support.

Outcome (Results/Impact):

Percent of First-time, Full-time, Degree-seeking Freshmen Who Earn a Baccalaureate Degree within Six Academic Years	37%	37%
Retention Rate of First-time, Full-time, Degree-seeking Freshmen Students after One Academic Year	72%	72%
Administrative Cost as a Percent of Total Expenditures	21%	21%
Certification Rate of Teacher Education Graduates	72.2%	72.2%
Percent of Baccalaureate Graduates Who Are First Generation College Graduates	70%	72%
Percent of Lower Division Courses Taught by Tenured Faculty	53%	53%

Dollar Value of External or Sponsored Research Funds (in Millions)	.2	.2
A.1.1. Strategy: OPERATIONS SUPPORT	\$ 9,179,064	\$ 9,310,913
A.1.2. Strategy: TEACHING EXPERIENCE SUPPLEMENT	\$ 450,700	\$ 457,174
A.1.3. Strategy: STAFF GROUP INSURANCE PREMIUMS	\$ 521,156	\$ 521,156
A.1.4. Strategy: WORKERS' COMPENSATION INSURANCE	\$ 37,039	\$ 37,039
A.1.5. Strategy: UNEMPLOYMENT COMPENSATION INSURANCE	\$ 279	\$ 279
A.1.6. Strategy: TEXAS PUBLIC EDUCATION GRANTS	\$ 486,940	\$ 504,538
A.1.7. Strategy: INDIRECT COST RECOVERY	\$ 163,372	\$ 163,372
Indirect cost recovery for research related activities.		
A.1.8. Strategy: EXCELLENCE FUNDING	\$ 288,066	\$ 288,066
Total, Goal A: INSTRUCTION/OPERATIONS	\$ 11,126,616	\$ 11,282,537

TEXAS A&M INTERNATIONAL UNIVERSITY
(Continued)

B. Goal: INFRASTRUCTURE SUPPORT		
Provide infrastructure support.		
B.1.1. Strategy: E&G SPACE SUPPORT	\$ 2,596,273	\$ 2,633,566
Educational and general space support.		
B.1.2. Strategy: TUITION REVENUE BOND RETIREMENT	<u>\$ 12,694,981</u>	<u>\$ 12,694,981</u>
Total, Goal B: INFRASTRUCTURE SUPPORT	<u>\$ 15,291,254</u>	<u>\$ 15,328,547</u>
C. Goal: SPECIAL ITEM SUPPORT		
Provide special item support.		
C.1.1. Strategy: PHD PROGRAM IN BUSINESS	\$ 1,531,250	\$ 1,531,250
C.2.1. Strategy: INTERNATIONAL TRADE INSTITUTE Institute for International Trade.	\$ 273,722	\$ 273,722
C.3.1. Strategy: INSTITUTIONAL ENHANCEMENT	<u>\$ 7,828,761</u>	<u>\$ 7,828,761</u>
Total, Goal C: SPECIAL ITEM SUPPORT	<u>\$ 9,633,733</u>	<u>\$ 9,633,733</u>
Grand Total, TEXAS A&M INTERNATIONAL UNIVERSITY	<u>\$ 36,051,603</u>	<u>\$ 36,244,817</u>
 Method of Financing:		
General Revenue Fund	\$ 31,453,001	\$ 31,496,641
<u>General Revenue Fund - Dedicated</u>		
Estimated Board Authorized Tuition Increases Account No. 704	155,758	155,758
Estimated Statutory Tuition Increases Account No. 708	175,617	351,233
Estimated Other Educational and General Income Account No. 770	4,073,702	4,047,660
Subtotal, General Revenue Fund - Dedicated	<u>\$ 4,405,077</u>	<u>\$ 4,554,651</u>
Interagency Contracts	193,525	193,525
Total, Method of Financing	<u>\$ 36,051,603</u>	<u>\$ 36,244,817</u>
 Object-of-Expense Informational Listing:		
Salaries and Wages	\$ 8,768,714	\$ 8,541,596
Faculty Salaries (Higher Education Only)	9,555,644	9,917,530
Operating Costs	17,110,249	17,111,017
Client Services	2,924	2,869
Grants	614,072	620,546
Capital Expenditures	<u>0</u>	<u>51,259</u>
Total, Object-of-Expense Informational Listing	<u>\$ 36,051,603</u>	<u>\$ 36,244,817</u>

2. **Contingency for House Bill 1941.** Included in the amounts appropriated above out of the General Revenue Fund for Strategy B.1.2, Tuition Revenue Bond Retirement, is the amount of \$600,000 in each year of the biennium for the debt service related to the tuition revenue bonds authorized by House Bill 1941. The amount in this rider is contingent upon enactment of House Bill 1941, or similar legislation relating to the authorization of the issuance of revenue bonds for Texas A&M International University, by the Seventy-eighth Legislature, Regular Session. Any portion of this appropriation not spent in fiscal year 2004 could be expended for the same purposes in fiscal year 2005.

WEST TEXAS A&M UNIVERSITY

	For the Years Ending	
	August 31, 2004	August 31, 2005
I. Educational and General State Support	\$ 33,675,754	\$ 34,155,967
Grand Total, WEST TEXAS A&M UNIVERSITY	\$ 33,675,754	\$ 34,155,967
Method of Financing:		
General Revenue Fund	\$ 24,942,093	\$ 25,106,400
<u>General Revenue Fund - Dedicated</u>		
Estimated Board Authorized Tuition Increases Account No. 704	150,000	150,000
Estimated Statutory Tuition Increases Account No. 708	454,236	908,473
Estimated Other Educational and General Income Account No. 770	8,129,425	7,991,094
Subtotal, General Revenue Fund - Dedicated	\$ 8,733,661	\$ 9,049,567
Total, Method of Financing	\$ 33,675,754	\$ 34,155,967
Number of Full-Time-Equivalent Positions (FTE)- Appropriated Funds	629.7	629.7

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: INSTRUCTION/OPERATIONS

Provide instructional and operations support.

Outcome (Results/Impact):

Percent of First-time, Full-time, Degree-seeking Freshmen Who Earn a Baccalaureate Degree within Six Academic Years	35.8%	35.8%
Retention Rate of First-time, Full-time, Degree-seeking Freshmen Students after One Academic Year	73.1%	73.1%
Administrative Cost as a Percent of Total Expenditures	7.6%	7.6%
Certification Rate of Teacher Education Graduates	82.3%	82.3%
Percent of Baccalaureate Graduates Who Are First Generation College Graduates	52%	52%
Percent of Lower Division Courses Taught by Tenured Faculty	46.2%	46.2%
State Licensure Pass Rate of Nursing Graduates	96.4%	96.4%
A.1.1. Strategy: OPERATIONS SUPPORT	\$ 18,292,896	\$ 18,661,387
A.1.2. Strategy: TEACHING EXPERIENCE SUPPLEMENT	\$ 818,115	\$ 834,595
A.1.3. Strategy: STAFF GROUP INSURANCE PREMIUMS	\$ 1,097,932	\$ 1,097,932
A.1.4. Strategy: WORKERS' COMPENSATION INSURANCE	\$ 155,640	\$ 155,640
A.1.5. Strategy: UNEMPLOYMENT COMPENSATION INSURANCE	\$ 1,563	\$ 1,563
A.1.6. Strategy: TEXAS PUBLIC EDUCATION GRANTS	\$ 1,095,664	\$ 1,137,303
A.1.7. Strategy: INDIRECT COST RECOVERY	\$ 150,000	\$ 150,000
Indirect cost recovery for research related activities.		
A.1.8. Strategy: ORGANIZED ACTIVITIES	\$ 91,885	\$ 91,885
A.1.9. Strategy: EXCELLENCE FUNDING	\$ 594,830	\$ 594,830

Total, Goal A: INSTRUCTION/OPERATIONS **\$ 22,298,525** **\$ 22,751,135**

B. Goal: INFRASTRUCTURE SUPPORT

Provide infrastructure support.

B.1.1. Strategy: E&G SPACE SUPPORT	\$ 3,438,522	\$ 3,507,788
Educational and general space support.		

WEST TEXAS A&M UNIVERSITY
(Continued)

B.1.2. Strategy: TUITION REVENUE BOND RETIREMENT	\$ 1,504,365	\$ 1,504,365
B.1.3. Strategy: SKILES ACT REVENUE BOND RETIREMENT	<u>\$ 85,630</u>	<u>\$ 85,630</u>
Total, Goal B: INFRASTRUCTURE SUPPORT	<u>\$ 5,028,517</u>	<u>\$ 5,097,783</u>
C. Goal: SPECIAL ITEM SUPPORT		
Provide special item support.		
C.2.1. Strategy: KILLGORE RESEARCH CENTER	\$ 43,780	\$ 43,780
C.2.2. Strategy: WIND ENERGY RESEARCH	\$ 96,250	\$ 105,000
C.2.3. Strategy: ENVIRONMENTAL RESEARCH	\$ 875,000	\$ 875,000
C.2.4. Strategy: INTEGRATED PEST MANAGEMENT Integrated pest management.	\$ 131,250	\$ 131,250
C.3.1. Strategy: PANHANDLE-PLAINS MUSEUM Panhandle-Plains Historical Museum.	\$ 551,015	\$ 526,602
C.3.2. Strategy: RURAL AGRI-BUSINESS Rural agri-business incubator and accelerator.	\$ 750,000	\$ 750,000
C.3.3. Strategy: SMALL BUSINESS DEVELOPMENT CENTER	\$ 150,000	\$ 150,000
C.4.1. Strategy: INSTITUTIONAL ENHANCEMENT	<u>\$ 3,751,417</u>	<u>\$ 3,751,417</u>
Total, Goal C: SPECIAL ITEM SUPPORT	<u>\$ 6,348,712</u>	<u>\$ 6,333,049</u>
Grand Total, WEST TEXAS A&M UNIVERSITY	<u>\$ 33,675,754</u>	<u>\$ 34,155,967</u>
Method of Financing:		
General Revenue Fund	\$ 24,942,093	\$ 25,106,400
General Revenue Fund - Dedicated		
Estimated Board Authorized Tuition Increases Account No. 704	150,000	150,000
Estimated Statutory Tuition Increases Account No. 708	454,236	908,473
Estimated Other Educational and General Income Account No. 770	8,129,425	7,991,094
Subtotal, General Revenue Fund - Dedicated	<u>\$ 8,733,661</u>	<u>\$ 9,049,567</u>
Total, Method of Financing	<u>\$ 33,675,754</u>	<u>\$ 34,155,967</u>
Object-of-Expense Informational Listing:		
Salaries and Wages	\$ 8,221,137	\$ 8,477,308
Other Personnel Costs	366,619	373,897
Faculty Salaries (Higher Education Only)	10,577,991	10,747,395
Operating Costs	8,021,643	8,022,959
Client Services	1,129,106	1,170,330
Grants	5,221,247	5,221,247
Capital Expenditures	<u>138,011</u>	<u>142,831</u>
Total, Object-of-Expense Informational Listing	<u>\$ 33,675,754</u>	<u>\$ 34,155,967</u>

2. **Rural Agricultural/Business Incubator and Accelerator.** Contingent upon certification by the Comptroller of Public Accounts that increased activity by the Rural Agricultural/Business Incubator and Accelerator will generate at least \$1,500,000 additional revenue to the General Revenue Fund, \$750,000 in each year of the biennium is included in the appropriation above for

WEST TEXAS A&M UNIVERSITY
(Continued)

the Rural Agricultural/Business Incubator and Accelerator. It is the intent of the Legislature that state funds provided to the Rural Agricultural/Business Incubator and Accelerator be used by the center to attract federal funds on a dollar-for-dollar basis.

3. **Small Business Development Center.** Contingent upon certification by the Comptroller of Public Accounts that increased activity by the Small Business Development Center will generate at least \$300,000 additional revenue to the General Revenue Fund, \$150,000 in each year of the biennium is included in the appropriation above for the Small Business Development Center. It is the intent of the Legislature that state funds provided to the Small Business Development Center be used by the center to attract federal funds on a dollar-for-dollar basis.

TEXAS A&M UNIVERSITY - COMMERCE

	For the Years Ending	
	August 31, 2004	August 31, 2005
1. Educational and General State Support	\$ 40,698,537	\$ 41,360,105
Grand Total, TEXAS A&M UNIVERSITY - COMMERCE	\$ 40,698,537	\$ 41,360,105
 Method of Financing:		
General Revenue Fund	\$ 29,847,235	\$ 30,163,510
 <u>General Revenue Fund - Dedicated</u>		
Estimated Board Authorized Tuition Increases Account No. 704	1,142,152	1,142,152
Estimated Statutory Tuition Increases Account No. 708	412,417	824,835
Estimated Other Educational and General Income Account No. 770	9,296,733	9,229,608
Subtotal, General Revenue Fund - Dedicated	<u>\$ 10,851,302</u>	<u>\$ 11,196,595</u>
 Total, Method of Financing	 \$ 40,698,537	 \$ 41,360,105
 Number of Full-Time-Equivalent Positions (FTE)- Appropriated Funds	 808.5	 808.5

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: INSTRUCTION/OPERATIONS

Provide instructional and operations support.

Outcome (Results/Impact):

Percent of First-time, Full-time, Degree-seeking Freshmen Who Earn a Baccalaureate Degree within Six Academic Years	35.5%	36%
Retention Rate of First-time, Full-time, Degree-seeking Freshmen Students after One Academic Year	73.7%	73.7%
Administrative Cost as a Percent of Total Expenditures	11%	11%
Certification Rate of Teacher Education Graduates	88.2%	88.2%
Percent of Baccalaureate Graduates Who Are First Generation College Graduates	41%	42%
Percent of Lower Division Courses Taught by Tenured Faculty	45%	48%

TEXAS A&M UNIVERSITY - COMMERCE
(Continued)

A.1.1. Strategy: OPERATIONS SUPPORT	\$ 27,600,419	\$ 27,951,277
A.1.2. Strategy: TEACHING EXPERIENCE SUPPLEMENT	\$ 630,153	\$ 638,163
A.1.3. Strategy: STAFF GROUP INSURANCE PREMIUMS	\$ 1,426,874	\$ 1,426,874
A.1.4. Strategy: WORKERS' COMPENSATION INSURANCE	\$ 111,895	\$ 115,252
A.1.5. Strategy: UNEMPLOYMENT COMPENSATION INSURANCE	\$ 27,945	\$ 28,616
A.1.6. Strategy: TEXAS PUBLIC EDUCATION GRANTS	\$ 1,481,873	\$ 1,530,428
A.1.7. Strategy: INDIRECT COST RECOVERY	\$ 150,650	\$ 150,650
Indirect cost recovery for research related activities.		
A.1.8. Strategy: ORGANIZED ACTIVITIES	\$ 142,614	\$ 142,614
A.1.9. Strategy: EXCELLENCE FUNDING	<u>\$ 685,413</u>	<u>\$ 685,413</u>
Total, Goal A: INSTRUCTION/OPERATIONS	<u>\$ 32,257,836</u>	<u>\$ 32,669,287</u>
B. Goal: INFRASTRUCTURE SUPPORT		
Provide infrastructure support.		
B.1.1. Strategy: E&G SPACE SUPPORT	\$ 4,212,485	\$ 4,266,034
Educational and general space support.		
B.1.2. Strategy: TUITION REVENUE BOND RETIREMENT	<u>\$ 862,751</u>	<u>\$ 862,751</u>
Total, Goal B: INFRASTRUCTURE SUPPORT	<u>\$ 5,075,236</u>	<u>\$ 5,128,785</u>
C. Goal: SPECIAL ITEM SUPPORT		
Provide special item support.		
C.1.1. Strategy: INDUSTRIAL ENGINEERING PROGRAM	\$ 328,432	\$ 525,000
Bachelor of Science Degree Program in Industrial Engineering.		
C.2.1. Strategy: EDUCATIONAL CONSORTIUM	\$ 656,475	\$ 656,475
Northeast Texas Educational Partnership Consortium.		
C.3.1. Strategy: INSTITUTIONAL ENHANCEMENT	<u>\$ 2,380,558</u>	<u>\$ 2,380,558</u>
Total, Goal C: SPECIAL ITEM SUPPORT	<u>\$ 3,365,465</u>	<u>\$ 3,562,033</u>
 Grand Total, TEXAS A&M UNIVERSITY - COMMERCE	 <u>\$ 40,698,537</u>	 <u>\$ 41,360,105</u>
 Method of Financing:		
General Revenue Fund	\$ 29,847,235	\$ 30,163,510
General Revenue Fund - Dedicated		
Estimated Board Authorized Tuition Increases Account No. 704	1,142,152	1,142,152
Estimated Statutory Tuition Increases Account No. 708	412,417	824,835
Estimated Other Educational and General Income Account No. 770	9,296,733	9,229,608
Subtotal, General Revenue Fund - Dedicated	<u>\$ 10,851,302</u>	<u>\$ 11,196,595</u>
Total, Method of Financing	<u>\$ 40,698,537</u>	<u>\$ 41,360,105</u>
 Object-of-Expense Informational Listing:		
Salaries and Wages	\$ 13,426,191	\$ 14,852,682
Other Personnel Costs	274,133	119,694
Faculty Salaries (Higher Education Only)	15,799,208	16,531,025
Operating Costs	6,430,196	5,065,802

TEXAS A&M UNIVERSITY - COMMERCE
(Continued)

Client Services	32,027	5,852
Grants	4,698,494	4,747,049
Capital Expenditures	<u>38,288</u>	<u>38,001</u>
Total, Object-of-Expense Informational Listing	\$ <u>40,698,537</u>	\$ <u>41,360,105</u>

TEXAS A&M UNIVERSITY - TEXARKANA

	For the Years Ending	
	<u>August 31,</u> <u>2004</u>	<u>August 31,</u> <u>2005</u>
1. Educational and General State Support	\$ 10,562,676	\$ 10,688,098
Grand Total, TEXAS A&M UNIVERSITY - TEXARKANA	\$ <u>10,562,676</u>	\$ <u>10,688,098</u>
Method of Financing:		
General Revenue Fund	\$ 9,133,705	\$ 9,207,203
General Revenue Fund - Dedicated		
Estimated Board Authorized Tuition Increases Account No. 704	122,800	122,800
Estimated Statutory Tuition Increases Account No. 708	117,404	234,808
Estimated Other Educational and General Income Account No. 770	1,188,767	1,123,287
Subtotal, General Revenue Fund - Dedicated	\$ <u>1,428,971</u>	\$ <u>1,480,895</u>
Total, Method of Financing	\$ <u>10,562,676</u>	\$ <u>10,688,098</u>
Number of Full-Time-Equivalent Positions (FTE)-		
Appropriated Funds	149.1	149.1

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: INSTRUCTION/OPERATIONS

Provide instructional and operations support.

Outcome (Results/Impact):

Administrative Cost as a Percent of Total Expenditures	26.5%	26.5%
Certification Rate of Teacher Education Graduates	94.7%	94.7%
Percent of Baccalaureate Graduates Who Are First Generation College Graduates	77%	78%
Percent of Incoming Full-time Undergraduate Transfer Students Who Graduate within Four Years	82%	83%
Retention Rate of First-time, Full-time, Degree-seeking Transfer Students after One Academic Year (Upper-level Institutions Only)	82%	83%

A.1.1. Strategy: OPERATIONS SUPPORT	\$ 3,705,141	\$ 3,787,754
A.1.2. Strategy: TEACHING EXPERIENCE SUPPLEMENT	\$ 132,866	\$ 135,828
A.1.3. Strategy: STAFF GROUP INSURANCE PREMIUMS	\$ 185,135	\$ 185,135
A.1.4. Strategy: WORKERS' COMPENSATION INSURANCE	\$ 16,242	\$ 16,242
A.1.5. Strategy: UNEMPLOYMENT COMPENSATION INSURANCE	\$ 3,248	\$ 3,248

TEXAS A&M UNIVERSITY - TEXARKANA

(Continued)

A.1.6. Strategy: TEXAS PUBLIC EDUCATION GRANTS	\$ 211,353	\$ 219,372
A.1.7. Strategy: EXCELLENCE FUNDING	\$ 166,343	\$ 166,343
Total, Goal A: INSTRUCTION/OPERATIONS	<u>\$ 4,420,328</u>	<u>\$ 4,513,922</u>
B. Goal: INFRASTRUCTURE SUPPORT		
Provide infrastructure support.		
B.1.1. Strategy: E&G SPACE SUPPORT	\$ 1,427,472	\$ 1,459,300
Educational and general space support.		
B.1.2. Strategy: TUITION REVENUE BOND RETIREMENT	\$ 855,802	\$ 855,802
B.1.3. Strategy: LEASE OF FACILITIES	\$ 2,097	\$ 2,097
Total, Goal B: INFRASTRUCTURE SUPPORT	<u>\$ 2,285,371</u>	<u>\$ 2,317,199</u>
C. Goal: SPECIAL ITEM SUPPORT		
Provide special item support.		
C.1.1. Strategy: ACADEMIC PROGRAMS	\$ 1,494,938	\$ 1,494,938
Academic programs and program development.		
C.2.1. Strategy: NE TEXAS EDUCATION PARTNERSHIP	\$ 76,675	\$ 76,675
Northeast Texas Education Partnership.		
C.3.1. Strategy: TRANSITION FUNDING	\$ 153,772	\$ 153,772
C.3.2. Strategy: INSTITUTIONAL ENHANCEMENT	\$ 2,131,592	\$ 2,131,592
Total, Goal C: SPECIAL ITEM SUPPORT	<u>\$ 3,856,977</u>	<u>\$ 3,856,977</u>
 Grand Total, TEXAS A&M UNIVERSITY - TEXARKANA	 <u>\$ 10,562,676</u>	 <u>\$ 10,688,098</u>
 Method of Financing:		
General Revenue Fund	\$ 9,133,705	\$ 9,207,203
 General Revenue Fund - Dedicated		
Estimated Board Authorized Tuition Increases Account No. 704		
	122,800	122,800
Estimated Statutory Tuition Increases Account No. 708		
	117,404	234,808
Estimated Other Educational and General Income Account No. 770		
	1,188,767	1,123,287
Subtotal, General Revenue Fund - Dedicated	<u>\$ 1,428,971</u>	<u>\$ 1,480,895</u>
 Total, Method of Financing	 <u>\$ 10,562,676</u>	 <u>\$ 10,688,098</u>
 Object-of-Expense Informational Listing:		
Salaries and Wages	\$ 2,424,326	\$ 2,351,251
Other Personnel Costs	344,132	379,454
Faculty Salaries (Higher Education Only)	4,429,267	5,102,217
Operating Costs	2,752,429	2,504,075
Client Services	138,235	129,632
Grants	213,450	221,469
Capital Expenditures	<u>260,837</u>	<u>0</u>
Total, Object-of-Expense Informational Listing	<u>\$ 10,562,676</u>	<u>\$ 10,688,098</u>

2. **Scholarship Match.** Out of the funds appropriated above, funds may be used to provide a match for funds collected by a two dollar per semester credit hour fee for a student endowment scholarship and internship program adopted by student referendum, pursuant to Education Code § 56.242.

UNIVERSITY OF HOUSTON SYSTEM ADMINISTRATION

	For the Years Ending	
	August 31, 2004	August 31, 2005
Out of the General Revenue Fund:		
1. Educational and General State Support	\$ 3,504,669	\$ 3,508,335
Grand Total, UNIVERSITY OF HOUSTON SYSTEM ADMINISTRATION	\$ 3,504,669	\$ 3,508,335
Number of Full-Time-Equivalent Positions (FTE)- Appropriated Funds	71.0	71.0
1. Informational Listing of Appropriated Funds. The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.		
Out of the General Revenue Fund:		
A. Goal: INSTRUCTION/OPERATIONS Provide instructional and operations support.		
A.1.1. Strategy: SYSTEM OFFICE OPERATIONS	\$ 1,860,919	\$ 1,864,585
B. Goal: INFRASTRUCTURE SUPPORT Provide infrastructure support.		
B.1.1. Strategy: TUITION REVENUE BOND RETIREMENT	\$ 1,031,250	\$ 1,031,250
C. Goal: SPECIAL ITEM SUPPORT Provide special item support.		
C.1.1. Strategy: NASA PROGRAMS High School Cooperative Education Program with NASA and Technology Outreach Program.	\$ 612,500	\$ 612,500
Grand Total, UNIVERSITY OF HOUSTON SYSTEM ADMINISTRATION	\$ 3,504,669	\$ 3,508,335
Object-of-Expense Informational Listing:		
Salaries and Wages	\$ 1,860,919	\$ 1,864,585
Operating Costs	612,500	612,500
Debt Service	1,031,250	1,031,250
Total, Object-of-Expense Informational Listing	\$ 3,504,669	\$ 3,508,335

2. **Appropriation, Governing Board.** Out of the funds appropriated above, an amount not to exceed \$150,000 in each year of the biennium shall be for all expenses associated with the governing board's duties including, but not limited to: travel, entertainment, lodging, and expenses of state employees who provide services for the governing board.

A separate record of the board's expenditures shall be kept and retained in the same manner as the fiscal records of the institution(s) the board governs. No funds may be used for the governing board's expenses except for the specific amounts designated above. Funds appropriated for the governing board's expenses may be used for any other purpose covered by this Act.

UNIVERSITY OF HOUSTON SYSTEM ADMINISTRATION
(Continued)

3. Contingent Appropriation for House Bill 3350.

- a. Included in the appropriation above to the University of Houston System in Strategy B.1.1, Tuition Revenue Bond Retirement, is \$1,031,250 in each year of the biennium for the debt service related to tuition revenue bonds authorized by House Bill 3350. The amounts in this rider are contingent upon the enactment of House Bill 3350 or similar legislation relating to the authorization of the issuance of tuition revenue bonds. Any portion of this appropriation not spent in fiscal year 2004 could be expended for the same purposes in fiscal year 2005.
- b. It is the intent of the Legislature that if any of the funds identified by this rider are expended on a project for which the System or component institutions receive reimbursement from the settlement of insurance claims or from the Federal Emergency Management Agency (FEMA) related to Tropical Storm Allison, the System or component institution shall reimburse the state for related expenses.

UNIVERSITY OF HOUSTON

	For the Years Ending	
	August 31, 2004	August 31, 2005
1. Educational and General State Support	\$ 191,473,535	\$ 192,978,405
Grand Total, UNIVERSITY OF HOUSTON	\$ 191,473,535	\$ 192,978,405
 Method of Financing:		
General Revenue Fund	\$ 129,705,973	\$ 129,877,770
 <u>General Revenue Fund - Dedicated</u>		
Estimated Board Authorized Tuition Increases Account No. 704	12,524,974	12,524,974
Estimated Statutory Tuition Increases Account No. 708	1,374,652	2,749,304
Estimated Other Educational and General Income Account No. 770	47,867,936	47,826,357
Subtotal, General Revenue Fund - Dedicated	<u>\$ 61,767,562</u>	<u>\$ 63,100,635</u>
Total, Method of Financing	\$ 191,473,535	\$ 192,978,405
 Number of Full-Time-Equivalent Positions (FTE)-		
Appropriated Funds	3,389.8	3,389.8

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: INSTRUCTION/OPERATIONS

Provide instructional and operations support.

Outcome (Results/Impact):

Percent of First-time, Full-time, Degree-seeking Freshmen Who Earn a Baccalaureate Degree within Six Academic Years	37.4%	37.5%
Retention Rate of First-time, Full-time, Degree-seeking Freshmen Students after One Academic Year	84.3%	84.3%
Administrative Cost as a Percent of Total Expenditures	9.2%	8.9%
Certification Rate of Teacher Education Graduates	91%	91%
Percent of Baccalaureate Graduates Who Are First Generation College Graduates	38.5%	39%
Percent of Lower Division Courses Taught by Tenured Faculty	43.5%	43.5%
State Licensure Pass Rate of Law Graduates	92.7%	92.7%
State Licensure Pass Rate of Engineering Graduates	92%	92%
State Licensure Pass Rate of Pharmacy Graduates	100%	100%
Dollar Value of External or Sponsored Research Funds (in Millions)	47.6	47.6
A.1.1. Strategy: OPERATIONS SUPPORT	\$ 125,675,037	\$ 126,818,726
A.1.2. Strategy: TEACHING EXPERIENCE SUPPLEMENT	\$ 2,974,559	\$ 3,001,629
A.1.3. Strategy: STAFF GROUP INSURANCE PREMIUMS	\$ 3,635,623	\$ 3,635,623
A.1.4. Strategy: WORKERS' COMPENSATION INSURANCE	\$ 516,981	\$ 516,981
A.1.5. Strategy: TEXAS PUBLIC EDUCATION GRANTS	\$ 5,281,493	\$ 5,411,710
A.1.6. Strategy: INDIRECT COST RECOVERY	\$ 6,673,356	\$ 6,673,356
Indirect cost recovery for research related activities.		

UNIVERSITY OF HOUSTON
(Continued)

A.1.7. Strategy: ORGANIZED ACTIVITIES	\$ 1,297,618	\$ 1,297,618
A.1.8. Strategy: EXCELLENCE FUNDING	\$ <u>4,209,677</u>	\$ <u>4,209,677</u>
Total, Goal A: INSTRUCTION/OPERATIONS	\$ <u>150,264,344</u>	\$ <u>151,565,320</u>
B. Goal: INFRASTRUCTURE SUPPORT		
Provide infrastructure support.		
B.1.1. Strategy: E&G SPACE SUPPORT Educational and general space support.	\$ 22,404,972	\$ 22,608,866
B.1.2. Strategy: TUITION REVENUE BOND RETIREMENT	\$ 3,246,798	\$ 3,246,798
B.1.3. Strategy: SKILES ACT REVENUE BOND RETIREMENT	\$ <u>407,190</u>	\$ <u>407,190</u>
Total, Goal B: INFRASTRUCTURE SUPPORT	\$ <u>26,058,960</u>	\$ <u>26,262,854</u>
C. Goal: SPECIAL ITEM SUPPORT		
Provide special item support.		
C.2.1. Strategy: LEARNING AND COMPUTATION CENTER	\$ 2,037,690	\$ 2,037,690
C.2.2. Strategy: SPACE EXPLORATION Houston Partnership for Space Exploration.	\$ 368,407	\$ 368,407
C.2.3. Strategy: COMMERCIAL DEVELOPMENT OF SPACE Center for Commercial Development of Space: Space Vacuum Epitaxy Center.	\$ 422,002	\$ 422,002
C.2.4. Strategy: SUPERCONDUCTIVITY CENTER	\$ 3,797,500	\$ 3,797,500
C.3.1. Strategy: SMALL BUSINESS DEVELOPMENT University of Houston Small Business Development Center.	\$ 2,707,033	\$ 2,707,033
C.3.2. Strategy: HEALTH LAW & POLICY INSTITUTE Health Law and Policy Institute.	\$ 306,250	\$ 306,250
C.3.3. Strategy: CENTER FOR PUBLIC POLICY	\$ 262,500	\$ 262,500
C.3.4. Strategy: PARTNERSHIPS-SUPPORT PUBLIC SCHOOLS Partnerships to Support Public Schools.	\$ 1,441,313	\$ 1,441,313
C.4.1. Strategy: INSTITUTIONAL ENHANCEMENT	\$ <u>3,807,536</u>	\$ <u>3,807,536</u>
Total, Goal C: SPECIAL ITEM SUPPORT	\$ <u>15,150,231</u>	\$ <u>15,150,231</u>
 Grand Total, UNIVERSITY OF HOUSTON	 \$ <u>191,473,535</u>	 \$ <u>192,978,405</u>
 Method of Financing:		
General Revenue Fund	\$ 129,705,973	\$ 129,877,770
General Revenue Fund - Dedicated		
Estimated Board Authorized Tuition Increases Account No. 704	12,524,974	12,524,974
Estimated Statutory Tuition Increases Account No. 708	1,374,652	2,749,304

UNIVERSITY OF HOUSTON
(Continued)

Estimated Other Educational and General Income Account No. 770	47,867,936	47,826,357
Subtotal, General Revenue Fund - Dedicated	<u>\$ 61,767,562</u>	<u>\$ 63,100,635</u>
 Total, Method of Financing	 <u>\$ 191,473,535</u>	 <u>\$ 192,978,405</u>
Object-of-Expense Informational Listing:		
Salaries and Wages	\$ 72,237,407	\$ 77,258,766
Other Personnel Costs	3,353,739	3,323,208
Faculty Salaries (Higher Education Only)	74,477,976	74,342,516
Operating Costs	37,665,158	35,035,685
Client Services	9,523	9,567
Capital Expenditures	<u>3,729,732</u>	<u>3,008,663</u>
Total, Object-of-Expense Informational Listing	<u>\$ 191,473,535</u>	<u>\$ 192,978,405</u>

2. **Small Business Development Center.** Contingent upon certification by the Comptroller of Public Accounts that increased activity by the Small Business Development Center will generate at least \$4,539,534 for the biennium in additional revenue to the General Revenue Fund, \$2,269,767 is included in the appropriation above in each year of the biennium for the Small Business Development Center. It is the intent of the Legislature that state funds provided to the Small Business Development Center be used by the center to attract federal funds on a dollar-for-dollar basis.

UNIVERSITY OF HOUSTON - CLEAR LAKE

	For the Years Ending	
	August 31, 2004	August 31, 2005
1. Educational and General State Support	\$ 36,335,533	\$ 36,668,686
Grand Total, UNIVERSITY OF HOUSTON - CLEAR LAKE	\$ 36,335,533	\$ 36,668,686
Method of Financing:		
General Revenue Fund	\$ 26,225,668	\$ 26,278,782
<u>General Revenue Fund - Dedicated</u>		
Estimated Board Authorized Tuition Increases Account No. 704	2,060,416	2,060,416
Estimated Statutory Tuition Increases Account No. 708	304,206	608,412
Estimated Other Educational and General Income Account No. 770	7,745,243	7,721,076
 Subtotal, General Revenue Fund - Dedicated	 <u>\$ 10,109,865</u>	 <u>\$ 10,389,904</u>
Total, Method of Financing	\$ 36,335,533	\$ 36,668,686
Number of Full-Time-Equivalent Positions (FTE)- Appropriated Funds	568.2	568.2

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: INSTRUCTION/OPERATIONS

Provide instructional and operations support.

Outcome (Results/Impact):

Administrative Cost as a Percent of Total Expenditures	16.1%	- 16.1%
Certification Rate of Teacher Education Graduates	65%	65%
Percent of Baccalaureate Graduates Who Are First Generation College Graduates	55%	55%
Dollar Value of External or Sponsored Research Funds (in Millions)	10.8	10.8
Percent of Incoming Full-time Undergraduate Transfer Students Who Graduate within Four Years	78%	78%
Retention Rate of First-time, Full-time, Degree-seeking Transfer Students after One Academic Year (Upper-level Institutions Only)	87.2%	87.2%

A.1.1. Strategy: OPERATIONS SUPPORT	\$ 25,462,143	\$ 25,721,845
A.1.2. Strategy: TEACHING EXPERIENCE SUPPLEMENT	\$ 442,062	\$ 446,571
A.1.3. Strategy: STAFF GROUP INSURANCE PREMIUMS	\$ 539,950	\$ 539,950
A.1.4. Strategy: WORKERS' COMPENSATION INSURANCE	\$ 261,652	\$ 261,652
A.1.5. Strategy: TEXAS PUBLIC EDUCATION GRANTS	\$ 1,011,399	\$ 1,040,346
A.1.6. Strategy: INDIRECT COST RECOVERY	\$ 192,418	\$ 192,418

Indirect cost recovery for research related activities.

UNIVERSITY OF HOUSTON - CLEAR LAKE
(Continued)

A.1.7. Strategy: EXCELLENCE FUNDING	\$ <u>624,405</u>	\$ <u>624,405</u>
Total, Goal A: INSTRUCTION/OPERATIONS	\$ <u>28,534,029</u>	\$ <u>28,827,187</u>
B. Goal: INFRASTRUCTURE SUPPORT		
Provide infrastructure support.		
B.1.1. Strategy: E&G SPACE SUPPORT Educational and general space support.	\$ 3,921,255	\$ 3,961,250
B.1.2. Strategy: TUITION REVENUE BOND RETIREMENT	\$ 1,105,757	\$ 1,105,757
B.1.3. Strategy: SKILES ACT REVENUE BOND RETIREMENT	\$ <u>97,000</u>	\$ <u>97,000</u>
Total, Goal B: INFRASTRUCTURE SUPPORT	\$ <u>5,124,012</u>	\$ <u>5,164,007</u>
C. Goal: SPECIAL ITEM SUPPORT		
Provide special item support.		
C.2.1. Strategy: HIGH TECHNOLOGIES LABORATORY	\$ 60,575	\$ 60,575
C.2.2. Strategy: ENVIRONMENTAL STUDIES PARTNERSHIP Houston Partnership for Environmental Studies.	\$ 437,501	\$ 437,501
C.3.1. Strategy: INSTITUTIONAL ENHANCEMENT	\$ <u>2,179,416</u>	\$ <u>2,179,416</u>
Total, Goal C: SPECIAL ITEM SUPPORT	\$ <u>2,677,492</u>	\$ <u>2,677,492</u>
 Grand Total, UNIVERSITY OF HOUSTON - CLEAR LAKE	 \$ <u>36,335,533</u>	 \$ <u>36,668,686</u>
 Method of Financing:		
General Revenue Fund	\$ 26,225,668	\$ 26,278,782
General Revenue Fund - Dedicated		
Estimated Board Authorized Tuition Increases Account No. 704	2,060,416	2,060,416
Estimated Statutory Tuition Increases Account No. 708	304,206	608,412
Estimated Other Educational and General Income Account No. 770	7,745,243	7,721,076
Subtotal, General Revenue Fund - Dedicated	\$ <u>10,109,865</u>	\$ <u>10,389,904</u>
Total, Method of Financing	\$ <u>36,335,533</u>	\$ <u>36,668,686</u>
Object-of-Expense Informational Listing:		
Salaries and Wages	\$ 11,252,072	\$ 12,132,340
Other Personnel Costs	453,009	462,834
Faculty Salaries (Higher Education Only)	13,654,862	14,155,602
Operating Costs	7,833,633	7,069,582
Grants	2,803,821	2,803,821
Capital Expenditures	<u>338,136</u>	<u>44,507</u>
Total, Object-of-Expense Informational Listing	\$ <u>36,335,533</u>	\$ <u>36,668,686</u>

UNIVERSITY OF HOUSTON - DOWNTOWN

	For the Years Ending	
	August 31, 2004	August 31, 2005
1. Educational and General State Support	\$ 33,539,468	\$ 34,046,178
Grand Total, UNIVERSITY OF HOUSTON - DOWNTOWN	\$ 33,539,468	\$ 34,046,178
Method of Financing:		
General Revenue Fund	\$ 20,880,465	\$ 20,936,911
<u>General Revenue Fund - Dedicated</u>		
Estimated Board Authorized Tuition Increases Account No. 704	8,100	8,100
Estimated Statutory Tuition Increases Account No. 708	453,481	906,963
Estimated Other Educational and General Income Account No. 770	12,197,422	12,194,204
Subtotal, General Revenue Fund - Dedicated	<u>\$ 12,659,003</u>	<u>\$ 13,109,267</u>
Total, Method of Financing	\$ 33,539,468	\$ 34,046,178
Number of Full-Time-Equivalent Positions (FTE)- Appropriated Funds	585.6	585.6

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: INSTRUCTION/OPERATIONS

Provide instructional and operations support.

Outcome (Results/Impact):

Percent of First-time, Full-time, Degree-seeking Freshmen Who Earn a Baccalaureate Degree within Six Academic Years	20%	22.51%
Retention Rate of First-time, Full-time, Degree-seeking Freshmen Students after One Academic Year	70.6%	70.6%
Administrative Cost as a Percent of Total Expenditures	16.8%	16.8%
Certification Rate of Teacher Education Graduates	85.4%	85.4%
Percent of Baccalaureate Graduates Who Are First Generation College Graduates	65%	65.1%
Percent of Lower Division Courses Taught by Tenured Faculty	43.53%	45.27%

Dollar Value of External or Sponsored Research Funds (in Millions)	.81	.81
A.1.1. Strategy: OPERATIONS SUPPORT	\$ 18,674,415	\$ 19,024,073
A.1.2. Strategy: TEACHING EXPERIENCE SUPPLEMENT	\$ 975,412	\$ 993,676
A.1.3. Strategy: STAFF GROUP INSURANCE PREMIUMS	\$ 573,491	\$ 573,491
A.1.4. Strategy: WORKERS' COMPENSATION INSURANCE	\$ 211,935	\$ 211,935
A.1.5. Strategy: TEXAS PUBLIC EDUCATION GRANTS	\$ 1,476,834	\$ 1,530,061
A.1.6. Strategy: INDIRECT COST RECOVERY	\$ 101,976	\$ 101,976

Indirect cost recovery for research related activities.

UNIVERSITY OF HOUSTON - DOWNTOWN
(Continued)

A.1.7. Strategy: EXCELLENCE FUNDING	\$ 883,159	\$ 883,159
Total, Goal A: INSTRUCTION/OPERATIONS	<u>\$ 22,897,222</u>	<u>\$ 23,318,371</u>
B. Goal: INFRASTRUCTURE SUPPORT		
Provide infrastructure support.		
B.1.1. Strategy: E&G SPACE SUPPORT Educational and general space.	\$ 4,569,613	\$ 4,655,174
B.1.2. Strategy: TUITION REVENUE BOND RETIREMENT	\$ 2,852,103	\$ 2,852,103
B.1.3. Strategy: SKILES ACT REVENUE BOND RETIREMENT	<u>\$ 131,745</u>	<u>\$ 131,745</u>
Total, Goal B: INFRASTRUCTURE SUPPORT	<u>\$ 7,553,461</u>	<u>\$ 7,639,022</u>
C. Goal: SPECIAL ITEM SUPPORT		
Provide special item support.		
C.2.1. Strategy: COMMUNITY DEVELOPMENT PROJECT	\$ 350,000	\$ 350,000
C.3.1. Strategy: INSTITUTIONAL ENHANCEMENT	<u>\$ 2,738,785</u>	<u>\$ 2,738,785</u>
Total, Goal C: SPECIAL ITEM SUPPORT	<u>\$ 3,088,785</u>	<u>\$ 3,088,785</u>
 Grand Total, UNIVERSITY OF HOUSTON - DOWNTOWN	 <u>\$ 33,539,468</u>	 <u>\$ 34,046,178</u>
 Method of Financing:		
General Revenue Fund	\$ 20,880,465	\$ 20,936,911
General Revenue Fund - Dedicated		
Estimated Board Authorized Tuition Increases Account No. 704	8,100	8,100
Estimated Statutory Tuition Increases Account No. 708	453,481	906,963
Estimated Other Educational and General Income Account No. 770	12,197,422	12,194,204
Subtotal, General Revenue Fund - Dedicated	<u>\$ 12,659,003</u>	<u>\$ 13,109,267</u>
 Total, Method of Financing	 <u>\$ 33,539,468</u>	 <u>\$ 34,046,178</u>
Object-of-Expense Informational Listing:		
Salaries and Wages	\$ 10,502,706	\$ 13,422,934
Other Personnel Costs	42,013	33,241
Faculty Salaries (Higher Education Only)	13,608,648	14,016,665
Operating Costs	8,423,518	5,690,179
Client Services	79,424	0
Grants	<u>883,159</u>	<u>883,159</u>
 Total, Object-of-Expense Informational Listing	 <u>\$ 33,539,468</u>	 <u>\$ 34,046,178</u>

UNIVERSITY OF HOUSTON - VICTORIA

	For the Years Ending	
	August 31, 2004	August 31, 2005
I. Educational and General State Support	\$ 13,489,138	\$ 13,583,263
Grand Total, UNIVERSITY OF HOUSTON - VICTORIA	<u>\$ 13,489,138</u>	<u>\$ 13,583,263</u>
Method of Financing:		
General Revenue Fund	\$ 11,423,441	\$ 11,443,610
<u>General Revenue Fund - Dedicated</u>		
Estimated Board Authorized Tuition Increases Account No. 704	598,234	598,234
Estimated Statutory Tuition Increases Account No. 708	83,019	166,038
Estimated Other Educational and General Income Account No. 770	1,384,444	1,375,381
Subtotal, General Revenue Fund - Dedicated	<u>\$ 2,065,697</u>	<u>\$ 2,139,653</u>
Total, Method of Financing	<u>\$ 13,489,138</u>	<u>\$ 13,583,263</u>
Number of Full-Time-Equivalent Positions (FTE)- Appropriated Funds	259.1	259.1

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: INSTRUCTION/OPERATIONS

Provide instructional and operations support.

Outcome (Results/Impact):

Administrative Cost as a Percent of Total Expenditures	18%	- 18%
Certification Rate of Teacher Education Graduates	86.4%	86.4%
Percentage of Baccalaureate Graduates Who Are First Generation College Graduates	43%	43%
Percent of Incoming Full-time Undergraduate Transfer Students Who Graduate within Four Years	74%	74%
Retention Rate of First-time, Full-time, Degree-seeking Other Transfer Students after One Academic Year (Upper-level Institutions Only)	90.4%	90.4%
A.1.1. Strategy: OPERATIONS SUPPORT	\$ 6,869,818	\$ 6,933,749
A.1.2. Strategy: TEACHING EXPERIENCE SUPPLEMENT	\$ 197,416	\$ 199,253
A.1.3. Strategy: STAFF GROUP INSURANCE PREMIUMS	\$ 128,544	\$ 128,544
A.1.4. Strategy: WORKERS' COMPENSATION INSURANCE	\$ 92,312	\$ 92,312
A.1.5. Strategy: TEXAS PUBLIC EDUCATION GRANTS	\$ 349,829	\$ 360,935
A.1.6. Strategy: INDIRECT COST RECOVERY Indirect cost recovery for research related activities.	\$ 23,782	\$ 23,782
A.1.7. Strategy: EXCELLENCE FUNDING	<u>\$ 268,737</u>	<u>\$ 268,737</u>
Total, Goal A: INSTRUCTION/OPERATIONS	<u>\$ 7,930,438</u>	<u>\$ 8,007,312</u>

MIDWESTERN STATE UNIVERSITY

	For the Years Ending	
	August 31, 2004	August 31, 2005
1. Educational and General State Support	\$ 24,717,929	\$ 25,113,630
Grand Total, MIDWESTERN STATE UNIVERSITY	\$ 24,717,929	\$ 25,113,630
 Method of Financing:		
General Revenue Fund	\$ 17,175,434	\$ 17,274,721
 <u>General Revenue Fund - Dedicated</u>		
Midwestern University Special Mineral Account No 412, estimated	12,000	3,000
Estimated Board Authorized Tuition Increases Account No. 704	89,500	89,500
Estimated Statutory Tuition Increases Account No. 708	466,804	933,608
Estimated Other Educational and General Income Account No. 770	6,974,191	6,812,801
Subtotal, General Revenue Fund - Dedicated	<u>\$ 7,542,495</u>	<u>\$ 7,838,909</u>
 Total, Method of Financing	 \$ 24,717,929	 \$ 25,113,630
 Number of Full-Time-Equivalent Positions (FTE)-		
Appropriated Funds	493.6	493.6

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: INSTRUCTION/OPERATIONS

Provide instructional and operations support.

Outcome (Results/Impact):

Percent of First-time, Full-time, Degree-seeking Freshmen Who Earn a Baccalaureate Degree within Six Academic Years	39.61%	41.59%
Retention Rate of First-time, Full-time, Degree-seeking Freshmen Students after One Academic Year	74.5%	74.5%
Administrative Cost as a Percent of Total Expenditures	7.5%	7.5%
Certification Rate of Teacher Education Graduates	94.82%	95.45%
Percent of Baccalaureate Graduates Who Are First Generation College Graduates	55.7%	55.7%
Percent of Lower Division Courses Taught by Tenured Faculty	63.5%	63.5%
State Licensure Pass Rate of Nursing Graduates	88.6%	88.6%

A.1.1. Strategy: OPERATIONS SUPPORT	\$ 14,660,921	\$ 15,024,633
A.1.2. Strategy: TEACHING EXPERIENCE SUPPLEMENT	\$ 817,897	\$ 838,187
A.1.3. Strategy: STAFF GROUP INSURANCE PREMIUMS	\$ 579,379	\$ 579,379
A.1.4. Strategy: WORKERS' COMPENSATION INSURANCE	\$ 260,802	\$ 260,802
A.1.5. Strategy: TEXAS PUBLIC EDUCATION GRANTS	\$ 1,057,563	\$ 1,100,460
A.1.8. Strategy: INDIRECT COST RECOVERY	\$ 49,838	\$ 49,838

Indirect cost recovery for research related activities.

MIDWESTERN STATE UNIVERSITY
(Continued)

A.1.7. Strategy: EXCELLENCE FUNDING	\$ 487,301	\$ 487,301
Total, Goal A: INSTRUCTION/OPERATIONS	<u>\$ 17,913,701</u>	<u>\$ 18,340,600</u>
B. Goal: INFRASTRUCTURE SUPPORT		
Provide infrastructure support.		
B.1.1. Strategy: E&G SPACE SUPPORT Educational and general space support.	\$ 3,337,678	\$ 3,420,480
B.1.2. Strategy: TUITION REVENUE BOND RETIREMENT	<u>\$ 892,183</u>	<u>\$ 892,183</u>
Total, Goal B: INFRASTRUCTURE SUPPORT	<u>\$ 4,229,861</u>	<u>\$ 4,312,663</u>
C. Goal: SPECIAL ITEM SUPPORT		
Provide special item support.		
C.1.1. Strategy: SMALL BUSINESS DEVELOPMENT CENTER	\$ 100,000	\$ 100,000
C.2.1. Strategy: INSTITUTIONAL ENHANCEMENT	<u>\$ 2,474,367</u>	<u>\$ 2,360,367</u>
Total, Goal C: SPECIAL ITEM SUPPORT	<u>\$ 2,574,367</u>	<u>\$ 2,460,367</u>
 Grand Total, MIDWESTERN STATE UNIVERSITY	 <u>\$ 24,717,929</u>	 <u>\$ 25,113,630</u>
 Method of Financing:		
General Revenue Fund	\$ 17,175,434	\$ 17,274,721
General Revenue Fund - Dedicated		
Midwestern University Special Mineral Account No 412, estimated	12,000	3,000
Estimated Board Authorized Tuition Increases Account No. 704	89,500	89,500
Estimated Statutory Tuition Increases Account No. 708	466,804	933,608
Estimated Other Educational and General Income Account No. 770	6,974,191	6,812,801
Subtotal, General Revenue Fund - Dedicated	<u>\$ 7,542,495</u>	<u>\$ 7,838,909</u>
 Total, Method of Financing	 <u>\$ 24,717,929</u>	 <u>\$ 25,113,630</u>
 Object-of-Expense Informational Listing:		
Salaries and Wages	\$ 6,520,488	\$ 7,006,078
Other Personnel Costs	136,090	97,819
Faculty Salaries (Higher Education Only)	10,787,315	11,187,568
Operating Costs	4,549,384	4,450,670
Grants	2,486,443	2,371,495
Capital Expenditures	<u>238,209</u>	<u>0</u>
Total, Object-of-Expense Informational Listing	<u>\$ 24,717,929</u>	<u>\$ 25,113,630</u>

MIDWESTERN STATE UNIVERSITY
(Continued)

2. **Appropriation, Governing Board.** Out of the funds appropriated above, an amount not to exceed \$25,000 in each year of the biennium shall be for all expenses associated with the governing board's duties including, but not limited to: travel, entertainment, lodging, and expenses of state employees who provide services for the governing board.

A separate record of the board's expenditures shall be kept and retained in the same manner as the fiscal records of the institution(s) the board governs. No funds may be used for the governing board's expenses except for the specific amounts designated above. Funds appropriated for the governing board's expenses may be used for any other purpose covered by this Act.

3. **Small Business Development Center.** Contingent upon certification by the Comptroller of Public Accounts that increased activity by the Small Business Development Center will generate at least \$200,000 for the biennium in additional revenue to the General Revenue Fund, \$100,000 is included in the appropriation above in each year of the biennium for the Small Business Development Center. It is the intent of the Legislature that state funds provided to the Small Business Development Center be used by the center to attract federal funds on a dollar-for-dollar basis.
4. **Appropriation of Special Mineral Fund.** The balance of funds on hand for the year ending August 31, 2003 (estimated to be \$9,000), in the Midwestern State University Special Mineral Fund No. 412 and any income during the biennium beginning September 1, 2003, deposited to that fund are appropriated in the funds above to Midwestern State University for the general operations of the university. Mineral Funds are estimated to be \$3,000 in fiscal year 2004 and \$3,000 in fiscal year 2005.

UNIVERSITY OF NORTH TEXAS SYSTEM ADMINISTRATION

	For the Years Ending	
	August 31, 2004	August 31, 2005
Out of the General Revenue Fund:		
1. Educational and General State Support	\$ 4,568,248	\$ 4,568,248
Grand Total, UNIVERSITY OF NORTH TEXAS SYSTEM ADMINISTRATION	\$ 4,568,248	\$ 4,568,248
Number of Full-Time-Equivalent Positions (FTE)- Appropriated Funds	170.1	178.6

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

UNIVERSITY OF NORTH TEXAS SYSTEM ADMINISTRATION
(Continued)

Out of the General Revenue Fund:

A. Goal: INSTRUCTION/OPERATIONS			
Provide instructional and operations support.			
A.1.1. Strategy: SYSTEM OFFICE OPERATIONS	\$	87,500	\$ 87,500
B. Goal: INFRASTRUCTURE SUPPORT			
Provide infrastructure support.			
B.1.1. Strategy: TUITION REVENUE BOND RETIREMENT	\$	1,051,875	\$ 1,051,875
C. Goal: SPECIAL ITEM SUPPORT			
Provide special item support.			
C.1.1. Strategy: UNT SYSTEM CENTER AT DALLAS	\$	2,821,875	\$ 2,821,875
C.1.2. Strategy: N. TEXAS AREA UNIV FEDERATION	\$	606,998	\$ 606,998
North Texas Area Universities Federation of North Texas Universities.			
Total, Goal C: SPECIAL ITEM SUPPORT	\$	<u>3,428,873</u>	\$ <u>3,428,873</u>
Grand Total, UNIVERSITY OF NORTH TEXAS SYSTEM ADMINISTRATION	\$	<u>4,568,248</u>	\$ <u>4,568,248</u>

Object-of-Expense Informational Listing:

Salaries and Wages	\$	34,500	\$ 34,500
Operating Costs		3,481,873	3,481,873
Debt Service		<u>1,051,875</u>	<u>1,051,875</u>
Total, Object-of-Expense Informational Listing	\$	<u>4,568,248</u>	\$ <u>4,568,248</u>

2. **Appropriation, Governing Board.** Out of the funds appropriated above, an amount not to exceed \$53,000 in each year of the biennium shall be for all expenses associated with the governing board's duties including, but not limited to: travel, entertainment, lodging, and expenses of state employees who provide services for the governing board.

A separate record of the board's expenditures shall be kept and retained in the same manner as the fiscal records of the institution(s) the board governs. No funds may be used for the governing board's expenses except for the specific amounts designated above. Funds appropriated for the governing board's expenses may be used for any other purpose covered by this Act.

3. **Federation of North Texas Area Universities.** The Comptroller of Public Accounts shall pay all warrants drawn on the identified strategy of the Federation of North Texas Area Universities for expenses incurred on federation business regardless of which member institution of the federation the payee is an employee.
4. **Contingency for House Bill 2522.** Included in the appropriation above to The University of North Texas System in Strategy B.1.1, Tuition Revenue Bonds, is \$1,051,875 in each year of the biennium for the debt service related to tuition revenue bonds authorized by House Bill 2522 or similar legislative relating to the authorization of the issuance tuition revenue bonds. Any portion of this appropriation not spent in fiscal year 2004 could be expended for the same purposes in fiscal year 2005. The system is hereby directed to dedicate, out of funds

UNIVERSITY OF NORTH TEXAS SYSTEM ADMINISTRATION
(Continued)

appropriated above and any other revenue available in accordance with its systemwide financing program, the revenue necessary to fund the related debt service.

5. **Courses Offered at the University of North Texas System Center at Dallas.** The University of North Texas System shall use an amount not to exceed \$500,000 annually from funds received for instruction at the University of North Texas and the University of North Texas System Center at Dallas to support additional course offerings at the System Center. Such additional course offerings shall include increases in the number of courses offered during normal business hours and additional sections of courses required for completion of specific degrees offered at the System Center.

UNIVERSITY OF NORTH TEXAS

	For the Years Ending	
	August 31, 2004	August 31, 2005
1. Educational and General State Support	\$ 134,743,049	\$ 136,321,893
Grand Total, UNIVERSITY OF NORTH TEXAS	\$ 134,743,049	\$ 136,321,893
Method of Financing:		
General Revenue Fund	\$ 91,844,223	\$ 92,135,001
General Revenue Fund - Dedicated		
Estimated Board Authorized Tuition Increases Account No. 704	2,566,244	2,566,244
Estimated Statutory Tuition Increases Account No. 708	1,415,028	2,830,056
Estimated Other Educational and General Income Account No. 770	38,917,554	38,790,592
Subtotal, General Revenue Fund - Dedicated	\$ 42,898,826	\$ 44,186,892
Total, Method of Financing	\$ 134,743,049	\$ 136,321,893
Number of Full-Time-Equivalent Positions (FTE)- Appropriated Funds	3,011.7	3,011.7

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: INSTRUCTION/OPERATIONS

Provide instructional and operations support.

Outcome (Results/Impact):

Percent of First-time, Full-time, Degree-seeking Freshmen Who Earn a Baccalaureate Degree within Six Academic Years	40%	42%
Retention Rate of First-time, Full-time, Degree-seeking Freshmen Students after One Academic Year	79.9%	79.9%
Administrative Cost as a Percent of Total Expenditures	7.5%	7.5%
Certification Rate of Teacher Education Graduates	94%	94%

UNIVERSITY OF NORTH TEXAS
(Continued)

Percent of Baccalaureate Graduates Who Are First Generation College Graduates	54.2%	54.2%
Percent of Lower Division Courses Taught by Tenured Faculty	36.5%	36.5%
Dollar Value of External or Sponsored Research Funds (in Millions)	16	18
A.1.1. Strategy: OPERATIONS SUPPORT	\$ 93,161,597	\$ 94,325,363
A.1.2. Strategy: TEACHING EXPERIENCE SUPPLEMENT	\$ 2,949,324	\$ 2,986,166
A.1.3. Strategy: STAFF GROUP INSURANCE PREMIUMS	\$ 2,565,287	\$ 2,565,287
A.1.4. Strategy: WORKERS' COMPENSATION INSURANCE	\$ 431,817	\$ 431,817
A.1.5. Strategy: TEXAS PUBLIC EDUCATION GRANTS	\$ 5,086,398	\$ 5,250,215
A.1.6. Strategy: INDIRECT COST RECOVERY Indirect cost recovery for research related activities.	\$ 2,211,038	\$ 2,211,038
A.1.7. Strategy: ORGANIZED ACTIVITIES	\$ 331,789	\$ 331,789
A.1.8. Strategy: EXCELLENCE FUNDING	\$ 2,919,481	\$ 2,919,481
Total, Goal A: INSTRUCTION/OPERATIONS	\$ <u>109,656,731</u>	\$ <u>111,021,156</u>
B. Goal: INFRASTRUCTURE SUPPORT Provide infrastructure support.		
B.1.1. Strategy: E&G SPACE SUPPORT Educational and general space support.	\$ 17,164,658	\$ 17,379,077
B.1.2. Strategy: TUITION REVENUE BOND RETIREMENT	\$ 3,964,268	\$ 3,964,268
B.1.3. Strategy: SKILES ACT REVENUE BOND RETIREMENT	\$ 353,131	\$ 353,131
Total, Goal B: INFRASTRUCTURE SUPPORT	\$ <u>21,482,057</u>	\$ <u>21,696,476</u>
C. Goal: SPECIAL ITEM SUPPORT Provide special item support.		
C.1.1. Strategy: TEXAS ACADEMY OF MATH AND SCIENCE	\$ 1,537,720	\$ 1,537,720
C.2.1. Strategy: INSTITUTE OF APPLIED SCIENCES	\$ 63,257	\$ 63,257
C.3.1. Strategy: EMERGENCY MANAGEMENT CENTER Center for Studies in Emergency Management.	\$ 50,801	\$ 50,801
C.3.2. Strategy: CENTER FOR VOLUNTEERISM Educational Center for Volunteerism.	\$ 87,500	\$ 87,500
C.4.1. Strategy: INSTITUTIONAL ENHANCEMENT	\$ 1,864,983	\$ 1,864,983
Total, Goal C: SPECIAL ITEM SUPPORT	\$ <u>3,604,261</u>	\$ <u>3,604,261</u>
Grand Total, UNIVERSITY OF NORTH TEXAS	\$ <u>134,743,049</u>	\$ <u>136,321,893</u>
Method of Financing:		
General Revenue Fund	\$ 91,844,223	\$ 92,135,001
General Revenue Fund - Dedicated		
Estimated Board Authorized Tuition Increases Account No. 704	2,566,244	2,566,244
Estimated Statutory Tuition Increases Account No. 708	1,415,028	2,830,056

UNIVERSITY OF NORTH TEXAS
(Continued)

Estimated Other Educational and General Income Account No. 770	38,917,554	38,790,592
Subtotal, General Revenue Fund - Dedicated	<u>\$ 42,898,826</u>	<u>\$ 44,186,892</u>
 Total, Method of Financing	 <u>\$ 134,743,049</u>	 <u>\$ 136,321,893</u>
Object-of-Expense Informational Listing:		
Salaries and Wages	\$ 36,014,397	\$ 35,627,646
Other Personnel Costs	1,369,388	1,501,571
Faculty Salaries (Higher Education Only)	58,844,622	60,355,343
Operating Costs	27,221,574	27,407,271
Client Services	6,071,486	6,208,491
Grants	5,216,281	5,216,281
Capital Expenditures	<u>5,301</u>	<u>5,290</u>
 Total, Object-of-Expense Informational Listing	 <u>\$ 134,743,049</u>	 <u>\$ 136,321,893</u>

2. **Academic or Policy Research Program.** The Board of Regents of the University of North Texas is hereby authorized to use available funds or to enter into contracts, accept grants or matching grants for the purpose of establishing an academic or policy research program in conjunction with the Federal Emergency Management Agency (FEMA).
3. **Texas Academy of Mathematics and Science.** Notwithstanding any other provision of this Act, the University of North Texas may not transfer money appropriated under Strategy C.1.1, for the purpose of funding the Texas Academy of Mathematics and Science, for another purpose.

STEPHEN F. AUSTIN STATE UNIVERSITY

	For the Years Ending	
	August 31, 2004	August 31, 2005
I. Educational and General State Support	\$ 53,005,061	\$ 53,742,986
Grand Total, STEPHEN F. AUSTIN STATE UNIVERSITY	\$ 53,005,061	\$ 53,742,986
Method of Financing:		
General Revenue Fund	\$ 37,973,397	\$ 38,126,088
<u>General Revenue Fund - Dedicated</u>		
Estimated Statutory Tuition Increases Account No. 708	653,971	1,307,942
Estimated Other Educational and General Income Account No. 770	14,377,693	14,308,956
Subtotal, General Revenue Fund - Dedicated	\$ 15,031,664	\$ 15,616,898
Total, Method of Financing	\$ 53,005,061	\$ 53,742,986
Number of Full-Time-Equivalent Positions (FTE)-Appropriated Funds	1,084.1	1,084.1

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: INSTRUCTION/OPERATIONS

Provide instructional and operations support.

Outcome (Results/Impact):

Percent of First-time, Full-time, Degree-seeking Freshmen Who Earn a Baccalaureate Degree within Six Academic Years	38.6%	- 38.6%
Retention Rate of First-time, Full-time, Degree-seeking Freshmen Students after One Academic Year	69.4%	69.4%
Administrative Cost as a Percent of Total Expenditures	9.3%	9.3%
Certification Rate of Teacher Education Graduates	95%	95%
Percent of Baccalaureate Graduates Who Are First Generation College Graduates	47.1%	47.1%
Percent of Lower Division Courses Taught by Tenured Faculty	60%	60%
State Licensure Pass Rate of Nursing Graduates	97.3%	97.3%
Dollar Value of External or Sponsored Research Funds (in Millions)	3.9	3.9

A.1.1. Strategy: OPERATIONS SUPPORT	\$ 30,609,426	\$ 31,129,357
A.1.2. Strategy: TEACHING EXPERIENCE SUPPLEMENT	\$ 1,625,234	\$ 1,652,840
A.1.3. Strategy: STAFF GROUP INSURANCE PREMIUMS	\$ 1,009,790	\$ 1,009,790
A.1.4. Strategy: WORKERS' COMPENSATION INSURANCE	\$ 379,175	\$ 379,175
A.1.5. Strategy: TEXAS PUBLIC EDUCATION GRANTS	\$ 2,151,803	\$ 2,239,964
A.1.6. Strategy: INDIRECT COST RECOVERY	\$ 407,352	\$ 407,352
Indirect cost recovery for research related activities.		
A.1.7. Strategy: ORGANIZED ACTIVITIES	\$ 472,452	\$ 472,452
A.1.8. Strategy: FORMULA HOLD HARMLESS	\$ 989,194	\$ 989,194

STEPHEN F. AUSTIN STATE UNIVERSITY
(Continued)

A.1.9. Strategy: EXCELLENCE FUNDING	\$ 1,074,760	\$ 1,074,760
Total, Goal A: INSTRUCTION/OPERATIONS	\$ 38,719,186	\$ 39,354,884
B. Goal: INFRASTRUCTURE SUPPORT		
Provide infrastructure support.		
B.1.1. Strategy: E&G SPACE SUPPORT Educational and general space support.	\$ 6,265,967	\$ 6,372,400
B.1.2. Strategy: TUITION REVENUE BOND RETIREMENT Tuition Revenue Bond retirement.	\$ 866,023	\$ 866,023
B.1.3. Strategy: SKILES ACT REVENUE BOND RETIREMENT	\$ 153,495	\$ 153,495
Total, Goal B: INFRASTRUCTURE SUPPORT	\$ 7,285,485	\$ 7,391,918
C. Goal: SPECIAL ITEM SUPPORT		
Provide special item support.		
C.2.1. Strategy: APPLIED FORESTRY STUDIES CENTER Center for Applied Studies in Forestry.	\$ 740,605	\$ 740,604
C.3.1. Strategy: STONE FORT MUSEUM & RESEARCH CENTER Stone Fort Museum and Research Center of East Texas.	\$ 142,834	\$ 141,166
C.3.2. Strategy: SOIL PLANT & WATER ANALYSIS LAB Soil Plant and Water Analysis Laboratory.	\$ 81,479	\$ 80,527
C.3.3. Strategy: APPLIED POULTRY STUDIES & RESEARCH Applied Poultry Studies and Research.	\$ 76,843	\$ 75,946
C.4.1. Strategy: INSTITUTIONAL ENHANCEMENT	\$ 5,958,629	\$ 5,957,941
Total, Goal C: SPECIAL ITEM SUPPORT	\$ 7,000,390	\$ 6,996,184
 Grand Total, STEPHEN F. AUSTIN STATE UNIVERSITY	 \$ 53,005,061	 \$ 53,742,986
 Method of Financing:		
General Revenue Fund	\$ 37,973,397	\$ 38,126,088
General Revenue Fund - Dedicated		
Estimated Statutory Tuition Increases Account No. 708	653,971	1,307,942
Estimated Other Educational and General Income Account No. 770	14,377,693	14,308,956
Subtotal, General Revenue Fund - Dedicated	\$ 15,031,664	\$ 15,616,898
 Total, Method of Financing	 \$ 53,005,061	 \$ 53,742,986
Object-of-Expense Informational Listing:		
Salaries and Wages	\$ 14,018,197	\$ 7,985,560
Other Personnel Costs	896,028	3,784,969

STEPHEN F. AUSTIN STATE UNIVERSITY
(Continued)

Faculty Salaries (Higher Education Only)	20,474,331	23,845,131
Professional Salaries - Faculty Equivalent (Higher Education Only)	597,038	0
Operating Costs	7,342,164	8,607,361
Client Services	2,151,803	2,239,964
Grants	1,074,760	7,032,701
Capital Expenditures	<u>6,450,740</u>	<u>247,300</u>
Total, Object-of-Expense Informational Listing	<u>\$ 53,005,061</u>	<u>\$ 53,742,986</u>

2. **Appropriation, Governing Board.** Out of the funds appropriated above, an amount not to exceed \$30,000 in each year of the biennium shall be for all expenses associated with the governing board's duties including, but not limited to: travel, entertainment, lodging, and expenses of state employees who provide services for the governing board.

A separate record of the board's expenditures shall be kept and retained in the same manner as the fiscal records of the institution(s) the board governs. No funds may be used for the governing board's expenses except for the specific amounts designated above. Funds appropriated for the governing board's expenses may be used for any other purpose covered by this Act.

3. **Appropriation of Special Mineral Fund.** The balance of funds on hand for the year ending August 31, 2003 (estimated to be \$0), in the Stephen F. Austin Special Mineral Fund No. 241 and any income during the biennium beginning September 1, 2003, deposited to that fund are appropriated in the funds above to Stephen F. Austin University for the general operations of the university. No additional Mineral Funds are expected for the 2004-05 biennium.

TEXAS SOUTHERN UNIVERSITY

	For the Years Ending	
	<u>August 31,</u> <u>2004</u>	<u>August 31,</u> <u>2005</u>
1. Educational and General State Support	\$ 65,075,154	\$ 65,476,896
Grand Total, TEXAS SOUTHERN UNIVERSITY	\$ <u>65,075,154</u>	\$ <u>65,476,896</u>
 Method of Financing:		
General Revenue Fund	\$ 46,313,840	\$ 46,324,127
General Revenue Fund - Dedicated		
Estimated Board Authorized Tuition Increases Account No. 704	2,582,344	2,582,344
Estimated Statutory Tuition Increases Account No. 708	355,908	711,815
Estimated Other Educational and General Income Account No. 770	15,823,062	15,858,610
Subtotal, General Revenue Fund - Dedicated	\$ <u>18,761,314</u>	\$ <u>19,152,769</u>
 Total, Method of Financing	 \$ <u>65,075,154</u>	 \$ <u>65,476,896</u>
 Number of Full-Time-Equivalent Positions (FTE)- Appropriated Funds	 809.4	 809.4

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: INSTRUCTION/OPERATIONS

Provide instructional and operations support.

Outcome (Results/Impact):

Percent of First-time, Full-time, Degree-seeking Freshmen Who Earn a Baccalaureate Degree within Six Academic Years	15.8%	15.8%
Retention Rate of First-time, Full-time, Degree-seeking Freshmen Students after One Academic Year	66%	66%
Administrative Cost as a Percent of Total Expenditures	11.7%	11.7%
Certification Rate of Teacher Education Graduates	65%	65%
Percent of Baccalaureate Graduates Who Are First Generation College Graduates	48.3%	48.3%
Percent of Lower Division Courses Taught by Tenured Faculty	46%	48%
State Licensure Pass Rate of Law Graduates	80%	80%
State Licensure Pass Rate of Pharmacy Graduates	94%	94%
Dollar Value of External or Sponsored Research Funds (in Millions)	4.9	4.9

A.1.1. Strategy: OPERATIONS SUPPORT	\$ 30,868,695	\$ 31,153,972
A.1.2. Strategy: TEACHING EXPERIENCE SUPPLEMENT	\$ 877,412	\$ 885,520
A.1.3. Strategy: STAFF GROUP INSURANCE PREMIUMS	\$ 592,051	\$ 592,051
A.1.4. Strategy: WORKERS' COMPENSATION INSURANCE	\$ 188,668	\$ 188,668
A.1.5. Strategy: TEXAS PUBLIC EDUCATION GRANTS	\$ 2,076,642	\$ 2,122,476
A.1.6. Strategy: INDIRECT COST RECOVERY	\$ 970,000	\$ 970,000

Indirect cost recovery for research related activities.

TEXAS SOUTHERN UNIVERSITY
(Continued)

A.1.7. Strategy: ORGANIZED ACTIVITIES	\$ 54,446	\$ 54,446
A.1.8. Strategy: EXCELLENCE FUNDING	<u>\$ 1,002,978</u>	<u>\$ 1,002,978</u>
Total, Goal A: INSTRUCTION/OPERATIONS	<u>\$ 36,630,892</u>	<u>\$ 36,970,111</u>
B. Goal: INFRASTRUCTURE SUPPORT		
Provide infrastructure support.		
B.1.1. Strategy: E&G SPACE SUPPORT Educational and general space support.	\$ 6,765,273	\$ 6,827,795
B.1.2. Strategy: TUITION REVENUE BOND RETIREMENT	\$ 3,092,672	\$ 3,092,672
B.1.3. Strategy: SKILES ACT REVENUE BOND RETIREMENT	<u>\$ 92,990</u>	<u>\$ 92,990</u>
Total, Goal B: INFRASTRUCTURE SUPPORT	<u>\$ 9,950,935</u>	<u>\$ 10,013,457</u>
C. Goal: SPECIAL ITEM SUPPORT		
Provide special item support.		
C.1.1. Strategy: THURGOOD MARSHALL SCHOOL OF LAW	\$ 484,592	\$ 484,592
C.1.2. Strategy: ACCREDITATION - BUSINESS Accreditation continuation - business.	\$ 72,156	\$ 72,156
C.1.3. Strategy: ACCREDITATION - PHARMACY Accreditation continuation - pharmacy.	\$ 72,779	\$ 72,779
C.1.4. Strategy: ACCREDITATION - EDUCATION Accreditation continuation - education.	\$ 91,175	\$ 91,175
C.2.1. Strategy: MICKEY LELAND CENTER Mickey Leland Center on World Hunger and Peace.	\$ 70,509	\$ 70,509
C.2.2. Strategy: URBAN REDEVELOPMENT/RENEWAL Urban Redevelopment and Renewal.	\$ 87,500	\$ 87,500
C.2.3. Strategy: TEXAS SUMMER ACADEMY	\$ 437,500	\$ 437,500
C.3.1. Strategy: MIS/FISCAL OPERATIONS Integrated plan to improve Management Information Services and fiscal operations.	\$ 144,279	\$ 144,279
C.3.2. Strategy: INSTITUTIONAL ENHANCEMENT	<u>\$ 6,095,337</u>	<u>\$ 6,095,338</u>
Total, Goal C: SPECIAL ITEM SUPPORT	<u>\$ 7,555,827</u>	<u>\$ 7,555,828</u>
D. Goal: TEXAS COMMITMENT-OCR PRIORITY PLAN		
Texas commitment - OCR Priority Plan.		
D.1.1. Strategy: OCR PRIORITY PLAN Provide funding to meet the Texas commitment to enhance programs, systems, and the recruitment, retention, and graduation of students.	\$ 10,937,500	\$ 10,937,500 & UB
Grand Total, TEXAS SOUTHERN UNIVERSITY	<u>\$ 65,075,154</u>	<u>\$ 65,476,896</u>
Method of Financing:		
General Revenue Fund	\$ 46,313,840	\$ 46,324,127
General Revenue Fund - Dedicated		
Estimated Board Authorized Tuition Increases Account No. 704	2,582,344	2,582,344
Estimated Statutory Tuition Increases Account No. 708	355,908	711,815

TEXAS SOUTHERN UNIVERSITY
(Continued)

Estimated Other Educational and General Income Account No. 770	15,823,062	15,858,610
Subtotal, General Revenue Fund - Dedicated	<u>\$ 18,761,314</u>	<u>\$ 19,152,769</u>
 Total, Method of Financing	 <u>\$ 65,075,154</u>	 <u>\$ 65,476,896</u>
Object-of-Expense Informational Listing:		
Salaries and Wages	\$ 16,036,654	\$ 15,846,719
Other Personnel Costs	1,287,709	943,663
Faculty Salaries (Higher Education Only)	17,572,745	17,404,162
Operating Costs	9,887,763	10,957,598
Client Services	2,076,642	2,248,341
Grants	18,035,815	18,035,816
Capital Expenditures	<u>177,826</u>	<u>40,597</u>
 Total, Object-of-Expense Informational Listing	 <u>\$ 65,075,154</u>	 <u>\$ 65,476,896</u>

2. **Thurgood Marshall School of Law.** In addition to general revenue funds identified above for the operation and maintenance of the Thurgood Marshall School of Law, all tuition and fee revenues generated through enrollment in the School of Law, including Texas Public Education Grants and Emergency Loans under Education Code, Chapter 56 (Student Financial Aid Assistance), shall be allocated for use by the School of Law and may only be expended for purposes related to the operation and maintenance of the School of Law and its students.
3. **Appropriation, Governing Board.** Out of the funds appropriated above, an amount not to exceed \$30,000 in each year of the biennium shall be for all expenses associated with the governing board's duties including, but not limited to: travel, entertainment, lodging, and expenses of state employees who provide services for the governing board.

A separate record of the board's expenditures shall be kept and retained in the same manner as the fiscal records of the institution(s) the board governs. No funds may be used for the governing board's expenses except for the specific amounts designated above. Funds appropriated for the governing board's expenses may be used for any other purpose covered by this Act.

4. **Texas Commitment - OCR Priority Plan.** Out of the funds appropriated above in D. Goal: Texas Commitment - OCR Priority Plan, the following items are included in the Priority Plan:

OCR Priority Plan Items	in millions	
	<u>2004</u>	<u>2005</u>
1. Meet State Auditor's Office Requirements	\$ 0.57	\$ 0.57
2. Academic Planning	\$ 0.09	\$ 0.09
3. Development Office	\$ 0.61	\$ 0.61
4. Facilities Planning	\$ 0.13	\$ 0.13
5. Information Technology	\$ 1.01	\$ 1.01
6. Human Resources	\$ 0.48	\$ 0.48
7. Student Enrollment	\$ 0.22	\$ 0.22

TEXAS SOUTHERN UNIVERSITY
(Continued)

8. Summer and First Year Student Support Program	\$ 0.88	\$ 0.88
9. Basic Skills Program	\$ 0.39	\$ 0.39
10. Endowed Honors and Institutional Scholarships	\$ 1.01	\$ 1.01
11. Accreditation of Programs	\$ 0.22	\$ 0.22
12. Enhance Law, Pharmacy, Business and Educator Preparation Programs	\$ 1.36	\$ 1.36
13. MA/PhD Urban Planning and Environmental Policy	\$ 0.66	\$ 0.66
14. MS Health Care Administration	\$ 0.44	\$ 0.44
15. MS in Computer Science	\$ 0.31	\$ 0.31
16. MS/PhD in Biomedical and Pharmaceutical Sciences	\$ 0.44	\$ 0.44
17. Four Endowed Chairs	\$ 0.88	\$ 0.88
18. Re-establish School of Public Affairs	\$ 0.44	\$ 0.44
19. Child Care Center	\$ 0.61	\$ 0.61
20. MSW Social Work	\$ 0.22	\$ 0.22
Total	\$ 10.94	\$10.94* & UB

*May not add due to rounding.

5. **OCR Priority Plan Reporting Requirements.** Texas Southern University shall work with the Texas Higher Education Coordinating Board, the Governor, and the Legislative Budget Board regarding any proposed changes to the detailed plan, the benchmarks, and performance measures adopted in accordance with the OCR Priority Plan. Texas Southern University shall report their progress regarding the OCR Priority Plan benchmarks, performance measures, and expenditures for the above items, semi-annually by December 31 and June 30 to the institution's Board of Regents, the Texas Higher Education Coordinating Board, the Governor, and the Legislative Budget Board. Any unexpended balances as of August 31, 2003, appropriated by the Seventy-seventh Legislature for the OCR Priority Plan, are hereby appropriated to Texas Southern University for the biennium beginning September 1, 2004 (estimated to be \$0). It is legislative intent that any funds not spent during the 2004-05 biennium be transferred to the 2006-07 biennium without any reduction in future funding for the Office of Civil Rights Priority Plan.
6. **OCR Multi-year Commitment.** It is the intent of the Legislature that the funding identified above in the OCR Priority Plan be continued as a multi-year commitment by the Legislature.

TEXAS TECH UNIVERSITY SYSTEM ADMINISTRATION

	For the Years Ending	
	August 31, 2004	August 31, 2005
Out of the General Revenue Fund:		
1. Educational and General State Support	\$ 437,500	\$ 437,500
Grand Total, TEXAS TECH UNIVERSITY SYSTEM ADMINISTRATION	<u>\$ 437,500</u>	<u>\$ 437,500</u>

Number of Full-Time-Equivalent Positions (FTE)- Appropriated Funds	29.5	29.5
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1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

Out of the General Revenue Fund:

A. Goal: INSTRUCTION/OPERATIONS

Provide instructional and operations support.

A.1.1. Strategy: SYSTEM OFFICE OPERATIONS	\$ 437,500	\$ 437,500
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Grand Total, TEXAS TECH UNIVERSITY SYSTEM ADMINISTRATION	<u>\$ 437,500</u>	<u>\$ 437,500</u>
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Object-of-Expense Informational Listing:

Salaries and Wages	\$ 312,500	\$ 312,500
Operating Costs	<u>125,000</u>	<u>125,000</u>

Total, Object-of-Expense Informational Listing	<u>\$ 437,500</u>	<u>\$ 437,500</u>
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2. **Appropriation, Governing Board.** Out of the funds appropriated above, an amount not to exceed \$125,000 in each year of the biennium shall be for all expenses associated with the governing board's duties including, but not limited to: travel, entertainment, lodging, and expenses of state employees who provide services for the governing board.

A separate record of the board's expenditures shall be kept and retained in the same manner as the fiscal records of the institution(s) the board governs. No funds may be used for the governing board's expenses except for the specific amounts designated above. Funds appropriated for the governing board's expenses may be used for any other purpose covered by this Act.

TEXAS TECH UNIVERSITY

	For the Years Ending	
	August 31, 2004	August 31, 2005
I. Educational and General State Support	\$ 158,957,423	\$ 160,548,751
Grand Total, TEXAS TECH UNIVERSITY	\$ 158,957,423	\$ 160,548,751
Method of Financing:		
General Revenue Fund	\$ 111,613,919	\$ 111,896,246
<u>General Revenue Fund - Dedicated</u>		
Texas Tech University Special Mineral Account No. 269, estimated		
	20,000	20,000
Estimated Board Authorized Tuition Increases Account No. 704	5,627,421	5,627,421
Estimated Statutory Tuition Increases Account No. 708	1,584,502	3,169,004
Estimated Other Educational and General Income Account No. 770	40,111,581	39,836,080
Subtotal, General Revenue Fund - Dedicated	<u>\$ 47,343,504</u>	<u>\$ 48,652,505</u>
Total, Method of Financing	\$ 158,957,423	\$ 160,548,751
Number of Full-Time-Equivalent Positions (FTE)-		
Appropriated Funds	3,423.2	3,423.2

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: INSTRUCTION/OPERATIONS

Provide instructional and operations support.

Outcome (Results/Impact):

Percent of First-time, Full-time, Degree-seeking Freshmen Who Earn a Baccalaureate Degree within Six Academic Years	52%	52%
Retention Rate of First-time, Full-time, Degree-seeking Freshmen Students after One Academic Year	88.1%	88.1%
Administrative Cost as a Percent of Total Expenditures	10.3%	10.3%
Certification Rate of Teacher Education Graduates	82%	82%
Percent of Baccalaureate Graduates Who Are First Generation College Graduates	15%	15%
Percent of Lower Division Courses Taught by Tenured Faculty	34%	34%
State Licensure Pass Rate of Law Graduates	90%	90%
State Licensure Pass Rate of Engineering Graduates	92.5%	92.5%

Dollar Value of External or Sponsored Research Funds (in Millions)

	29	29
A.1.1. Strategy: OPERATIONS SUPPORT	\$ 97,418,774	\$ 98,704,604
A.1.2. Strategy: TEACHING EXPERIENCE SUPPLEMENT	\$ 3,192,873	\$ 3,235,016
A.1.3. Strategy: STAFF GROUP INSURANCE PREMIUMS	\$ 2,535,879	\$ 2,535,879
A.1.4. Strategy: WORKERS' COMPENSATION INSURANCE	\$ 669,938	\$ 669,938
A.1.5. Strategy: TEXAS PUBLIC EDUCATION GRANTS	\$ 5,367,184	\$ 5,549,010
A.1.6. Strategy: INDIRECT COST RECOVERY	\$ 6,300,000	\$ 6,300,000

Indirect cost recovery for research related activities.

TEXAS TECH UNIVERSITY
(Continued)

A.1.7. Strategy: ORGANIZED ACTIVITIES	\$ 219,815	\$ 219,815
A.1.8. Strategy: EXCELLENCE FUNDING	<u>\$ 3,395,697</u>	<u>\$ 3,395,697</u>
Total, Goal A: INSTRUCTION/OPERATIONS	<u>\$ 119,100,160</u>	<u>\$ 120,609,959</u>
B. Goal: INFRASTRUCTURE SUPPORT		
Provide infrastructure support.		
B.1.1. Strategy: E&G SPACE SUPPORT Educational and general space support.	\$ 19,435,470	\$ 19,691,999
B.1.2. Strategy: TUITION REVENUE BOND RETIREMENT	\$ 5,087,987	\$ 5,087,987
B.1.3. Strategy: SKILES ACT REVENUE BOND RETIREMENT	<u>\$ 229,080</u>	<u>\$ 229,080</u>
Total, Goal B: INFRASTRUCTURE SUPPORT	<u>\$ 24,752,537</u>	<u>\$ 25,009,066</u>
C. Goal: SPECIAL ITEM SUPPORT		
Provide special item support.		
C.1.1. Strategy: LIBRARY ARCHIVAL SUPPORT	\$ 656,250	\$ 656,250
C.1.2. Strategy: MASTER'S OF SOCIAL WORK Master's of Social Work Program.	\$ 43,750	\$ 43,750
C.2.1. Strategy: AGRICULTURAL RESEARCH Research to enhance agricultural production and add value to agricultural products in Texas.	\$ 1,998,398	\$ 1,998,398
C.2.2. Strategy: ENERGY RESEARCH Research in energy production and environmental protection in Texas.	\$ 846,815	\$ 846,815
C.2.3. Strategy: EMERGING TECHNOLOGIES RESEARCH Research in emerging technologies and economic development in Texas.	\$ 477,008	\$ 477,008
C.3.1. Strategy: JUNCTION ANNEX OPERATION	\$ 317,268	\$ 317,268
C.3.2. Strategy: MITC - FREDERICKSBURG	\$ 437,500	\$ 437,500
C.3.3. Strategy: SMALL BUSINESS DEVELOPMENT Small Business Development Center.	\$ 950,000	\$ 950,000
C.3.4. Strategy: MUSEUMS & CENTERS Museums and historical, cultural, and educational centers.	\$ 1,782,930	\$ 1,607,930
C.3.5. Strategy: INTERNATIONAL TRADE CENTER	\$ 600,000	\$ 600,000
C.3.6. Strategy: CENTER FOR FINANCIAL RESPONSIBILITY	\$ 210,000	\$ 210,000
C.4.1. Strategy: INSTITUTIONAL ENHANCEMENT	<u>\$ 6,784,807</u>	<u>\$ 6,784,807</u>
Total, Goal C: SPECIAL ITEM SUPPORT	<u>\$ 15,104,726</u>	<u>\$ 14,929,726</u>
Grand Total, TEXAS TECH UNIVERSITY	<u>\$ 158,957,423</u>	<u>\$ 160,548,751</u>

Method of Financing:

General Revenue Fund	\$ 111,613,919	\$ 111,896,246
General Revenue Fund - Dedicated		
Texas Tech University Special Mineral Account No. 269, estimated	20,000	20,000
Estimated Board Authorized Tuition Increases Account No. 704	5,627,421	5,627,421

TEXAS TECH UNIVERSITY
(Continued)

Estimated Statutory Tuition Increases Account No. 708	1,584,502	3,169,004
Estimated Other Educational and General Income Account No. 770	40,111,581	39,836,080
Subtotal, General Revenue Fund - Dedicated	\$ 47,343,504	\$ 48,652,505
Total, Method of Financing	\$ 158,957,423	\$ 160,548,751
Object-of-Expense Informational Listing:		
Salaries and Wages	\$ 47,512,708	\$ 47,853,199
Other Personnel Costs	784,354	752,451
Faculty Salaries (Higher Education Only)	72,213,291	73,028,541
Operating Costs	34,793,144	35,262,234
Grants	3,192,873	3,235,016
Capital Expenditures	<u>461,053</u>	<u>417,310</u>
Total, Object-of-Expense Informational Listing	\$ 158,957,423	\$ 160,548,751

2. **Small Business Development Center.** Contingent upon certification by the Comptroller of Public Accounts that increased activity by the Small Business Development Center will generate at least \$1,900,000 for the biennium in additional revenue to the General Revenue Fund, \$950,000 is included in the appropriation above in each year of the biennium for the Small Business Development Center. It is the intent of the Legislature that state funds provided to the Small Business Development Center be used by the center to attract federal funds on a dollar-for-dollar basis.

3. **Texas Tech University Museum.** Out of funds appropriated above in Strategy C.3.4. for the Museums and Historical, Cultural and Educational Centers, \$533,565 in fiscal year 2004 and \$433,565 in fiscal year 2005 shall be allocated to the Ranching Heritage Center, and \$266,859 in each fiscal year shall be allocated to the Lubbock Lake Landmark.

4. **International Trade Center.** Contingent upon certification by the Comptroller of Public Accounts that increased activity by the International Trade Center will generate at least \$1,200,000 for the biennium in additional revenue to the General Revenue Fund, \$600,000 is included in the appropriation above in each year of the biennium for the International Trade Center. It is the intent of the Legislature that state funds provided to the International Trade Center be used by the center to attract federal funds on a dollar-for-dollar basis.

5. **Appropriation of Special Mineral Fund.** The balance of funds on hand for the year ending August 31, 2003, in the Texas Tech University Special Mineral Fund No. 269 and any income during the biennium beginning September 1, 2003, deposited to that fund are appropriated in the funds above to Texas Tech University for the general operations of the university. Mineral Funds are estimated to be \$20,000 in fiscal year 2004 and \$20,000 in fiscal year 2005.

TEXAS WOMAN'S UNIVERSITY

	For the Years Ending	
	August 31, <u>2004</u>	August 31, <u>2005</u>
I. Educational and General State Support	\$ 57,413,112	\$ 57,966,189
Grand Total, TEXAS WOMAN'S UNIVERSITY	\$ <u>57,413,112</u>	\$ <u>57,966,189</u>
 Method of Financing:		
General Revenue Fund	\$ 44,994,633	\$ 45,147,925
 General Revenue Fund - Dedicated		
Estimated Board Authorized Tuition Increases Account No. 704	1,275,600	1,275,600
Estimated Statutory Tuition Increases Account No. 708	492,223	984,445
Estimated Other Educational and General Income Account No. 770	10,650,656	10,558,219
Subtotal, General Revenue Fund - Dedicated	\$ <u>12,418,479</u>	\$ <u>12,818,264</u>
 Total, Method of Financing	 \$ <u>57,413,112</u>	 \$ <u>57,966,189</u>
 Number of Full-Time-Equivalent Positions (FTE)- Appropriated Funds	 1,035.2	 1,035.2

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: INSTRUCTION/OPERATIONS

Provide instructional and operations support.

Outcome (Results/Impact):

Percent of First-time, Full-time, Degree-seeking Freshmen Who Earn a Baccalaureate Degree within Six Academic Years	44.8%	- 45%
Retention Rate of First-time, Full-time, Degree-seeking Freshmen Students after One Academic Year	80.2%	80.2%
Administrative Cost as a Percent of Total Expenditures	11.7%	11.7%
Certification Rate of Teacher Education Graduates	85%	85%
Percent of Baccalaureate Graduates Who Are First Generation College Graduates	76.4%	76.4%
Percent of Lower Division Courses Taught by Tenured Faculty	45%	45%
State Licensure Pass Rate of Nursing Graduates	98%	98%
Dollar Value of External or Sponsored Research Funds (in Millions)	2	2

A.1.1. Strategy: OPERATIONS SUPPORT	\$ 37,823,223	\$ 38,251,803
A.1.2. Strategy: TEACHING EXPERIENCE SUPPLEMENT	\$ 851,684	\$ 861,335
A.1.3. Strategy: STAFF GROUP INSURANCE PREMIUMS	\$ 523,686	\$ 523,686
A.1.4. Strategy: WORKERS' COMPENSATION INSURANCE	\$ 624,870	\$ 624,870
A.1.5. Strategy: TEXAS PUBLIC EDUCATION GRANTS	\$ 1,745,101	\$ 1,805,956
A.1.6. Strategy: INDIRECT COST RECOVERY	\$ 346,508	\$ 346,508

Indirect cost recovery for research related activities.

TEXAS WOMAN'S UNIVERSITY
(Continued)

A.1.7. Strategy: FORMULA HOLD HARMLESS	\$ 616,649	\$ 616,649
A.1.8. Strategy: EXCELLENCE FUNDING	<u>\$ 1,130,324</u>	<u>\$ 1,130,324</u>
Total, Goal A: INSTRUCTION/OPERATIONS	<u>\$ 43,662,045</u>	<u>\$ 44,161,131</u>
B. Goal: INFRASTRUCTURE SUPPORT		
Provide infrastructure support.		
B.1.1. Strategy: E&G SPACE SUPPORT Educational and general space support.	\$ 4,764,873	\$ 4,818,864
B.1.2. Strategy: TUITION REVENUE BOND RETIREMENT	\$ 1,960,774	\$ 1,960,774
B.1.3. Strategy: SKILES ACT REVENUE BOND RETIREMENT	<u>\$ 106,872</u>	<u>\$ 106,872</u>
Total, Goal B: INFRASTRUCTURE SUPPORT	<u>\$ 6,832,519</u>	<u>\$ 6,886,510</u>
C. Goal: SPECIAL ITEM SUPPORT		
Provide special item support.		
C.1.1. Strategy: LIBRARY ASSESSMENT Texas Medical Center Library assessment.	\$ 175,301	\$ 175,301
C.2.1. Strategy: NUTRITION RESEARCH PROGRAM Human Nutrition Research Development Program.	\$ 77,527	\$ 77,527
C.2.2. Strategy: WOMEN'S HEALTH RESEARCH CENTER Center for Research on Women's Health.	\$ 590,625	\$ 590,625
C.3.1. Strategy: READING RECOVERY	\$ 255,000	\$ 255,000
C.4.1. Strategy: INSTITUTIONAL ENHANCEMENT	<u>\$ 5,820,095</u>	<u>\$ 5,820,095</u>
Total, Goal C: SPECIAL ITEM SUPPORT	<u>\$ 6,918,548</u>	<u>\$ 6,918,548</u>
Grand Total, TEXAS WOMAN'S UNIVERSITY	<u>\$ 57,413,112</u>	<u>\$ 57,966,189</u>
Method of Financing:		
General Revenue Fund	\$ 44,994,633	\$ 45,147,925
General Revenue Fund - Dedicated		
Estimated Board Authorized Tuition Increases Account No. 704	1,275,600	1,275,600
Estimated Statutory Tuition Increases Account No. 708	492,223	984,445
Estimated Other Educational and General Income Account No. 770	10,650,656	10,558,219
Subtotal, General Revenue Fund - Dedicated	<u>\$ 12,418,479</u>	<u>\$ 12,818,264</u>
Total, Method of Financing	<u>\$ 57,413,112</u>	<u>\$ 57,966,189</u>
Object-of-Expense Informational Listing:		
Salaries and Wages	\$ 15,510,193	\$ 15,527,364
Other Personnel Costs	878,235	755,815
Faculty Salaries (Higher Education Only)	20,744,818	21,469,859
Professional Salaries - Faculty Equivalent (Higher Education Only)	509,510	457,255
Operating Costs	10,571,519	10,598,559
Client Services	19,945	21,363

TEXAS WOMAN'S UNIVERSITY
(Continued)

Grants	7,802,103	7,811,754
Capital Expenditures	<u>1,376,789</u>	<u>1,324,220</u>
Total, Object-of-Expense Informational Listing	\$ <u>57,413,112</u>	\$ <u>57,966,189</u>

2. **Appropriation, Governing Board.** Out of the funds appropriated above, an amount not to exceed \$35,000 in each year of the biennium shall be for all expenses associated with the governing board's duties including, but not limited to: travel, entertainment, lodging, and expenses of state employees who provide services for the governing board.

A separate record of the board's expenditures shall be kept and retained in the same manner as the fiscal records of the institution(s) the board governs. No funds may be used for the governing board's expenses except for the specific amounts designated above. Funds appropriated for the governing board's expenses may be used for any other purpose covered by this Act.

BOARD OF REGENTS, TEXAS STATE UNIVERSITY SYSTEM CENTRAL OFFICE

	For the Years Ending	
	August 31, <u>2004</u>	August 31, <u>2005</u>
1. Educational and General State Support	\$ 1,205,093	\$ 1,206,902
Grand Total, BOARD OF REGENTS, TEXAS STATE UNIVERSITY SYSTEM CENTRAL OFFICE	\$ <u>1,205,093</u>	\$ <u>1,206,902</u>
Method of Financing:		
General Revenue Fund	\$ 1,195,093	\$ 1,196,902
GR Dedicated - Special Mineral Fund No. 283, estimated	10,000	10,000
Total, Method of Financing	\$ <u>1,205,093</u>	\$ <u>1,206,902</u>
Number of Full-Time-Equivalent Positions (FTE)- Appropriated Funds	11.6	11.6

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: INSTRUCTION/OPERATIONS
Provide instructional and operations support.

BOARD OF REGENTS, TEXAS STATE UNIVERSITY SYSTEM CENTRAL OFFICE
(Continued)

A.1.1. Strategy: SYSTEM OFFICE OPERATIONS	\$ 1,205.093	\$ 1,206.902
Grand Total, BOARD OF REGENTS, TEXAS STATE UNIVERSITY SYSTEM CENTRAL OFFICE	<u>\$ 1,205.093</u>	<u>\$ 1,206.902</u>
Method of Financing:		
General Revenue Fund	\$ 1,195.093	\$ 1,196.902
GR Dedicated - Special Mineral Fund No. 283, estimated	10,000	10,000
Total, Method of Financing	<u>\$ 1,205.093</u>	<u>\$ 1,206.902</u>
Object-of-Expense Informational Listing:		
Salaries and Wages	\$ 1,110.093	\$ 1,111.902
Operating Costs	<u>95,000</u>	<u>95,000</u>
Total, Object-of-Expense Informational Listing	<u>\$ 1,205.093</u>	<u>\$ 1,206.902</u>

2. **Appropriation, Governing Board.** Out of the funds appropriated above, an amount not to exceed \$85,000 in each year of the biennium shall be for all expenses associated with the governing board's duties including, but not limited to: travel, entertainment, lodging, and expenses of state employees who provide services for the governing board.

A separate record of the board's expenditures shall be kept and retained in the same manner as the fiscal records of the institution(s) the board governs. No funds may be used for the governing board's expenses except for the specific amounts designated above. Funds appropriated for the governing board's expenses may be used for any other purpose covered by this Act.

3. **Audit of Base Period Contact Hours.** The hours used in the contact hour base period to fund the Lamar State Colleges are subject to audit for accuracy by the State Auditor according to an audit plan developed in consultation with the Texas Higher Education Coordinating Board, the Legislative Budget Board and community, technical, and state colleges and the appropriation amounts adjusted accordingly by the Comptroller of Public Accounts at the direction of the Legislative Budget Board. The total amount appropriated to the two year institution's contact hour formula shall be redistributed to all institutions funded by the formula based on contact hours. The calculation of revised appropriation amounts shall allow each institution an error rate of up to 2 percent of the total contact hour formula appropriations to that institution for the biennium. Adjustments shall be made to appropriated amounts in accordance with adjustments of estimated contact hours to actual certified contact hours, even if the total error rate is less than 2 percent of the total amount appropriated to the institution for the biennium.
4. **Transferability.** The Board of Regents of the Texas State University System is authorized to transfer and utilize funds appropriated to Sul Ross State University and Sul Ross State University-Rio Grande College between the campuses if necessary to accomplish the capital improvement goals of the University.
5. **Appropriation of Special Mineral Fund.** The balance of funds on hand for the year ending August 31, 2003, in the Texas State University System Special Mineral Fund No. 283 and any

BOARD OF REGENTS, TEXAS STATE UNIVERSITY SYSTEM CENTRAL OFFICE
(Continued)

income during the biennium beginning September 1, 2003, deposited to that fund are appropriated in the funds above to the Board of Regents of the Texas State University System to be disbursed for the purposes provided for and in accordance with the provisions of Education Code, 95.36. Mineral Funds are estimated to be \$10,000 in fiscal year 2004 and \$10,000 in fiscal year 2005.

ANGELO STATE UNIVERSITY

	For the Years Ending	
	August 31, 2004	August 31, 2005
1. Educational and General State Support	\$ 31,428,164	\$ 31,889,105
Grand Total, ANGELO STATE UNIVERSITY	\$ 31,428,164	\$ 31,889,105
Method of Financing:		
General Revenue Fund	\$ 23,912,929	\$ 24,087,123
General Revenue Fund - Dedicated		
Estimated Statutory Tuition Increases Account No. 708	352,963	705,925
Estimated Other Educational and General Income Account No. 770	7,162,272	7,096,057
Subtotal, General Revenue Fund - Dedicated	\$ 7,515,235	\$ 7,801,982
Total, Method of Financing	\$ 31,428,164	\$ 31,889,105
Number of Full-Time-Equivalent Positions (FTE)- Appropriated Funds	531.2	531.2

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: INSTRUCTION/OPERATIONS

Provide instructional and operations support.

Outcome (Results/Impact):

Percent of First-time, Full-time, Degree-seeking Freshmen Who Earn a Baccalaureate Degree within Six Academic Years	36%	37%
Retention Rate of First-time, Full-time, Degree-seeking Freshmen Students after One Academic Year	69%	69%
Administrative Cost as a Percent of Total Expenditures	10.3	10
Certification Rate of Teacher Education Graduates	82%	82%
Percent of Baccalaureate Graduates Who Are First Generation College Graduates	51%	51%
Percent of Lower Division Courses Taught by Tenured Faculty	56%	58%
State Licensure Pass Rate of Nursing Graduates	95.2%	95.2%
A.1.1. Strategy: OPERATIONS SUPPORT	\$ 15,857,442	\$ 16,133,928
A.1.2. Strategy: TEACHING EXPERIENCE SUPPLEMENT	\$ 941,218	\$ 957,629
A.1.3. Strategy: STAFF GROUP INSURANCE PREMIUMS	\$ 367,355	\$ 367,355

ANGELO STATE UNIVERSITY
(Continued)

A.1.4. Strategy: WORKERS' COMPENSATION INSURANCE	\$ 164,455	\$ 164,455
A.1.5. Strategy: TEXAS PUBLIC EDUCATION GRANTS	\$ 1,140,515	\$ 1,185,447
A.1.6. Strategy: INDIRECT COST RECOVERY	\$ 24,000	\$ 24,000
Indirect cost recovery for research related activities.		
A.1.7. Strategy: ORGANIZED ACTIVITIES	\$ 92,606	\$ 92,606
A.1.8. Strategy: EXCELLENCE FUNDING	<u>\$ 629,702</u>	<u>\$ 629,702</u>
Total, Goal A: INSTRUCTION/OPERATIONS	<u>\$ 19,217,293</u>	<u>\$ 19,555,122</u>
B. Goal: INFRASTRUCTURE SUPPORT		
Provide infrastructure support.		
B.1.1. Strategy: E&G SPACE SUPPORT	\$ 3,444,981	\$ 3,505,047
Educational and general space support.		
B.1.2. Strategy: TUITION REVENUE BOND RETIREMENT	\$ 3,110,031	\$ 3,110,031
B.1.3. Strategy: SKILES ACT REVENUE BOND RETIREMENT	<u>\$ 69,000</u>	<u>\$ 69,000</u>
Total, Goal B: INFRASTRUCTURE SUPPORT	<u>\$ 6,624,012</u>	<u>\$ 6,684,078</u>
C. Goal: SPECIAL ITEM SUPPORT		
Provide special item support.		
C.1.1. Strategy: SCHOOL-BASED CLINICS	\$ 49,000	\$ 49,000
C.1.2. Strategy: CENTER FOR ACADEMIC EXCELLENCE	\$ 437,500	\$ 437,500
C.2.1. Strategy: SMALL BUSINESS DEVELOPMENT CENTER	\$ 76,886	\$ 76,886
C.2.2. Strategy: CENTER FOR FINE ARTS	\$ 142,188	\$ 142,188
C.2.3. Strategy: MGT/INSTRUCTION/RESEARCH CENTER	\$ 258,751	\$ 258,751
Management, Instruction, and Research Center.		
C.2.4. Strategy: WEST TEXAS TRAINING CENTER	\$ 809,375	\$ 809,375
C.3.1. Strategy: INSTITUTIONAL ENHANCEMENT	<u>\$ 3,813,159</u>	<u>\$ 3,876,205</u>
Total, Goal C: SPECIAL ITEM SUPPORT	<u>\$ 5,586,859</u>	<u>\$ 5,649,905</u>
Grand Total, ANGELO STATE UNIVERSITY	<u>\$ 31,428,164</u>	<u>\$ 31,889,105</u>
Method of Financing:		
General Revenue Fund	\$ 23,912,929	\$ 24,087,123
General Revenue Fund - Dedicated		
Estimated Statutory Tuition Increases Account No. 708	352,963	705,925
Estimated Other Educational and General Income Account No. 770	7,162,272	7,096,057
Subtotal, General Revenue Fund - Dedicated	<u>\$ 7,515,235</u>	<u>\$ 7,801,982</u>
Total, Method of Financing	<u>\$ 31,428,164</u>	<u>\$ 31,889,105</u>

ANGELO STATE UNIVERSITY
(Continued)

Object-of-Expense Informational Listing:

Salaries and Wages	\$ 8,402,190	\$ 8,252,386
Other Personnel Costs	423,786	382,693
Faculty Salaries (Higher Education Only)	13,115,787	13,473,750
Operating Costs	9,246,686	8,829,953
Grants	164,455	164,455
Capital Expenditures	<u>75,260</u>	<u>785,868</u>
Total, Object-of-Expense Informational Listing	<u>\$ 31,428,164</u>	<u>\$ 31,889,105</u>

LAMAR UNIVERSITY - BEAUMONT

	For the Years Ending	
	August 31, <u>2004</u>	August 31, <u>2005</u>
I. Educational and General State Support	\$ 42,880,471	\$ 43,428,418
Grand Total, LAMAR UNIVERSITY - BEAUMONT	<u>\$ 42,880,471</u>	<u>\$ 43,428,418</u>
Method of Financing:		
General Revenue Fund	\$ 31,484,595	\$ 31,642,312
General Revenue Fund - Dedicated		
Estimated Statutory Tuition Increases Account No. 708	468,253	936,505
Estimated Other Educational and General Income Account No. 770	10,927,623	10,849,601
Subtotal, General Revenue Fund - Dedicated	<u>\$ 11,395,876</u>	<u>\$ 11,786,106</u>
Total, Method of Financing	<u>\$ 42,880,471</u>	<u>\$ 43,428,418</u>
Number of Full-Time-Equivalent Positions (FTE)-		
Appropriated Funds	870.2	870.2

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: INSTRUCTION/OPERATIONS

Provide instructional and operations support.

Outcome (Results/Impact):

Percent of First-time, Full-time, Degree-seeking Freshmen Who Earn a Baccalaureate Degree within Six Academic Years	26.4%	26.5%
Retention Rate of First-time, Full-time, Degree-seeking Freshmen Students after One Academic Year	70.5%	70.5%
Administrative Cost as a Percent of Total Expenditures	13.6%	13.6%
Certification Rate of Teacher Education Graduates	78.7%	78.7%
Percent of Baccalaureate Graduates Who Are First Generation College Graduates	46.3%	46.3%
Percent of Lower Division Courses Taught by Tenured Faculty	63.5%	64%

LAMAR UNIVERSITY - BEAUMONT
(Continued)

State Licensure Pass Rate of Engineering Graduates	95%	95%
State Licensure Pass Rate of Nursing Graduates	95%	95%
Dollar Value of External or Sponsored Research Funds (in Millions)	1.7	1.7
A.1.1. Strategy: OPERATIONS SUPPORT	\$ 26,654,202	\$ 27,036,682
A.1.2. Strategy: TEACHING EXPERIENCE SUPPLEMENT	\$ 1,307,416	\$ 1,326,177
A.1.3. Strategy: STAFF GROUP INSURANCE PREMIUMS	\$ 544,853	\$ 544,853
A.1.4. Strategy: WORKERS' COMPENSATION INSURANCE	\$ 335,091	\$ 335,091
A.1.5. Strategy: TEXAS PUBLIC EDUCATION GRANTS	\$ 2,248,118	\$ 2,327,813
A.1.6. Strategy: INDIRECT COST RECOVERY	\$ 358,936	\$ 358,936
Indirect cost recovery for research related activities.		
A.1.7. Strategy: EXCELLENCE FUNDING	\$ 929,570	\$ 929,570
Total, Goal A: INSTRUCTION/OPERATIONS	\$ 32,378,186	\$ 32,859,122
B. Goal: INFRASTRUCTURE SUPPORT		
Provide infrastructure support.		
B.1.1. Strategy: E&G SPACE SUPPORT	\$ 4,669,868	\$ 4,736,879
Educational and general space support.		
B.1.2. Strategy: TUITION REVENUE BOND RETIREMENT	\$ 1,285,880	\$ 1,285,880
B.1.3. Strategy: SKILES ACT REVENUE BOND RETIREMENT	\$ 105,430	\$ 105,430
Total, Goal B: INFRASTRUCTURE SUPPORT	\$ 6,061,178	\$ 6,128,189
C. Goal: SPECIAL ITEM SUPPORT		
Provide special item support.		
C.1.1. Strategy: ACADEMY IN HUMANITIES LEADERSHIP	\$ 300,194	\$ 300,194
Texas Academy of Leadership in the Humanities.		
C.2.1. Strategy: HAZARDOUS SUBSTANCE RESEARCH CENTER	\$ 423,060	\$ 423,060
Gulf Coast Hazardous Substance Research Center.		
C.2.2. Strategy: AIR QUALITY INITIATIVE	\$ 612,500	\$ 612,500
Air Quality Initiative: Texas Hazardous Waste Research Center.		
C.3.1. Strategy: SPINDLETOP MUSEUM EDUC'AL ACTIVITY	\$ 28,759	\$ 28,759
Spindletop Museum educational activities.		
C.3.2. Strategy: SMALL BUSINESS DEVELOPMENT CENTER	\$ 106,063	\$ 106,063
C.3.3. Strategy: COMMUNITY OUTREACH EXPANSION	\$ 76,780	\$ 76,780
Public service/community outreach expansion.		
C.3.4. Strategy: SPINDLETOP TEACHING CENTER	\$ 131,250	\$ 131,250
Spindletop Center for Excellence in Teaching Technology.		
C.4.1. Strategy: INSTITUTIONAL ENHANCEMENT	\$ 2,762,501	\$ 2,762,501
Total, Goal C: SPECIAL ITEM SUPPORT	\$ 4,441,107	\$ 4,441,107
Grand Total, LAMAR UNIVERSITY - BEAUMONT	\$ 42,880,471	\$ 43,428,418

LAMAR UNIVERSITY - BEAUMONT
(Continued)

Method of Financing:		
General Revenue Fund	\$ 31,484,595	\$ 31,642,312
General Revenue Fund - Dedicated		
Estimated Statutory Tuition Increases Account No. 708	468,253	936,505
Estimated Other Educational and General Income Account No. 770	10,927,623	10,849,601
Subtotal, General Revenue Fund - Dedicated	<u>\$ 11,395,876</u>	<u>\$ 11,786,106</u>
Total, Method of Financing	<u>\$ 42,880,471</u>	<u>\$ 43,428,418</u>
Object-of-Expense Informational Listing:		
Salaries and Wages	\$ 7,778,876	\$ 8,070,522
Other Personnel Costs	8,435,583	8,638,920
Faculty Salaries (Higher Education Only)	13,275,883	13,414,169
Operating Costs	10,834,781	10,939,996
Grants	2,248,118	2,327,813
Capital Expenditures	<u>307,230</u>	<u>36,998</u>
Total, Object-of-Expense Informational Listing	<u>\$ 42,880,471</u>	<u>\$ 43,428,418</u>

2. **Small Business Development Center.** Contingent upon certification by the Comptroller of Public Accounts that increased activity by the Small Business Development Center will generate at least \$212,126 for the biennium in additional revenue to the General Revenue Fund, \$106,063 is included in the appropriation above in each year of the biennium for the Small Business Development Center. It is the intent of the Legislature that state funds provided to the Small Business Development Center be used by the center to attract federal funds on a dollar-for-dollar basis.

LAMAR UNIVERSITY INSTITUTE OF TECHNOLOGY

	For the Years Ending	
	August 31, 2004	August 31, 2005
I. Educational and General State Support	\$ 10,130,819	\$ 10,545,613
Grand Total, LAMAR UNIVERSITY INSTITUTE OF TECHNOLOGY	<u>\$ 10,130,819</u>	<u>\$ 10,545,613</u>
Method of Financing:		
General Revenue Fund	\$ 7,837,805	\$ 8,167,446
<u>General Revenue Fund - Dedicated</u>		
Estimated Statutory Tuition Increases Account No. 708	95,914	191,829
Estimated Other Educational and General Income Account No. 770	2,197,100	2,186,338
Subtotal, General Revenue Fund - Dedicated	<u>\$ 2,293,014</u>	<u>\$ 2,378,167</u>
Total, Method of Financing	<u>\$ 10,130,819</u>	<u>\$ 10,545,613</u>
Number of Full-Time-Equivalent Positions (FTE)-Appropriated Funds	168.0	171.0

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: INSTRUCTION/OPERATIONS

Provide instructional and operations support.

Outcome (Results/Impact):

Percentage of Courses Completed	91.5%	91.5%
Percent of Contact Hours Taught by Full-time Faculty	74.8%	- 74.8%
Percentage of Developmental Education Students Who Pass TASP	17.8%	17.8%
Administrative Cost as a Percent of Total Expenditures	13%	13%

A.1.1. Strategy: ACADEMIC EDUCATION	\$ 2,339,487	\$ 2,411,415
A.1.2. Strategy: VOCATIONAL/TECHNICAL EDUCATION	\$ 4,216,269	\$ 4,216,269
A.1.3. Strategy: STAFF GROUP INSURANCE PREMIUMS	\$ 132,907	\$ 132,907
A.1.4. Strategy: WORKERS' COMPENSATION INSURANCE	\$ 8,598	\$ 8,598
A.1.5. Strategy: TEXAS PUBLIC EDUCATION GRANTS	\$ 396,239	\$ 412,130
A.1.6. Strategy: FORMULA HOLD HARMLESS	<u>\$ 23,675</u>	<u>\$ 23,675</u>

Total, Goal A: INSTRUCTION/OPERATIONS **\$ 7,117,175** **\$ 7,204,994**

B. Goal: INFRASTRUCTURE SUPPORT

Provide infrastructure support.

B.1.1. Strategy: E&G SPACE SUPPORT	\$ 1,409,795	\$ 1,409,794
Educational and general space support.		
B.1.2. Strategy: TUITION REVENUE BOND RETIREMENT	\$ 146,136	\$ 488,489

LAMAR UNIVERSITY INSTITUTE OF TECHNOLOGY
(Continued)

B.1.3. Strategy: SKILES ACT REVENUE BOND RETIREMENT	\$ 26,000	\$ 26,000
Total, Goal B: INFRASTRUCTURE SUPPORT	<u>\$ 1,581,931</u>	<u>\$ 1,924,283</u>
C. Goal: SPECIAL ITEM SUPPORT		
Provide special item support.		
C.1.1. Strategy: WORKFORCE LITERACY	\$ 34,598	\$ 34,598
C.4.1. Strategy: INSTITUTIONAL ENHANCEMENT	<u>\$ 1,397,115</u>	<u>\$ 1,381,738</u>
Total, Goal C: SPECIAL ITEM SUPPORT	<u>\$ 1,431,713</u>	<u>\$ 1,416,336</u>
 Grand Total, LAMAR UNIVERSITY INSTITUTE OF TECHNOLOGY	 <u>\$ 10,130,819</u>	 <u>\$ 10,545,613</u>
 Method of Financing:		
General Revenue Fund	\$ 7,837,805	\$ 8,167,446
General Revenue Fund - Dedicated		
Estimated Statutory Tuition Increases Account No. 708	95,914	191,829
Estimated Other Educational and General Income Account No. 770	2,197,100	2,186,338
Subtotal, General Revenue Fund - Dedicated	<u>\$ 2,293,014</u>	<u>\$ 2,378,167</u>
 Total, Method of Financing	 <u>\$ 10,130,819</u>	 <u>\$ 10,545,613</u>
Object-of-Expense Informational Listing:		
Salaries and Wages	\$ 1,654,099	\$ 2,070,254
Other Personnel Costs	142,002	142,002
Faculty Salaries (Higher Education Only)	3,317,723	3,573,097
Operating Costs	3,978,598	3,896,571
Grants	404,837	420,728
Capital Expenditures	<u>633,560</u>	<u>442,961</u>
Total, Object-of-Expense Informational Listing	<u>\$ 10,130,819</u>	<u>\$ 10,545,613</u>

LAMAR UNIVERSITY - ORANGE

	For the Years Ending	
	August 31, 2004	August 31, 2005
1. Educational and General State Support	\$ 7,061,540	\$ 7,256,998
Grand Total, LAMAR UNIVERSITY - ORANGE	\$ 7,061,540	\$ 7,256,998
Method of Financing:		
General Revenue Fund	\$ 5,428,998	\$ 5,573,524
General Revenue Fund - Dedicated		
Estimated Statutory Tuition Increases Account No. 708	64,629	129,257
Estimated Other Educational and General Income Account No. 770	1,567,913	1,554,217
Subtotal, General Revenue Fund - Dedicated	\$ 1,632,542	\$ 1,683,474
Total, Method of Financing	\$ 7,061,540	\$ 7,256,998
Number of Full-Time-Equivalent Positions (FTE)- Appropriated Funds	119.0	120.0
1. Informational Listing of Appropriated Funds. The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.		
A. Goal: INSTRUCTION/OPERATIONS		
Provide instructional and operations support.		
Outcome (Results/Impact):		
Percent of Courses Completed	88.3%	88.3%
Number of Students Who Transfer to a University	350	350
Percent of Contact Hours Taught by Full-time Faculty	69%	69%
Percentage of Developmental Education Students Who Pass TASP	16%	16%
Administrative Cost as a Percent of Total Expenditures	14.75%	14.75%
A.1.1. Strategy: ACADEMIC EDUCATION	\$ 2,591,241	\$ 2,635,158
A.1.2. Strategy: VOCATIONAL/TECHNICAL EDUCATION	\$ 1,255,099	\$ 1,255,099
A.1.3. Strategy: STAFF GROUP INSURANCE PREMIUMS	\$ 74,065	\$ 74,065
A.1.4. Strategy: WORKERS' COMPENSATION INSURANCE	\$ 62,261	\$ 62,261
A.1.5. Strategy: TEXAS PUBLIC EDUCATION GRANTS	\$ 292,099	\$ 301,415
A.1.6. Strategy: INDIRECT COST RECOVERY Indirect Cost Recovery for Research Related Activities.	\$ 22,000	\$ 22,000
A.1.7. Strategy: FORMULA HOLD HARMLESS	\$ 116,378	\$ 116,378
A.1.8. Strategy: EXCELLENCE FUNDING	\$ 68,058	\$ 68,058
Total, Goal A: INSTRUCTION/OPERATIONS	\$ 4,481,201	\$ 4,534,434
B. Goal: INFRASTRUCTURE SUPPORT		
Provide infrastructure support.		
B.1.1. Strategy: E&G SPACE SUPPORT Educational and general space support.	\$ 907,250	\$ 907,250

LAMAR UNIVERSITY - ORANGE
(Continued)

B.1.2. Strategy: TUITION REVENUE BOND		
RETIREMENT	\$ 250,245	\$ 392,470
B.1.3. Strategy: SKILES ACT REVENUE BOND		
RETIREMENT	\$ 22,855	\$ 22,855
Total, Goal B: INFRASTRUCTURE SUPPORT	<u>\$ 1,180,350</u>	<u>\$ 1,322,575</u>
C. Goal: SPECIAL ITEM SUPPORT		
Provide special item support.		
C.1.1. Strategy: INSTITUTIONAL ENHANCEMENT	\$ 1,399,989	\$ 1,399,989
Grand Total, LAMAR UNIVERSITY - ORANGE	<u>\$ 7,061,540</u>	<u>\$ 7,256,998</u>
Method of Financing:		
General Revenue Fund	\$ 5,428,998	\$ 5,573,524
<u>General Revenue Fund - Dedicated</u>		
Estimated Statutory Tuition Increases Account No. 708	64,629	129,257
Estimated Other Educational and General Income		
Account No. 770	1,567,913	1,554,217
Subtotal, General Revenue Fund - Dedicated	<u>\$ 1,632,542</u>	<u>\$ 1,683,474</u>
Total, Method of Financing	<u>\$ 7,061,540</u>	<u>\$ 7,256,998</u>
Object-of-Expense Informational Listing:		
Salaries and Wages	\$ 1,975,432	\$ 2,057,077
Other Personnel Costs	88,283	87,972
Faculty Salaries (Higher Education Only)	2,265,744	2,351,601
Operating Costs	2,259,473	2,287,764
Grants	138,799	138,799
Capital Expenditures	<u>333,809</u>	<u>333,785</u>
Total, Object-of-Expense Informational Listing	<u>\$ 7,061,540</u>	<u>\$ 7,256,998</u>

LAMAR UNIVERSITY - PORT ARTHUR

	For the Years Ending	
	August 31, 2004	August 31, 2005
I. Educational and General State Support	\$ 10,378,538	\$ 10,988,667
Grand Total, LAMAR UNIVERSITY - PORT ARTHUR	\$ 10,378,538	\$ 10,988,667
Method of Financing:		
General Revenue Fund	\$ 7,769,608	\$ 8,270,307
<u>General Revenue Fund - Dedicated</u>		
Estimated Statutory Tuition Increases Account No. 708	117,973	235,945
Estimated Other Educational and General Income Account No. 770	2,490,957	2,482,415
Subtotal, General Revenue Fund - Dedicated	\$ 2,608,930	\$ 2,718,360
Total, Method of Financing	\$ 10,378,538	\$ 10,988,667
Number of Full-Time-Equivalent Positions (FTE)- Appropriated Funds	274.0	274.0

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: INSTRUCTION/OPERATIONS

Provide instructional and operations support.

Outcome (Results/Impact):

Percent of Courses Completed	90%	90%
Number of Students Who Transfer to a University	455	455
Percent of Contact Hours Taught by Full-time Faculty	70%	70%
Percentage of Developmental Education Students Who Pass TASP	50%	50%
Administrative Cost as a Percent of Total Expenditures	13%	13%

A.1.1. Strategy: ACADEMIC EDUCATION	\$ 3,734,126	\$ 3,833,800
A.1.2. Strategy: VOCATIONAL/TECHNICAL EDUCATION	\$ 2,707,132	\$ 2,707,132
A.1.3. Strategy: STAFF GROUP INSURANCE PREMIUMS	\$ 133,879	\$ 133,879
A.1.4. Strategy: WORKERS' COMPENSATION INSURANCE	\$ 107,014	\$ 107,014
A.1.5. Strategy: TEXAS PUBLIC EDUCATION GRANTS	\$ 271,140	\$ 282,929
A.1.6. Strategy: FORMULA HOLD HARMLESS	\$ 131,930	\$ 131,930
A.1.7. Strategy: EXCELLENCE FUNDING	\$ 213,625	\$ 213,625

Total, Goal A: INSTRUCTION/OPERATIONS \$ 7,298,846 \$ 7,410,309

B. Goal: INFRASTRUCTURE SUPPORT

Provide infrastructure support.

B.1.1. Strategy: E&G SPACE SUPPORT	\$ 1,330,910	\$ 1,330,910
Educational and general space support.		
B.1.2. Strategy: TUITION REVENUE BOND RETIREMENT	\$ 198,160	\$ 696,826

LAMAR UNIVERSITY - PORT ARTHUR

(Continued)

B.1.3. Strategy: SKILES ACT REVENUE BOND RETIREMENT	\$ 28,000	\$ 28,000
Total, Goal B: INFRASTRUCTURE SUPPORT	\$ 1,557,070	\$ 2,055,736
C. Goal: SPECIAL ITEM SUPPORT		
Provide special item support.		
C.2.1. Strategy: SMALL BUSINESS DEVELOPMENT CENTER	\$ 131,250	\$ 131,250
C.3.1. Strategy: INSTITUTIONAL ENHANCEMENT	\$ 1,391,372	\$ 1,391,372
Total, Goal C: SPECIAL ITEM SUPPORT	\$ 1,522,622	\$ 1,522,622
 Grand Total, LAMAR UNIVERSITY - PORT ARTHUR	 \$ 10,378,538	 \$ 10,988,667
 Method of Financing:		
General Revenue Fund	\$ 7,769,608	\$ 8,270,307
General Revenue Fund - Dedicated		
Estimated Statutory Tuition Increases Account No. 708	117,973	235,945
Estimated Other Educational and General Income Account No. 770	2,490,957	2,482,415
Subtotal, General Revenue Fund - Dedicated	\$ 2,608,930	\$ 2,718,360
 Total, Method of Financing	 \$ 10,378,538	 \$ 10,988,667
Object-of-Expense Informational Listing:		
Salaries and Wages	\$ 3,774,719	\$ 3,829,565
Other Personnel Costs	3,928	3,928
Faculty Salaries (Higher Education Only)	3,222,448	3,285,273
Operating Costs	1,345,193	1,825,862
Client Services	271,140	282,929
Grants	107,014	107,014
Capital Expenditures	1,654,096	1,654,096
Total, Object-of-Expense Informational Listing	\$ 10,378,538	\$ 10,988,667

SAM HOUSTON STATE UNIVERSITY

	For the Years Ending	
	August 31, 2004	August 31, 2005
1. Educational and General State Support	\$ 58,902,857	\$ 60,526,108
Grand Total, SAM HOUSTON STATE UNIVERSITY	<u>\$ 58,902,857</u>	<u>\$ 60,526,108</u>
Method of Financing:		
General Revenue Fund	\$ 36,303,272	\$ 36,309,231
<u>General Revenue Fund - Dedicated</u>		
Compensation to Victims of Crime Account No. 469	288,903	306,162
Law Enforcement Management Institute Account No. 581	3,568,336	3,819,000
Estimated Statutory Tuition Increases Account No. 708	724,916	1,449,832
Estimated Other Educational and General Income Account No. 770	16,793,492	16,732,383
Correctional Management Institute of Texas	1,223,938	1,909,500
Subtotal, General Revenue Fund - Dedicated	<u>\$ 22,599,585</u>	<u>\$ 24,216,877</u>
Total, Method of Financing	<u>\$ 58,902,857</u>	<u>\$ 60,526,108</u>
Number of Full-Time-Equivalent Positions (FTE)- Appropriated Funds	869.2	869.2

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: INSTRUCTION/OPERATIONS

Provide instructional and operations support.

Outcome (Results/Impact):

Percent of First-time, Full-time, Degree-seeking Freshmen Who Earn a Baccalaureate Degree within Six Academic Years	40%	41%
Retention Rate of First-time, Full-time, Degree-seeking Freshmen Students after One Academic Year	70%	71%
Administrative Cost as a Percent of Total Expenditures	12.6%	12.3%
Certification Rate of Teacher Education Graduates	87.5%	87.5%
Percent of Baccalaureate Graduates Who Are First Generation College Graduates	46%	46%
Percent of Lower Division Courses Taught by Tenured Faculty	62.5%	62.5%

Dollar Value of External or Sponsored Research Funds (in Millions)	1.5	1.5
A.1.1. Strategy: OPERATIONS SUPPORT	\$ 34,543,581	\$ 35,123,710
A.1.2. Strategy: TEACHING EXPERIENCE SUPPLEMENT	\$ 1,911,194	\$ 1,943,291
A.1.3. Strategy: STAFF GROUP INSURANCE PREMIUMS	\$ 725,498	\$ 725,498
A.1.4. Strategy: WORKERS' COMPENSATION INSURANCE	\$ 282,619	\$ 282,619
A.1.5. Strategy: TEXAS PUBLIC EDUCATION GRANTS	\$ 2,353,715	\$ 2,451,800
A.1.6. Strategy: INDIRECT COST RECOVERY	\$ 865,538	\$ 865,538
Indirect cost recovery for research related activities.		
A.1.7. Strategy: ORGANIZED ACTIVITIES	\$ 97,773	\$ 97,773

SAM HOUSTON STATE UNIVERSITY
(Continued)

A.1.8. Strategy: EXCELLENCE FUNDING	\$ 950,379	\$ 950,379
Total, Goal A: INSTRUCTION/OPERATIONS	\$ 41,730,297	\$ 42,440,608
B. Goal: INFRASTRUCTURE SUPPORT		
Provide infrastructure support.		
B.1.1. Strategy: E&G SPACE SUPPORT Educational and general space support.	\$ 6,710,051	\$ 6,822,740
B.1.2. Strategy: TUITION REVENUE BOND RETIREMENT	\$ 1,267,478	\$ 1,267,478
Total, Goal B: INFRASTRUCTURE SUPPORT	\$ 7,977,529	\$ 8,090,218
C. Goal: SPECIAL ITEM SUPPORT		
Provide special item support.		
C.1.1. Strategy: ACADEMIC ENRICHMENT CENTER Academic Enrichment Center/Advisement Center.	\$ 131,250	\$ 131,250
C.3.1. Strategy: SAM HOUSTON MUSEUM	\$ 385,384	\$ 385,384
C.3.2. Strategy: BUSINESS & ECONOMIC DEVELOPMENT CTR Center for Business and Economic Development.	\$ 160,125	\$ 160,125
C.3.3. Strategy: LAW ENFORCEMENT MGT INSTITUTE Bill Blackwood Law Enforcement Management Institute of Texas. Estimated.	\$ 3,568,336	\$ 3,819,000
C.3.4. Strategy: CORRECTIONAL MANAGEMENT INSTITUTE Criminal Justice Correctional Management Institute of Texas.	\$ 1,223,938	\$ 1,909,500
C.3.5. Strategy: CRIME VICTIMS' INSTITUTE	\$ 288,903	\$ 306,162
C.4.1. Strategy: ENVIRONMENTAL STUDIES INSTITUTE Institute of Environmental Studies.	\$ 153,333	\$ 153,333
C.4.2. Strategy: INSTITUTIONAL ENHANCEMENT	\$ 3,283,762	\$ 3,130,528
Total, Goal C: SPECIAL ITEM SUPPORT	\$ 9,195,031	\$ 9,995,282
 Grand Total, SAM HOUSTON STATE UNIVERSITY	 \$ 58,902,857	 \$ 60,526,108
 Method of Financing:		
General Revenue Fund	\$ 36,303,272	\$ 36,309,231
 General Revenue Fund - Dedicated		
Compensation to Victims of Crime Account No. 469	288,903	306,162
Law Enforcement Management Institute Account No. 581	3,568,336	3,819,000
Estimated Statutory Tuition Increases Account No. 708	724,916	1,449,832

SAM HOUSTON STATE UNIVERSITY
(Continued)

Estimated Other Educational and General Income		
Account No. 770	16,793,492	16,732,383
Correctional Management Institute of Texas	1,223,938	1,909,500
Subtotal, General Revenue Fund - Dedicated	\$ 22,599,585	\$ 24,216,877
Total, Method of Financing	\$ 58,902,857	\$ 60,526,108
Object-of-Expense Informational Listing:		
Salaries and Wages	\$ 16,910,052	\$ 16,902,392
Other Personnel Costs	2,827,118	3,231,882
Faculty Salaries (Higher Education Only)	21,206,573	22,724,896
Operating Costs	12,637,089	12,504,161
Client Services	33,139	225,953
Grants	4,516,760	4,363,526
Capital Expenditures	772,126	573,298
Total, Object-of-Expense Informational Listing	\$ 58,902,857	\$ 60,526,108

2. **Center for Business and Economic Development.** Contingent upon certification by the Comptroller of Public Accounts that increased activity by the Center for Business and Economic Development will generate at least \$320,250 for the biennium in additional revenue to the General Revenue Fund, \$160,125 is included in the appropriation above in each year of the biennium for the Center for Business and Economic Development. It is the intent of the Legislature that state funds provided to the Center for Business and Economic Development be used by the center to attract federal funds on a dollar-for-dollar basis.
3. **Contingency for Senate Bill 1245.** Included in the appropriation above to Sam Houston State University in Strategy C.3.5, Crime Victims' Institute, is \$288,903 in fiscal year 2004 and \$306,162 in fiscal year 2005. The amounts in the rider are contingent upon the enactment of Senate Bill 1245 or similar legislation. It is the intent of the Legislature that these funds be used to operate the Crime Victims Institute.
4. **Unexpended Balances, CJ-CMIT and LEMIT.** Any unexpended balances from appropriations for the fiscal year beginning September 1, 2003, in the Criminal Justice Correctional Management Institute of Texas Fund (GR Dedicated Fund 5083) and the Law Enforcement Management Institute of Texas Fund (GR Dedicated Fund 581) remaining as of August 31, 2004, are appropriated for the same purpose for the fiscal year beginning September 1, 2004.

SOUTHWEST TEXAS STATE UNIVERSITY

	For the Years Ending	
	August 31, 2004	August 31, 2005
1. Educational and General State Support	\$ 101,405,604	\$ 102,891,905
Grand Total, SOUTHWEST TEXAS STATE UNIVERSITY	\$ 101,405,604	\$ 102,891,905
Method of Financing:		
General Revenue Fund	\$ 69,656,741	\$ 69,956,301
<u>General Revenue Fund - Dedicated</u>		
Estimated Board Authorized Tuition Increases Account No. 704	1,900,000	1,900,000
Estimated Statutory Tuition Increases Account No. 708	1,300,863	2,601,726
Estimated Other Educational and General Income Account No. 770	28,548,000	28,433,878
Subtotal, General Revenue Fund - Dedicated	\$ 31,748,863	\$ 32,935,604
Total, Method of Financing	\$ 101,405,604	\$ 102,891,905
Number of Full-Time-Equivalent Positions (FTE)- Appropriated Funds	1,955.6	1,955.6

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: INSTRUCTION/OPERATIONS

Provide instructional and operations support.

Outcome (Results/Impact):

Percent of First-time, Full-time, Degree-seeking Freshmen Who Earn a Baccalaureate Degree within Six Academic Years	45.8%	47.3%
Retention Rate of First-time, Full-time, Degree-seeking Freshmen Students after One Academic Year	78%	79.4%
Administrative Cost as a Percent of Total Expenditures	10.8%	10.8%
Certification Rate of Teacher Education Graduates	86.3%	86.3%
Percent of Baccalaureate Graduates Who Are First Generation College Graduates	48.4%	48.4%
Percent of Lower Division Courses Taught by Tenured Faculty	48.6%	49.4%
Dollar Value of External or Sponsored Research Funds (in Millions)	13.3	13.3

A.1.1. Strategy: OPERATIONS SUPPORT	\$ 66,862,136	\$ 67,913,921
A.1.2. Strategy: TEACHING EXPERIENCE SUPPLEMENT	\$ 2,907,966	\$ 2,953,710
A.1.3. Strategy: STAFF GROUP INSURANCE PREMIUMS	\$ 1,669,560	\$ 1,669,560
A.1.4. Strategy: WORKERS' COMPENSATION INSURANCE	\$ 674,221	\$ 674,221
A.1.5. Strategy: TEXAS PUBLIC EDUCATION GRANTS	\$ 4,763,541	\$ 4,948,979
A.1.6. Strategy: INDIRECT COST RECOVERY	\$ 900,000	\$ 900,000

Indirect cost recovery for research related activities.

SOUTHWEST TEXAS STATE UNIVERSITY
(Continued)

A.1.7. Strategy: ORGANIZED ACTIVITIES	\$ 729,891	\$ 729,891
A.1.8. Strategy: EXCELLENCE FUNDING	<u>\$ 2,345,347</u>	<u>\$ 2,345,347</u>
Total, Goal A: INSTRUCTION/OPERATIONS	<u>\$ 80,852,662</u>	<u>\$ 82,135,629</u>
B. Goal: INFRASTRUCTURE SUPPORT		
Provide infrastructure support.		
B.1.1. Strategy: E&G SPACE SUPPORT Educational and general space support.	\$ 12,925,954	\$ 13,129,288
B.1.2. Strategy: TUITION REVENUE BOND RETIREMENT	\$ 3,573,515	\$ 3,573,515
B.1.3. Strategy: SKILES ACT REVENUE BOND RETIREMENT	<u>\$ 266,168</u>	<u>\$ 266,168</u>
Total, Goal B: INFRASTRUCTURE SUPPORT	<u>\$ 16,765,637</u>	<u>\$ 16,968,971</u>
C. Goal: SPECIAL ITEM SUPPORT		
Provide special item support.		
C.1.1. Strategy: GEOGRAPHY EDUCATION Improvement of geography education.	\$ 43,750	\$ 43,750
C.1.2. Strategy: MULTI-INSTITUTIONAL TEACHING CENTER North Austin Multi-institutional Teaching Center - operations.	\$ 350,000	\$ 350,000
C.2.1. Strategy: EDWARDS AQUIFER RESEARCH CENTER Edwards Aquifer Research and Data Center.	\$ 216,266	\$ 216,266
C.2.2. Strategy: TEXAS LONG-TERM CARE INST Texas Long-term Care Institute.	\$ 146,832	\$ 146,832
C.2.3. Strategy: SEMICONDUCTOR INITIATIVE Semiconductor Manufacturing and Research Initiative.	\$ 87,500	\$ 87,500
C.3.1. Strategy: SMALL BUSINESS DEVELOPMENT CENTER	\$ 108,000	\$ 108,000
C.4.1. Strategy: INSTITUTIONAL ENHANCEMENT	<u>\$ 2,834,957</u>	<u>\$ 2,834,957</u>
Total, Goal C: SPECIAL ITEM SUPPORT	<u>\$ 3,787,305</u>	<u>\$ 3,787,305</u>
Grand Total, SOUTHWEST TEXAS STATE UNIVERSITY	<u>\$ 101,405,604</u>	<u>\$ 102,891,905</u>
Method of Financing:		
General Revenue Fund	\$ 69,656,741	\$ 69,956,301
General Revenue Fund - Dedicated		
Estimated Board Authorized Tuition Increases Account No. 704	1,900,000	1,900,000
Estimated Statutory Tuition Increases Account No. 708	1,300,863	2,601,726

SOUTHWEST TEXAS STATE UNIVERSITY
(Continued)

Estimated Other Educational and General Income Account No. 770	28,548,000	28,433,878
Subtotal, General Revenue Fund - Dedicated	<u>\$ 31,748,863</u>	<u>\$ 32,935,604</u>
 Total, Method of Financing	 <u>\$ 101,405,604</u>	 <u>\$ 102,891,905</u>
Object-of-Expense Informational Listing:		
Salaries and Wages	\$ 28,332,759	\$ 28,875,292
Faculty Salaries (Higher Education Only)	50,073,142	50,835,841
Operating Costs	19,796,139	19,928,491
Grants	3,089,028	3,089,028
Capital Expenditures	<u>114,536</u>	<u>163,253</u>
Total, Object-of-Expense Informational Listing	<u>\$ 101,405,604</u>	<u>\$ 102,891,905</u>

2. **Freeman Ranch.** Out of the amounts appropriated above in informational item A.1.7, Organized Activities, \$115,089 in each year of the biennium shall be used for the Freeman Ranch.
3. **Small Business Development Center.** Included in the appropriation above to Southwest Texas State University in Strategy C.3.1, Small Business Development Center, is \$108,000 in each year of the biennium for the Small Business Development Center, or its equivalent due to special provisions of this Act. This \$108,000 in each year is contingent upon certification by the Comptroller of Public Accounts that increased activity by the Small Business Development Center will generate at least \$216,000 additional revenue to the General Revenue Fund. It is the intent of the Legislature that state funds provided to the Small Business Development Center be used by the center to attract federal funds on a dollar-for-dollar basis.
4. **Contingent Appropriation for House Bill 2522.** Included in the appropriation above to Southwest Texas State University in Strategy B.1.2, Tuition Revenue Bond Retirement, is \$1,137,500 in each year of the biennium for the debt service related to tuition revenue bonds authorized by House Bill 2522. The amounts in this rider are contingent upon the enactment of House Bill 2522 or similar legislation relating to the authorization of the issuance of tuition revenue bonds. Any portion of this appropriation not spent in fiscal year 2004 could be expended for the same purposes in fiscal year 2005.

SUL ROSS STATE UNIVERSITY

	For the Years Ending	
	August 31, 2004	August 31, 2005
I. Educational and General State Support	\$ 16,929,520	\$ 17,043,724
Grand Total, SUL ROSS STATE UNIVERSITY	<u>\$ 16,929,520</u>	<u>\$ 17,043,724</u>
 Method of Financing:		
General Revenue Fund	\$ 14,578,746	\$ 14,605,650
 <u>General Revenue Fund - Dedicated</u>		
Estimated Statutory Tuition Increases Account No. 708	101,038	202,075
Estimated Other Educational and General Income Account No. 770	2,249,736	2,235,999
Subtotal, General Revenue Fund - Dedicated	<u>\$ 2,350,774</u>	<u>\$ 2,438,074</u>
 Total, Method of Financing	 <u>\$ 16,929,520</u>	 <u>\$ 17,043,724</u>
 Number of Full-Time-Equivalent Positions (FTE)-		
Appropriated Funds	334.8	334.8
 1. Informational Listing of Appropriated Funds. The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.		
 A. Goal: INSTRUCTION/OPERATIONS		
Provide instructional and operations support.		
Outcome (Results/Impact):		
Percent of First-time, Full-time, Degree-seeking Freshmen Who Earn a Baccalaureate Degree within Six Academic Years	21%	22%
Retention Rate of First-time, Full-time, Degree-seeking Freshmen Students after One Academic Year	60%	60%
Administrative Cost as a Percent of Total Expenditures	14.2%	14.2%
Certification Rate of Teacher Education Graduates	84%	84%
Percent of Baccalaureate Graduates Who Are First Generation College Graduates	65%	65%
Percent of Lower Division Courses Taught by Tenured Faculty	52%	52%
A.1.1. Strategy: OPERATIONS SUPPORT	\$ 5,205,594	\$ 5,272,280
A.1.2. Strategy: TEACHING EXPERIENCE SUPPLEMENT	\$ 243,661	\$ 246,782
A.1.3. Strategy: STAFF GROUP INSURANCE PREMIUMS	\$ 168,771	\$ 168,771
A.1.4. Strategy: WORKERS' COMPENSATION INSURANCE	\$ 117,133	\$ 117,133
A.1.5. Strategy: TEXAS PUBLIC EDUCATION GRANTS	\$ 329,430	\$ 342,597
A.1.8. Strategy: INDIRECT COST RECOVERY	\$ 41,182	\$ 41,182
Indirect cost recovery for research related activities.		
A.1.7. Strategy: ORGANIZED ACTIVITIES	\$ 125,576	\$ 125,576
A.1.8. Strategy: FORMULA HOLD HARMLESS	\$ 481,079	\$ 481,079
A.1.9. Strategy: EXCELLENCE FUNDING	<u>\$ 264,956</u>	<u>\$ 264,956</u>
Total, Goal A: INSTRUCTION/OPERATIONS	<u>\$ 6,977,382</u>	<u>\$ 7,060,356</u>

SUL ROSS STATE UNIVERSITY
(Continued)

B. Goal: INFRASTRUCTURE SUPPORT

Provide infrastructure support.

B.1.1. Strategy: E&G SPACE SUPPORT \$ 2,437,828 \$ 2,469,058

Educational and general space support.

**B.1.2. Strategy: TUITION REVENUE BOND
RETIREMENT** \$ 2,503,741 \$ 2,503,741

Total, Goal B: INFRASTRUCTURE SUPPORT \$ 4,941,569 \$ 4,972,799

C. Goal: SPECIAL ITEM SUPPORT

Provide special item support.

C.2.1. Strategy: CHIHUAHUAN DESERT RESEARCH \$ 34,216 \$ 34,216

C.2.2. Strategy: CENTER FOR BIG BEND STUDIES \$ 194,337 \$ 194,337

C.3.1. Strategy: SUL ROSS MUSEUM \$ 125,626 \$ 125,626

Sul Ross State University Museum.

**C.3.2. Strategy: BIG BEND SMALL BUSINESS DEVT
CENTER** \$ 76,654 \$ 76,654

Big Bend Region Minority and Small Business
Development Center.

C.3.3. Strategy: CRIMINAL JUSTICE ACADEMY \$ 82,404 \$ 82,404

C.3.4. Strategy: BIG BEND ARCHIVES \$ 109,375 \$ 109,375

Archives of the Big Bend.

C.3.5. Strategy: RURAL HISPANIC LEADERSHIP \$ 87,500 \$ 87,500

C.3.6. Strategy: MUSEUM OF THE BIG BEND \$ 43,750 \$ 43,750

C.4.1. Strategy: INSTITUTIONAL ENHANCEMENT \$ 4,256,707 \$ 4,256,707

Total, Goal C: SPECIAL ITEM SUPPORT \$ 5,010,569 \$ 5,010,569

Grand Total, SUL ROSS STATE UNIVERSITY \$ 16,929,520 \$ 17,043,724

Method of Financing:

General Revenue Fund \$ 14,578,746 \$ 14,605,650

General Revenue Fund - Dedicated

Estimated Statutory Tuition Increases Account No. 708 101,038 202,075

Estimated Other Educational and General Income
Account No. 770 2,249,736 2,235,999

Subtotal, General Revenue Fund - Dedicated \$ 2,350,774 \$ 2,438,074

Total, Method of Financing \$ 16,929,520 \$ 17,043,724

Object-of-Expense Informational Listing:

Salaries and Wages \$ 5,254,257 \$ 5,335,358

Other Personnel Costs 179,500 182,795

Faculty Salaries (Higher Education Only) 4,440,478 4,506,002

**Professional Salaries - Faculty Equivalent (Higher Education
Only)** 181,440 193,182

Operating Costs 6,212,812 5,924,997

SUL ROSS STATE UNIVERSITY
(Continued)

Client Services	422,319	463,988
Grants	117,133	117,133
Capital Expenditures	<u>121,581</u>	<u>120,269</u>
Total, Object-of-Expense Informational Listing	\$ <u>16,929,520</u>	\$ <u>17,043,724</u>

SUL ROSS STATE UNIVERSITY RIO GRANDE COLLEGE

	For the Years Ending	
	August 31, <u>2004</u>	August 31, <u>2005</u>
1. Educational and General State Support	\$ 6,108,147	\$ 6,158,899
Grand Total, SUL ROSS STATE UNIVERSITY RIO GRANDE COLLEGE	\$ <u>6,108,147</u>	\$ <u>6,158,899</u>
Method of Financing:		
General Revenue Fund	\$ 5,153,421	\$ 5,163,890
General Revenue Fund - Dedicated		
Estimated Statutory Tuition Increases Account No. 708	44,599	89,197
Estimated Other Educational and General Income Account No. 770	910,127	905,812
Subtotal, General Revenue Fund - Dedicated	<u>\$ 954,726</u>	<u>\$ 995,009</u>
Total, Method of Financing	\$ <u>6,108,147</u>	\$ <u>6,158,899</u>
Number of Full-Time-Equivalent Positions (FTE)- Appropriated Funds	91.1	91.1

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: INSTRUCTION/OPERATIONS

Provide instructional and operations support.

Outcome (Results/Impact):

Administrative Cost as a Percent of Total Expenditures	10.6%	10.6%
Certification Rate of Teacher Education Graduates	65%	65%
Percent of Baccalaureate Graduates Who Are First Generation College Graduates	65%	65%
Percent of Incoming Full-time Undergraduate Transfer Students Who Graduate within Four Years	82.1	82.1
Retention Rate of First-time, Full-time, Degree-seeking Transfer Students after One Academic Year (Upper-level Institutions Only)	88.1%	88.1%

SUL ROSS STATE UNIVERSITY RIO GRANDE COLLEGE
(Continued)

A.1.1. Strategy: OPERATIONS SUPPORT	\$ 2,262,055	\$ 2,294,445
A.1.2. Strategy: TEACHING EXPERIENCE SUPPLEMENT	\$ 91,654	\$ 92,967
A.1.3. Strategy: STAFF GROUP INSURANCE PREMIUMS	\$ 21,086	\$ 21,086
A.1.4. Strategy: WORKERS' COMPENSATION INSURANCE	\$ 111,374	\$ 111,374
A.1.5. Strategy: TEXAS PUBLIC EDUCATION GRANTS	\$ 141,538	\$ 147,691
A.1.6. Strategy: EXCELLENCE FUNDING	<u>\$ 43,195</u>	<u>\$ 43,195</u>
Total, Goal A: INSTRUCTION/OPERATIONS	<u>\$ 2,670,902</u>	<u>\$ 2,710,758</u>
B. Goal: INFRASTRUCTURE SUPPORT		
Provide infrastructure support.		
B.1.1. Strategy: E&G SPACE SUPPORT Educational and general space support.	\$ 760,895	\$ 771,791
B.1.2. Strategy: LEASE OF FACILITIES	<u>\$ 228,017</u>	<u>\$ 228,017</u>
Total, Goal B: INFRASTRUCTURE SUPPORT	<u>\$ 988,912</u>	<u>\$ 999,808</u>
C. Goal: SPECIAL ITEM SUPPORT		
Provide special item support.		
C.3.1. Strategy: SMALL BUSINESS DEVELOPMENT CENTER	\$ 96,107	\$ 96,107
C.3.2. Strategy: DOLPH BRISCOE INSTITUTE Dolph Briscoe Institute for Local Government.	\$ 43,750	\$ 43,750
C.4.1. Strategy: INSTITUTIONAL ENHANCEMENT	<u>\$ 2,308,476</u>	<u>\$ 2,308,476</u>
Total, Goal C: SPECIAL ITEM SUPPORT	<u>\$ 2,448,333</u>	<u>\$ 2,448,333</u>
 Grand Total, SUL ROSS STATE UNIVERSITY RIO GRANDE COLLEGE	 <u>\$ 6,108,147</u>	 <u>\$ 6,158,899</u>
 Method of Financing:		
General Revenue Fund	\$ 5,153,421	\$ 5,163,890
General Revenue Fund - Dedicated		
Estimated Statutory Tuition Increases Account No. 708	44,599	89,197
Estimated Other Educational and General Income Account No. 770	910,127	905,812
Subtotal, General Revenue Fund - Dedicated	<u>\$ 954,726</u>	<u>\$ 995,009</u>
Total, Method of Financing	<u>\$ 6,108,147</u>	<u>\$ 6,158,899</u>
Object-of-Expense Informational Listing:		
Salaries and Wages	\$ 1,192,805	\$ 1,548,848
Other Personnel Costs	128,011	140,275
Faculty Salaries (Higher Education Only)	1,749,368	1,635,709
Operating Costs	2,922,797	2,722,693
Grants	111,374	111,374
Capital Expenditures	<u>3,792</u>	<u>0</u>
Total, Object-of-Expense Informational Listing	<u>\$ 6,108,147</u>	<u>\$ 6,158,899</u>

THE UNIVERSITY OF TEXAS SOUTHWESTERN MEDICAL CENTER AT DALLAS

	For the Years Ending	
	August 31, 2004	August 31, 2005
1. Educational and General State Support	\$ 147,777,267	\$ 151,268,510
Grand Total, THE UNIVERSITY OF TEXAS SOUTHWESTERN MEDICAL CENTER AT DALLAS	<u>\$ 147,777,267</u>	<u>\$ 151,268,510</u>
Method of Financing:		
General Revenue Fund	\$ 91,973,839	\$ 94,180,111
GR Dedicated - Estimated Other Educational and General Income Account No. 770	51,474,428	52,759,399
<u>Other Funds</u>		
Permanent Health Fund for Higher Education, estimated	2,079,000	2,079,000
Permanent Endowment Fund, UT Southwestern Medical Center at Dallas, estimated	2,250,000	2,250,000
Subtotal, Other Funds	<u>\$ 4,329,000</u>	<u>\$ 4,329,000</u>
Total, Method of Financing	<u>\$ 147,777,267</u>	<u>\$ 151,268,510</u>
Number of Full-Time-Equivalent Positions (FTE)- Appropriated Funds	1,791.0	1,791.0

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: INSTRUCTION/OPERATIONS

Provide instructional and operations support.

Outcome (Results/Impact):

Percent of Medical School Students Passing Part 1 or Part 2 of the National Licensing Exam on the First Attempt	98%	98%
Percent of Medical School Graduates Entering a Primary Care Residency	50%	50%
Percent of Medical School Graduates Practicing Primary Care in Texas	23%	23%
Percent of Allied Health Graduates Passing the Certification/Licensure Exam on the First Attempt	91%	91%
Percent of Allied Health Graduates Who Are Licensed or Certified in Texas	95%	95%
Administrative (Institutional Support) Cost as a Percent of Total Expenditures	5.18%	5.18%
A.1.1. Strategy: MEDICAL EDUCATION	\$ 39,566,778	\$ 39,566,778
Output (Volume):		
Number of Combined MD/PhD Graduates	10	10
Explanatory:		
Minority Admissions as a Percent of Total First-year Admissions (All Schools)	15%	15%
Minority MD Admissions as a Percent of Total MD Admissions	17%	17%

THE UNIVERSITY OF TEXAS SOUTHWESTERN MEDICAL CENTER AT DALLAS
(Continued)

Minority MD or DO Residents as a Percent of Total MD or DO Residents		
A.1.2. Strategy: BIOMEDICAL SCIENCES TRAINING	10%	10%
Graduate training in biomedical sciences.	\$ 5,384,501	\$ 5,384,501
A.1.3. Strategy: ALLIED HEALTH PROFESSIONS TRAINING		
A.2.1. Strategy: STAFF GROUP INSURANCE PREMIUMS	\$ 4,265,707	\$ 4,265,707
A.2.2. Strategy: WORKERS' COMPENSATION INSURANCE	\$ 2,530,472	\$ 2,530,472
A.2.3. Strategy: UNEMPLOYMENT INSURANCE	\$ 289,300	\$ 263,600
A.3.1. Strategy: TEXAS PUBLIC EDUCATION GRANTS	\$ 43,600	\$ 43,600
A.3.2. Strategy: MEDICAL LOANS	\$ 974,400	\$ 979,700
	<u>\$ 96,100</u>	<u>\$ 96,100</u>
Total, Goal A: INSTRUCTION/OPERATIONS	<u>\$ 53,150,858</u>	<u>\$ 53,130,458</u>
B. Goal: PROVIDE RESEARCH SUPPORT		
Outcome (Results/Impact):		
Total External Research Expenditures		
	246,412,617	253,756,994
B.1.1. Strategy: RESEARCH ENHANCEMENT	\$ 6,201,733	\$ 6,201,733
B.1.2. Strategy: INDIRECT COST RECOVERY	<u>\$ 29,957,642</u>	<u>\$ 31,227,479</u>
Total, Goal B: PROVIDE RESEARCH SUPPORT	<u>\$ 36,159,375</u>	<u>\$ 37,429,212</u>
C. Goal: PROVIDE INFRASTRUCTURE SUPPORT		
C.1.1. Strategy: E&G SPACE SUPPORT	\$ 21,176,674	\$ 21,176,674
Educational and general space support.		
C.2.1. Strategy: TUITION REVENUE BOND RETIREMENT	\$ 3,130,603	\$ 5,358,102
C.2.2. Strategy: DEBT SVC- NORTH CAMPUS EXPANSION	<u>\$ 12,486,500</u>	<u>\$ 12,486,500</u>
Debt service - North Campus expansion.		
Total, Goal C: PROVIDE INFRASTRUCTURE SUPPORT	<u>\$ 36,793,777</u>	<u>\$ 39,021,276</u>
D. Goal: PROVIDE SPECIAL ITEM SUPPORT		
D.2.1. Strategy: PRIMARY CARE RESIDENCY TRAINING	\$ 971,959	\$ 971,959
Primary care residency training program.		
D.3.1. Strategy: INSTITUTE FOR NOBEL/NA BIO RESEARCH	\$ 7,000,000	\$ 7,000,000
Institute for Nobel/national-academy biomedical research on heart disease and stroke, neurological disease, cancer immunology, pharmacology, and genetics and molecular biology.		
D.4.1. Strategy: REGIONAL BURN CARE CENTER	\$ 90,894	\$ 93,101
D.5.1. Strategy: SCIENCE TEACHER ACCESS TO RESOURCES	\$ 531,404	\$ 543,504
Program for Science Teacher Access to Resources (STARS).		
Output (Volume):		
Number of High School and Middle School Teachers Completing a STARS Program	965	975
D.5.2. Strategy: INNOVATIONS IN MEDICAL TECHNOLOGY	\$ 7,875,000	\$ 7,875,000
Institute for Innovations in Medical Technology.		

THE UNIVERSITY OF TEXAS SOUTHWESTERN MEDICAL CENTER AT DALLAS
(Continued)

D.6.1. Strategy: INSTITUTIONAL ENHANCEMENT	\$ <u>875,000</u>	\$ <u>875,000</u>
Total, Goal D: PROVIDE SPECIAL ITEM SUPPORT	\$ <u>17,344,257</u>	\$ <u>17,358,564</u>
E. Goal: TOBACCO FUNDS		
E.1.1. Strategy: TOBACCO EARNINGS - UT SWMC DALLAS		
Tobacco earnings for UT Southwestern Medical Center at Dallas.	\$ 2,250,000	\$ 2,250,000
E.1.2. Strategy: TOBACCO - PERMANENT HEALTH FUND		
Tobacco earnings from the Permanent Health Fund for Higher Education to the health-related institutions of higher education.	\$ <u>2,079,000</u>	\$ <u>2,079,000</u>
Total, Goal E: TOBACCO FUNDS	\$ <u>4,329,000</u>	\$ <u>4,329,000</u>
Grand Total, THE UNIVERSITY OF TEXAS SOUTHWESTERN MEDICAL CENTER AT DALLAS	\$ <u>147,777,267</u>	\$ <u>151,268,510</u>
Method of Financing:		
General Revenue Fund	\$ 91,973,839	\$ 94,180,111
GR Dedicated - Estimated Other Educational and General Income Account No. 770	51,474,428	52,759,399
Other Funds		
Permanent Health Fund for Higher Education, estimated	2,079,000	2,079,000
Permanent Endowment Fund, UT Southwestern Medical Center at Dallas, estimated	2,250,000	2,250,000
Subtotal, Other Funds	\$ <u>4,329,000</u>	\$ <u>4,329,000</u>
Total, Method of Financing	\$ <u>147,777,267</u>	\$ <u>151,268,510</u>
Object-of-Expense Informational Listing:		
Salaries and Wages	\$ 39,047,179	\$ 40,342,504
Other Personnel Costs	2,003,889	1,938,694
Faculty Salaries (Higher Education Only)	31,728,099	31,619,367
Professional Salaries - Faculty Equivalent (Higher Education Only)	91,472	100,054
Operating Costs	40,796,091	42,343,891
Grants	<u>34,110,537</u>	<u>34,924,000</u>
Total, Object-of-Expense Informational Listing	\$ <u>147,777,267</u>	\$ <u>151,268,510</u>

2. **Estimated Appropriation and Unexpended Balance.** Included in the amounts appropriated above are: (1) estimated appropriations of amounts available for distribution or investment returns out of the Permanent Endowment Fund for The University of Texas Southwestern

THE UNIVERSITY OF TEXAS SOUTHWESTERN MEDICAL CENTER AT DALLAS
(Continued)

Medical Center at Dallas and (2) estimated appropriations of the institution's estimated allocation of amounts available for distribution out of the Permanent Health Fund for Higher Education.

- a. Amounts available for distribution or investment returns in excess of the amounts estimated above are also appropriated to the institution. In the event that amounts available for distribution or investment returns are less than the amounts estimated above, this Act may not be construed as appropriating funds to make up the difference.
 - b. All balances of estimated appropriations from the Permanent Endowment Fund for The University of Texas Southwestern Medical Center at Dallas and of the institution's allocation from the amounts available for distribution out of the Permanent Health Fund for Higher Education, except for any General Revenue, at the close of the fiscal year ending August 31, 2003, and the income to said fund during the fiscal years beginning September 1, 2003, are hereby appropriated. Any unexpended appropriations made above as of August 31, 2004, are hereby appropriated to the institution for the same purposes for fiscal year 2005.
3. **Contingency for House Bill 1912.** Included in the amounts appropriated above out of the General Revenue Fund for Strategy C.2.1, Tuition Revenue Bond Retirement, is the amount of \$2,227,500 in fiscal year 2005 for the debt service related to the tuition revenue bonds authorized by House Bill 1912. The amount in this rider is contingent upon enactment of House Bill 1912, or similar legislation relating to the authorization of the issuance of revenue bonds for The University of Texas Southwestern Medical Center at Dallas, by the Seventy-eighth Legislature, Regular Session.

THE UNIVERSITY OF TEXAS MEDICAL BRANCH AT GALVESTON

	For the Years Ending	
	August 31, 2004	August 31, 2005
1. Educational and General State Support	\$ 494,707,565	\$ 494,553,379
Grand Total, THE UNIVERSITY OF TEXAS MEDICAL BRANCH AT GALVESTON	\$ 494,707,565	\$ 494,553,379
 Method of Financing:		
General Revenue Fund	\$ 197,213,542	\$ 196,983,690
GR Dedicated - Estimated Other Educational and General Income Account No. 770	23,673,766	23,749,432
 Other Funds		
Interagency Contracts	10,000,000	10,000,000
Permanent Health Fund for Higher Education, estimated	1,912,365	1,912,365
Permanent Endowment Fund, UT Medical Branch at Galveston, estimated	1,125,000	1,125,000
Health-Related Institutions Patient Income, estimated	260,782,892	260,782,892
Subtotal, Other Funds	\$ 273,820,257	\$ 273,820,257
Total, Method of Financing	\$ 494,707,565	\$ 494,553,379
Number of Full-Time-Equivalent Positions (FTE)- Appropriated Funds	5,850.5	5,850.5

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: INSTRUCTION/OPERATIONS

Provide instructional and operations support.

Outcome (Results/Impact):

Percent of Medical School Students Passing Part 1 or Part 2 of the National Licensing Exam on the First Attempt	90%	90%
Percent of Medical School Graduates Entering a Primary Care Residency	50%	50%
Percent of Medical School Graduates Practicing Primary Care in Texas	28%	28%
Percent of Allied Health Graduates Passing the Certification/Licensure Exam on the First Attempt	93%	93%
Percent of Allied Health Graduates Who Are Licensed or Certified in Texas	95%	95%
Percent of Bachelor of Science in Nursing Graduates Passing the National Licensing Exam on the First Attempt in Texas	95%	95%
Percent of Bachelor of Science in Nursing Graduates Who Are Licensed in Texas	95%	95%
Percent of Master of Science in Nursing Graduates Granted Advanced Practice Status in Texas	90%	90%
Administrative (Institutional Support) Cost as a Percent of Total Expenditures	3.08%	3.08%
A.1.1. Strategy: MEDICAL EDUCATION	\$ 49,644,458	\$ 49,644,659

THE UNIVERSITY OF TEXAS MEDICAL BRANCH AT GALVESTON
(Continued)

Explanatory:		
Minority Admissions as a Percent of Total First-year Admissions (All Schools)	23%	23%
Minority MD Admissions as a Percent of Total MD Admissions	25%	25%
A.1.2. Strategy: BIOMEDICAL SCIENCES TRAINING	\$ 4,159,690	\$ 4,159,706
Graduate training in biomedical sciences.		
A.1.3. Strategy: ALLIED HEALTH PROFESSIONS TRAINING	\$ 5,546,761	\$ 5,546,784
A.1.4. Strategy: NURSING EDUCATION	\$ 6,707,744	\$ 6,707,771
A.2.1. Strategy: STAFF GROUP INSURANCE PREMIUMS	\$ 21,972,561	\$ 21,972,561
A.2.2. Strategy: WORKERS' COMPENSATION INSURANCE	\$ 1,226,415	\$ 1,226,415
A.2.3. Strategy: UNEMPLOYMENT INSURANCE	\$ 418,776	\$ 418,776
A.3.1. Strategy: TEXAS PUBLIC EDUCATION GRANTS	\$ 1,108,073	\$ 1,119,153
A.3.2. Strategy: MEDICAL LOANS	\$ 126,637	\$ 127,903
A.4.1. Strategy: FORMULA HOLD HARMLESS	\$ 3,040,649	\$ 3,040,650
Total, Goal A: INSTRUCTION/OPERATIONS	<u>\$ 93,951,764</u>	<u>\$ 93,964,378</u>
B. Goal: PROVIDE RESEARCH SUPPORT		
Outcome (Results/Impact):		
Total External Research Expenditures	89,500,000	89,500,000
B.1.1. Strategy: RESEARCH ENHANCEMENT	\$ 3,374,211	\$ 3,374,211
B.1.2. Strategy: INDIRECT COST RECOVERY	\$ 14,256,231	\$ 14,262,508
Total, Goal B: PROVIDE RESEARCH SUPPORT	<u>\$ 17,630,442</u>	<u>\$ 17,636,719</u>
C. Goal: INFRASTRUCTURE SUPPORT		
Provide infrastructure support.		
C.1.1. Strategy: E&G SPACE SUPPORT	\$ 19,473,817	\$ 19,473,896
Educational and general space support.		
C.2.1. Strategy: TUITION REVENUE BOND RETIREMENT	\$ 1,147,971	\$ 1,147,971
C.2.2. Strategy: CAPITAL PROJECTS	\$ 21,259,024	\$ 21,259,024
Total, Goal C: INFRASTRUCTURE SUPPORT	<u>\$ 41,880,812</u>	<u>\$ 41,880,891</u>
D. Goal: PROVIDE HEALTH CARE SUPPORT		
Outcome (Results/Impact):		
Percent of Medical Residency Completers Practicing in Texas	50%	50%
Total Gross Patient Charges for Un-sponsored Charity Care Provided in State-owned Facilities	201,703,000	211,789,000
Total Gross Patient Charges (Excluding Un-sponsored Charity Care) Provided in State-owned Facilities	635,033,000	666,785,000
D.1.1. Strategy: MEDICAL BRANCH HOSPITALS	\$ 323,372,689	\$ 323,207,394
Output (Volume):		
Total Number of Outpatient Visits	811,093	811,093
Total Number of Inpatient Days	185,958	185,958
Explanatory:		
Minority MD or DO Residents as a Percent of Total MD or DO Residents	18%	18%
E. Goal: PROVIDE SPECIAL ITEM SUPPORT		
E.1.1. Strategy: HYPERBARIC TREATMENT AND RESEARCH	\$ 87,500	\$ 87,500
E.2.1. Strategy: CHRONIC HOME DIALYSIS CENTER	\$ 1,984,569	\$ 1,982,581

THE UNIVERSITY OF TEXAS MEDICAL BRANCH AT GALVESTON
(Continued)

E.2.2. Strategy: PRIMARY CARE PHYSICIAN SERVICES	\$ 6,357,393	\$ 6,352,562
E.2.3. Strategy: EAST TEXAS HEALTH EDUCATION CENTERS	\$ 2,030,031	\$ 2,028,989
East Texas Area Health Education Centers.		
E.2.4. Strategy: SUPPORT FOR INDIGENT CARE	\$ 3,500,000	\$ 3,500,000
E.3.1. Strategy: INSTITUTIONAL ENHANCEMENT	<u>\$ 875,000</u>	<u>\$ 875,000</u>
Total, Goal E: PROVIDE SPECIAL ITEM SUPPORT	<u>\$ 14,834,493</u>	<u>\$ 14,826,632</u>
F. Goal: TOBACCO FUNDS		
F.1.1. Strategy: TOBACCO EARNINGS - UTMB-GALVESTON	\$ 1,125,000	\$ 1,125,000
Tobacco earnings for UT Medical Branch at Galveston.		
F.1.2. Strategy: TOBACCO - PERMANENT HEALTH FUND	<u>\$ 1,912,365</u>	<u>\$ 1,912,365</u>
Tobacco earnings from the Permanent Health Fund for Higher Education to the health-related institutions of higher education.		
Total, Goal F: TOBACCO FUNDS	<u>\$ 3,037,365</u>	<u>\$ 3,037,365</u>
Grand Total, THE UNIVERSITY OF TEXAS MEDICAL BRANCH AT GALVESTON	<u>\$ 494,707,565</u>	<u>\$ 494,553,379</u>
Method of Financing:		
General Revenue Fund	\$ 197,213,542	\$ 196,983,690
GR Dedicated - Estimated Other Educational and General Income Account No. 770	23,673,766	23,749,432
<u>Other Funds</u>		
Interagency Contracts	10,000,000	10,000,000
Permanent Health Fund for Higher Education, estimated	1,912,365	1,912,365
Permanent Endowment Fund, UT Medical Branch at Galveston, estimated	1,125,000	1,125,000
Health-Related Institutions Patient Income, estimated	260,782,892	260,782,892
Subtotal, Other Funds	<u>\$ 273,820,257</u>	<u>\$ 273,820,257</u>
Total, Method of Financing	<u>\$ 494,707,565</u>	<u>\$ 494,553,379</u>
Object-of-Expense Informational Listing:		
Salaries and Wages	\$ 211,099,484	\$ 222,111,991
Other Personnel Costs	7,327,865	6,536,188
Faculty Salaries (Higher Education Only)	32,818,425	33,278,357
Operating Costs	239,296,138	229,586,192
Grants	<u>4,165,653</u>	<u>3,040,651</u>
Total, Object-of-Expense Informational Listing	<u>\$ 494,707,565</u>	<u>\$ 494,553,379</u>

THE UNIVERSITY OF TEXAS MEDICAL BRANCH AT GALVESTON
(Continued)

2. **Appropriation of Charges and Fees.** There is hereby appropriated to The University of Texas Medical Branch at Galveston all charges and fees collected for the general expenses of the medical branch hospitals, including maintenance, support, and salaries of employees for the fiscal years ending August 31, 2004 and 2005.
3. **Rates, Donations and Gifts.** The Board of Regents of The University of Texas System shall fix reasonable rates to be charged and collected by hospitals, and may make and enter into contracts for the hospitalization of the indigent sick and accept donations and gifts for the support and maintenance of the hospitals and may utilize up to \$5 million per annum of local income to match any gift made to endowments provided, however, such match will not result in any reduction in the level of services for patients or any requirement for general revenue replacement. Any project initiated under this authorization shall not be structured in such a manner that will require future specific appropriation of general revenue. Provided, however, that this provision shall not be construed so as to authorize, without the prior and specific approval of the Legislature, the acceptance of real property which would require an appropriation by the Legislature for maintenance, repair, or construction of buildings.
4. **Helicopter Operation.** The University of Texas Medical Branch at Galveston is authorized to lease and operate a helicopter for the purpose of transporting critically ill or emergency patients to the medical branch hospitals. No state funds are to be used for the operation of this helicopter, except where the patient served is indigent or through an interagency contract with another state agency, or unless costs are reimbursed from insurance proceeds.
5. **Transfers of Appropriations - State Owned Hospitals.** The University of Texas Medical Branch at Galveston shall transfer from non-Medicaid state appropriated funds \$77,593,922 in fiscal year 2004 and \$77,593,922 in fiscal year 2005 to the Health and Human Services Commission. The timing and form of such transfers shall be determined by the Comptroller of Public Accounts in consultation with the Health and Human Services Commission. The Legislative Budget Board is authorized to adjust the amounts of such transfers as necessary to match available federal funds.
6. **Appropriation of Costs for Health Care to Inmates.** None of the funds appropriated above shall be expended to provide or support the provision of health care to inmates of the Texas Department of Criminal Justice (TDCJ). It is the intent of the Legislature that all costs for providing health care to inmates of the TDCJ including costs of operating TDCJ hospital facilities in Galveston County and Lubbock County shall be paid from appropriations made to the TDCJ and from any financial reserves from contracts with TDCJ that are held by the university for the correctional health care services. Appropriations made to the TDCJ for the provision of inmate health care services shall be expended in accordance with Government Code, Chapter 501, Subchapter E.
7. **Support of Student and Resident Training Programs.** The University of Texas Medical Branch at Galveston may spend any revenue appropriated to the institution by this Act or from other available funds for the support and development of student and resident training programs in Austin, including the payment of compensation, travel costs, costs for leased premises, and other operating expenses.
8. **Estimated Appropriation and Unexpended Balance.** Included in the amounts appropriated above are: (1) estimated appropriations of amounts available for distribution or investment

THE UNIVERSITY OF TEXAS MEDICAL BRANCH AT GALVESTON
(Continued)

returns out of the Permanent Endowment Fund for The University of Texas Medical Branch at Galveston and (2) estimated appropriations of the institution's estimated allocation of amounts available for distribution out of the Permanent Health Fund for Higher Education.

- a. Amounts available for distribution or investment returns in excess of the amounts estimated above are also appropriated to the institution. In the event that amounts available for distribution or investment returns are less than the amounts estimated above, this Act may not be construed as appropriating funds to makeup the difference.
- b. All balances of estimated appropriations from the Permanent Endowment Fund for The University of Texas Medical Branch at Galveston and of the institution's allocation from the amounts available for distribution out of the Permanent Health Fund for Higher Education, except for any General Revenue, at the close of the fiscal year ending August 31, 2003, and the income to said fund during the fiscal years beginning September 1, 2003, are hereby appropriated. Any unexpended appropriations made above as of August 31, 2004, are hereby appropriated to the institution for the same purpose for fiscal year 2005.

THE UNIVERSITY OF TEXAS HEALTH SCIENCE CENTER AT HOUSTON

	For the Years Ending	
	August 31, 2004	August 31, 2005
1. Educational and General State Support	\$ 150,128,093	\$ 151,208,730
Grand Total, THE UNIVERSITY OF TEXAS HEALTH SCIENCE CENTER AT HOUSTON	<u>\$ 150,128,093</u>	<u>\$ 151,208,730</u>
Method of Financing:		
General Revenue Fund	\$ 114,542,077	\$ 114,594,497
GR Dedicated - Estimated Other Educational and General Income Account No. 770	29,800,962	30,821,375
Other Funds		
Permanent Health Fund for Higher Education, estimated	1,712,655	1,712,655
Permanent Endowment Fund, UTHSC Houston, estimated	1,125,000	1,125,000
Health-Related Institutions Patient Income, estimated	2,947,399	2,955,203
Subtotal, Other Funds	<u>\$ 5,785,054</u>	<u>\$ 5,792,858</u>
Total, Method of Financing	<u>\$ 150,128,093</u>	<u>\$ 151,208,730</u>
Number of Full-Time-Equivalent Positions (FTE)- Appropriated Funds	1,887.4	1,887.4

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: INSTRUCTION/OPERATIONS

Provide instructional and operations support.

Outcome (Results/Impact):

Percent of Medical School Students Passing Part 1 or Part 2 of the National Licensing Exam on the First Attempt	91%	91%
Percent of Medical School Graduates Entering a Primary Care Residency	50%	50%
Percent of Medical School Graduates Practicing Primary Care in Texas	35%	35%
Percent of Dental School Graduates Admitted to an Advanced Education Program in General Dentistry	10%	10%
Percent of Dental School Students Passing Part 1 or Part 2 of the National Licensing Exam on the First Attempt	96%	96%
Percent of Dental School Graduates Who Are Licensed in Texas	90%	90%
Percent of Allied Health Graduates Passing the Certification/Licensure Exam on the First Attempt	96%	96%
Percent of Allied Health Graduates Who Are Licensed or Certified in Texas	98%	98%
Percent of Bachelor of Science in Nursing Graduates Passing the National Licensing Exam on the First Attempt in Texas	95%	95%
Percent of Bachelor of Science in Nursing Graduates Who Are Licensed in Texas	92%	92%

THE UNIVERSITY OF TEXAS HEALTH SCIENCE CENTER AT HOUSTON
(Continued)

Percent of Master of Science in Nursing Graduates Granted Advanced Practice Status in Texas	66%	66%
Percent of Public Health School Graduates Who Are Employed in Texas	75%	75%
Administrative (Institutional Support) Cost as a Percent of Total Expenditures	7%	7%
A.1.1. Strategy: MEDICAL EDUCATION	\$ 38,556,302	\$ 38,557,385
Explanatory:		
Minority Admissions as a Percent of Total First-year Admissions (All Schools)	20%	20%
Minority MD Admissions as a Percent of Total MD Admissions	15%	15%
Minority MD or DO Residents as a Percent of Total MD or DO Residents	23%	23%
A.1.2. Strategy: DENTAL EDUCATION	\$ 19,465,031	\$ 19,465,578
Explanatory:		
Minority Admissions as a Percent of Total Dental School Admissions	15%	15%
A.1.3. Strategy: BIOMEDICAL SCIENCES TRAINING	\$ 5,226,720	\$ 5,226,867
Graduate training in biomedical sciences.		
A.1.4. Strategy: ALLIED HEALTH PROFESSIONS TRAINING	\$ 2,150,413	\$ 2,150,473
A.1.5. Strategy: NURSING EDUCATION	\$ 7,779,964	\$ 7,780,183
A.1.6. Strategy: GRADUATE TRAINING IN PUBLIC HEALTH	\$ 11,311,254	\$ 11,311,572
A.2.1. Strategy: STAFF GROUP INSURANCE PREMIUMS	\$ 2,757,622	\$ 2,757,622
A.2.2. Strategy: WORKERS' COMPENSATION INSURANCE	\$ 554,608	\$ 554,608
A.2.3. Strategy: UNEMPLOYMENT INSURANCE	\$ 54,072	\$ 54,072
A.3.1. Strategy: TEXAS PUBLIC EDUCATION GRANTS	\$ 1,269,031	\$ 1,291,712
A.3.2. Strategy: MEDICAL LOANS	\$ 125,710	\$ 127,957
Total, Goal A: INSTRUCTION/OPERATIONS	\$ 89,250,727	\$ 89,278,029
B. Goal: PROVIDE RESEARCH SUPPORT		
Outcome (Results/Impact):		
Total External Research Expenditures	133,843,000	142,847,000
B.1.1. Strategy: RESEARCH ENHANCEMENT	\$ 4,172,636	\$ 4,172,636
B.1.2. Strategy: INDIRECT COST RECOVERY	\$ 18,795,359	\$ 19,633,158
Total, Goal B: PROVIDE RESEARCH SUPPORT	\$ 22,967,995	\$ 23,805,794
C. Goal: PROVIDE INFRASTRUCTURE SUPPORT		
C.1.1. Strategy: E&G SPACE SUPPORT	\$ 17,612,332	\$ 17,612,827
Educational and general space support.		
C.2.1. Strategy: TUITION REVENUE BOND RETIREMENT	\$ 4,579,342	\$ 4,579,341
Total, Goal C: PROVIDE INFRASTRUCTURE SUPPORT	\$ 22,191,674	\$ 22,192,168
D. Goal: PROVIDE HEALTH CARE SUPPORT		
Outcome (Results/Impact):		
Total Gross Patient Charges for Un-sponsored Charity Care Provided in State-owned Facilities	30,473,397	30,786,293
Total Gross Patient Charges (Excluding Un-sponsored Charity Care) Provided in State-owned Facilities	17,946,908	18,440,173
D.1.1. Strategy: DENTAL CLINIC OPERATIONS	\$ 4,207,662	\$ 4,417,776

THE UNIVERSITY OF TEXAS HEALTH SCIENCE CENTER AT HOUSTON
(Continued)

E. Goal: PROVIDE SPECIAL ITEM SUPPORT		
E.1.1. Strategy: HEART DISEASE/STROKE RESEARCH Heart disease and stroke research.	\$ 2,625,000	\$ 2,625,000
E.1.2. Strategy: BIOTECHNOLOGY PROGRAM	\$ 875,000	\$ 875,000
E.2.1. Strategy: HARRIS COUNTY HOSPITAL DISTRICT	\$ 3,801,583	\$ 3,806,842
E.2.2. Strategy: SERVICE DELIVERY VALLEY/BORDER Service delivery in the Valley/Border region.	\$ 495,797	\$ 495,466
E.4.1. Strategy: INSTITUTIONAL ENHANCEMENT	\$ 875,000	\$ 875,000
Total, Goal E: PROVIDE SPECIAL ITEM SUPPORT	\$ 8,672,380	\$ 8,677,308
F. Goal: TOBACCO FUNDS		
F.1.1. Strategy: TOBACCO EARNINGS - UTHSC-HOUSTON Tobacco earnings for UT HSC Houston.	\$ 1,125,000	\$ 1,125,000
F.1.2. Strategy: TOBACCO - PERMANENT HEALTH FUND Tobacco earnings from the Permanent Health Fund for Higher Education to the health-related institutions of higher education.	\$ 1,712,655	\$ 1,712,655
Total, Goal F: TOBACCO FUNDS	\$ 2,837,655	\$ 2,837,655
Grand Total, THE UNIVERSITY OF TEXAS HEALTH SCIENCE CENTER AT HOUSTON	\$ 150,128,093	\$ 151,208,730
Method of Financing:		
General Revenue Fund	\$ 114,542,077	\$ 114,594,497
GR Dedicated - Estimated Other Educational and General Income Account No. 770	29,800,962	30,821,375
Other Funds		
Permanent Health Fund for Higher Education, estimated	1,712,655	1,712,655
Permanent Endowment Fund, UTHSC Houston, estimated	1,125,000	1,125,000
Health-Related Institutions Patient Income, estimated	2,947,399	2,955,203
Subtotal, Other Funds	\$ 5,785,054	\$ 5,792,858
Total, Method of Financing	\$ 150,128,093	\$ 151,208,730
Object-of-Expense Informational Listing:		
Salaries and Wages	\$ 57,353,182	\$ 60,330,067
Other Personnel Costs	2,624,546	2,391,517
Faculty Salaries (Higher Education Only)	50,730,636	47,926,501
Operating Costs	37,320,913	38,799,100
Grants	2,098,816	1,761,545
Total, Object-of-Expense Informational Listing	\$ 150,128,093	\$ 151,208,730

THE UNIVERSITY OF TEXAS HEALTH SCIENCE CENTER AT HOUSTON
(Continued)

2. **Texas Heart Institute.** Out of the funds appropriated above, The University of Texas Health Sciences Center at Houston shall allocate up to \$894,133 in each year of the 2004–05 biennium to the Texas Heart Institute for gene therapy and up to \$399,086 in each year of the 2004–05 biennium to the Texas Heart Institute for cardiovascular research.
3. **Estimated Appropriation and Unexpended Balance.** Included in the amounts appropriated above are: (1) estimated appropriations of amounts available for distribution or investment returns out of the Permanent Endowment Fund for The University of Texas Health Science Center at Houston and (2) estimated appropriations of the institution's estimated allocation of amounts available for distribution out of the Permanent Health Fund for Higher Education.
 - a. Amounts available for distribution or investment returns in excess of the amounts estimated above are also appropriated to the institution. In the event that amounts available for distribution or investment returns are less than the amounts estimated above, this Act may not be construed as appropriating funds to makeup the difference.
 - b. All balances of estimated appropriations from the Permanent Endowment fund for The University of Texas Health Science Center at Houston and of the institution's allocation from the amounts available for distribution out of the Permanent Health Fund for Higher Education, except for any General Revenue, at the close of the fiscal year ending August 31, 2003, and the income to said fund during the fiscal years beginning September 1, 2003, are hereby appropriated. Any unexpended appropriations made above as of August 31, 2004, are hereby appropriated to the institution for the same purposes for fiscal year 2005.
4. **Contingency for House Bill 1941.** Included in the amounts appropriated above out of the General Revenue Fund for Strategy C.2.1, Tuition Revenue Bond Retirement, is the amount of \$1,439,625 in fiscal year 2004 and \$1,439,625 in fiscal year 2005 for the debt service related to the tuition revenue bonds authorized by House Bill 1941. The amounts in this rider are contingent upon enactment of House Bill 1941, or similar legislation relating to the authorization of the issuance of revenue bonds for The University of Texas Health Science Center at Houston, by the Seventy-eighth Legislature, Regular Session. Any unexpended balances as of August 31, 2004 in appropriations made herein are hereby appropriated for the same purpose for the fiscal year beginning September 1, 2004.

THE UNIVERSITY OF TEXAS HEALTH SCIENCE CENTER AT SAN ANTONIO

	For the Years Ending	
	August 31, <u>2004</u>	August 31, <u>2005</u>
1. Educational and General State Support	\$ 140,071,765	\$ 139,483,011
Grand Total, THE UNIVERSITY OF TEXAS HEALTH SCIENCE CENTER AT SAN ANTONIO	<u>\$ 140,071,765</u>	<u>\$ 139,483,011</u>
Method of Financing:		
General Revenue Fund	\$ 107,074,125	\$ 106,408,852
GR Dedicated - Estimated Other Educational and General Income Account No. 770	21,542,848	21,620,447
Other Funds		
Permanent Health Fund for Higher Education, estimated	1,571,220	1,571,220
Permanent Endowment Fund, UTHSC San Antonio, estimated	9,000,000	9,000,000
Health-Related Institutions Patient Income, estimated	883,572	882,492
Subtotal, Other Funds	<u>\$ 11,454,792</u>	<u>\$ 11,453,712</u>
Total, Method of Financing	<u>\$ 140,071,765</u>	<u>\$ 139,483,011</u>
Number of Full-Time-Equivalent Positions (FTE)- Appropriated Funds	2,253.7	2,253.7

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: INSTRUCTION/OPERATIONS

Provide instructional and operations support.

Outcome (Results/Impact):

Percent of Medical School Students Passing Part 1 or Part 2 of the National Licensing Exam on the First Attempt	93%	93%
Percent of Medical School Graduates Entering a Primary Care Residency	54%	54%
Percent of Medical School Graduates Practicing Primary Care in Texas	30%	30%
Percent of Dental School Graduates Admitted to an Advanced Education Program in General Dentistry	26%	26%
Percent of Dental School Students Passing Part 1 or Part 2 of the National Licensing Exam on the First Attempt	94%	94%
Percent of Dental School Graduates Who Are Licensed in Texas	87%	87%
Percent of Allied Health Graduates Passing the Certification/Licensure Exam on the First Attempt	95%	95%
Percent of Allied Health Graduates Who Are Licensed or Certified in Texas	95%	95%
Percent of Bachelor of Science in Nursing Graduates Passing the National Licensing Exam on the First Attempt in Texas	91%	91%
Percent of Bachelor of Science in Nursing Graduates Who Are Licensed in Texas	96%	96%

THE UNIVERSITY OF TEXAS HEALTH SCIENCE CENTER AT SAN ANTONIO
(Continued)

Percent of Master of Science in Nursing Graduates Granted Advanced Practice Status in Texas	85%	85%
Administrative (Institutional Support) Cost as a Percent of Total Expenditures	5.58%	5.58%
A.1.1. Strategy: MEDICAL EDUCATION	\$ 38,769,875	\$ 38,769,846
Explanatory:		
Minority Admissions as a Percent of Total First-year Admissions (All Schools)	31%	32%
Minority MD Admissions as a Percent of Total MD Admissions	18%	18%
Minority MD or DO Residents as a Percent of Total MD or DO Residents	18%	18%
A.1.2. Strategy: DENTAL EDUCATION	\$ 18,627,706	\$ 18,627,692
Explanatory:		
Minority Admissions as a Percent of Total Dental School Admissions	17%	17%
A.1.3. Strategy: BIOMEDICAL SCIENCES TRAINING	\$ 2,997,654	\$ 2,997,652
Graduate training in biomedical sciences.		
A.1.4. Strategy: ALLIED HEALTH PROFESSIONS TRAINING	\$ 5,560,736	\$ 5,560,732
A.1.5. Strategy: NURSING EDUCATION	\$ 6,335,023	\$ 6,335,018
A.2.1. Strategy: STAFF GROUP INSURANCE PREMIUMS	\$ 3,340,556	\$ 3,340,556
A.2.2. Strategy: WORKERS' COMPENSATION INSURANCE	\$ 324,680	\$ 324,680
A.2.3. Strategy: UNEMPLOYMENT INSURANCE	\$ 147,824	\$ 147,824
A.3.1. Strategy: TEXAS PUBLIC EDUCATION GRANTS	\$ 1,348,126	\$ 1,348,126
A.3.2. Strategy: MEDICAL LOANS	\$ 152,000	\$ 152,000
A.4.1. Strategy: FORMULA HOLD HARMLESS	\$ 3,700,970	\$ 3,700,970
Total, Goal A: INSTRUCTION/OPERATIONS	\$ 81,305,150	\$ 81,305,096
B. Goal: PROVIDE RESEARCH SUPPORT		
Outcome (Results/Impact):		
Total External Research Expenditures	97,493,000	102,493,000
B.1.1. Strategy: RESEARCH ENHANCEMENT	\$ 3,515,279	\$ 3,515,279
B.1.2. Strategy: INDIRECT COST RECOVERY	\$ 10,677,804	\$ 10,675,915
Total, Goal B: PROVIDE RESEARCH SUPPORT	\$ 14,193,083	\$ 14,191,194
C. Goal: PROVIDE INFRASTRUCTURE SUPPORT		
C.1.1. Strategy: E&G SPACE SUPPORT	\$ 15,075,956	\$ 15,075,944
Educational and general space support.		
C.2.1. Strategy: TUITION REVENUE BOND RETIREMENT	\$ 4,195,729	\$ 4,195,729
Total, Goal C: PROVIDE INFRASTRUCTURE SUPPORT	\$ 19,271,685	\$ 19,271,673
D. Goal: PROVIDE HEALTH CARE SUPPORT		
D.1.1. Strategy: DENTAL CLINIC OPERATIONS	\$ 2,858,681	\$ 3,015,611
E. Goal: PROVIDE SPECIAL ITEM SUPPORT		
E.1.1. Strategy: SOUTH TEXAS PROFESSIONAL EDUCATION	\$ 6,562,500	\$ 5,818,750
South Texas Border Region health professional education.		
Output (Volume):		
Number of Certificate, Associate, and Baccalaureate Degree Students Participating in Programs in South Texas Area	2,441	2,441

THE UNIVERSITY OF TEXAS HEALTH SCIENCE CENTER AT SAN ANTONIO
(Continued)

Number of Medical and Dental Students and Postbaccalaureate Allied Health, Nursing, and Graduate Students Participating in Programs in South Texas Area	16,606	16,606
Number of Resident Physicians and Dentists Participating in Programs in South Texas Area	237	237
E.1.2. Strategy: REGIONAL ACADEMIC HLTH CTR-MEDICAL	\$ 1,312,500	\$ 1,312,500
Regional Academic Health Center - Medical.		
E.1.3. Strategy: LAREDO EXTENSION CAMPUS	\$ 437,500	\$ 437,500
E.1.4. Strategy: OUTREACH SUPPORT-SOUTH TX PROGRAMS	\$ 1,750,000	\$ 1,750,000
Institutional support for South Texas programs.		
E.2.1. Strategy: FAMILY PRACTICE RESIDENCY TRAINING	\$ 565,170	\$ 565,185
Family practice residency training program.		
E.2.2. Strategy: PODIATRY RESIDENCY TRAINING	\$ 177,270	\$ 177,276
Podiatry residency training program.		
E.3.1. Strategy: MYCOBACTERIAL-MYCOLOGY RESEARCH LAB	\$ 192,006	\$ 192,006
E.4.1. Strategy: INSTITUTIONAL ENHANCEMENT	\$ 875,000	\$ 875,000
Total, Goal E: PROVIDE SPECIAL ITEM SUPPORT	\$ <u>11,871,946</u>	\$ <u>11,128,217</u>
F. Goal: TOBACCO FUNDS		
F.1.1. Strategy: TOBACCO EARNINGS - UTHSC SA	\$ 9,000,000	\$ 9,000,000
Tobacco earnings for UT HSC San Antonio.		
F.1.2. Strategy: TOBACCO - PERMANENT HEALTH FUND	\$ 1,571,220	\$ 1,571,220
Tobacco earnings from the Permanent Health Fund for Higher Education to the health-related institutions of higher education.		
Total, Goal F: TOBACCO FUNDS	\$ <u>10,571,220</u>	\$ <u>10,571,220</u>
Grand Total, THE UNIVERSITY OF TEXAS HEALTH SCIENCE CENTER AT SAN ANTONIO	\$ <u>140,071,765</u>	\$ <u>139,483,011</u>
Method of Financing:		
General Revenue Fund	\$ 107,074,125	\$ 106,408,852
GR Dedicated - Estimated Other Educational and General Income Account No. 770	21,542,848	21,620,447
Other Funds		
Permanent Health Fund for Higher Education, estimated	1,571,220	1,571,220
Permanent Endowment Fund, UTHSC San Antonio, estimated	9,000,000	9,000,000
Health-Related Institutions Patient Income, estimated	883,572	882,492
Subtotal, Other Funds	\$ <u>11,454,792</u>	\$ <u>11,453,712</u>
Total, Method of Financing	\$ <u>140,071,765</u>	\$ <u>139,483,011</u>

THE UNIVERSITY OF TEXAS HEALTH SCIENCE CENTER AT SAN ANTONIO
(Continued)

Object-of-Expense Informational Listing:

Salaries and Wages	\$ 44,504,538	\$ 44,721,469
Other Personnel Costs	7,973,466	8,069,829
Faculty Salaries (Higher Education Only)	45,379,002	46,789,267
Operating Costs	37,360,615	35,935,931
Grants	<u>4,854,144</u>	<u>3,966,515</u>
Total, Object-of-Expense Informational Listing	<u>\$ 140,071,765</u>	<u>\$ 139,483,011</u>

2. **South Texas/Border Region Health Professional Education.** Out of funds appropriated above to The University of Texas Health Science Center at San Antonio in Strategy E.1.1, South Texas Professional Education, the institution shall allocate up to \$6,562,500 for the fiscal year ending August 31, 2004, and up to \$5,818,750 for the fiscal year ending August 31, 2005, for the purpose of expanding graduate medical education, including family practice resident training programs, and other health professional education in the South Texas/Border Region.
 - a. Of the funds appropriated for this purpose up to \$2,625,000 for the fiscal year ending August 31, 2004, and up to \$2,406,250 for the fiscal year ending August 31, 2005, shall be used by the institution for the Lower Rio Grande Valley in Cameron, Hidalgo, Starr, and Willacy Counties, to plan, initiate, and expand residency programs in pediatrics, psychiatry, family practice, obstetrics-gynecology, and internal medicine as appropriate; develop training programs in dentistry, nursing, and allied health; enhance existing clinical training sites; develop community resources and seek private support to supplement appropriated funds; recruit faculty and staff; and initiate appropriate medical library resources development.
 - b. Of the funds appropriated for this purpose up to \$1,750,000 for the fiscal year ending August 31, 2004, and up to \$1,487,500 for the fiscal year ending August 31, 2005, shall be used in the Middle Rio Grande Border Area, to be established in Webb County but to serve Zapata, Jim Hogg, Duval, McMullen, La Salle, Dimmit, and Maverick Counties, to plan, initiate, and expand programs in primary care residencies, and allied health, nursing, and dentistry; enhance clinical training sites; develop community resources and seek private support to supplement appropriated funds; recruit faculty and staff; and initiate appropriate medical library resources.
 - c. Of the funds appropriated for this purpose up to \$1,531,250 for the fiscal year ending August 31, 2004, and up to \$1,312,500 for the fiscal year ending August 31, 2005, shall be used in Corpus Christi and the Coastal Bend Area to develop or expand, among other things, undergraduate clinical programs, primary care residency programs, allied health programs, medical library resources, and faculty development.
 - d. Of the funds appropriated for this purpose up to \$568,750 for the fiscal year ending August 31, 2004, and up to \$525,000 for the fiscal year ending August 31, 2005, shall be used in the Winter Garden Region in Edwards, Kinney, Maverick, Uvalde, Val Verde and Zavala Counties to plan, initiate, and expand programs in allied health and nursing; enhance clinical training sites; develop community resources and seek private support to supplement appropriated funds; recruit faculty and staff; and initiate appropriate medical library distance learning and telehealth resources.

THE UNIVERSITY OF TEXAS HEALTH SCIENCE CENTER AT SAN ANTONIO
(Continued)

- e. Of the funds appropriated for this purpose up to \$87,500 for the fiscal year ending August 31, 2004, and up to \$87,500 for the fiscal year ending August 31, 2005, shall be used in the South Central Texas Region to be established in Bexar County but to serve Atascosa, Bandera, Comal, Frio, Gillespie, Guadalupe, Karnes, Kendall, Kerr, Medina, and Wilson Counties to plan, initiate, and expand programs in allied health, nursing, and undergraduate medical or dental education; provide health career opportunity programs to appropriate grade students; enhance community-based clinical training sites; develop community-based faculty; and initiate appropriate medical library distance learning and telehealth resources.
 - f. None of the funds appropriated according to this provision shall be used by The University of Texas Health Science Center at San Antonio (UTHSCSA) for the purpose of providing administrative support to the educational programs in the regions specified by parts a, b, c, d, or e of this provision. In addition, none of the funds identified by this provision shall be used on the campus of UTHSCSA for administrative purposes.
 - g. Any unexpended balances remaining in the appropriations identified in parts a, b, c, d, or e of this provision from the fiscal year ending August 31, 2004, are appropriated to The University of Texas Health Science Center at San Antonio for their original purposes and shall be used with funds appropriated by this provision for the fiscal year ending August 31, 2005, to continue to expand health professional programs and medical residency programs named in the previous subsections; provide needed support for direct medical education involving the Lower Rio Grande Valley, the Middle Rio Grande Area, the Corpus Christi/Coastal Bend Area, and the Winter Garden Region; and continue any needed infrastructure development. Hospital and clinic facilities for teaching and training purposes will be provided and maintained at no expense to the state.
 - h. A report by The University of Texas Health Science Center at San Antonio shall be filed with the Legislative Budget Board and the Governor on or before December 1, 2004, concerning the use of the funds appropriated by this section and the extent to which the purposes specified by this section have been achieved.
3. **Nursing and Medical Technology Program.** It is the intent of the Legislature that The University of Texas Health Science Center at San Antonio continue to assist Sul Ross State University Rio Grande College with the baccalaureate degree program in nursing from funds appropriated above, and that it further work with both Sul Ross State University and Southwest Texas Junior College in establishing a baccalaureate degree program in medical technology. From funds appropriated above, The University of Texas Health Science Center at San Antonio shall allocate up to \$100,000 in each year of the 2004-05 biennium for the medical technology program.
4. **Unexpended Balances Between Fiscal Years: Regional Academic Health Center (RAHC).** Any unexpended balances as of August 31, 2004, from the appropriations identified in Strategy E.1.2, Regional Academic Health Center-Medical, are hereby appropriated to The University of Texas Health Science Center at San Antonio for the same purpose for the fiscal year beginning September 1, 2004.
5. **Unexpended Balances Between Fiscal Years: Laredo Extension Campus.** Any unexpended balances as of August 31, 2004, from the appropriations identified in Strategy E.1.3, Laredo Extension Campus, are hereby appropriated to The University of Texas Health Science Center at San Antonio for the same purpose for the fiscal year beginning September 1, 2004.

THE UNIVERSITY OF TEXAS HEALTH SCIENCE CENTER AT SAN ANTONIO
(Continued)

- 6. Estimated Appropriation and Unexpended Balance.** Included in the amounts appropriated above are: (1) estimated appropriations of amounts available for distribution or investment returns out of the Permanent Endowment Fund for The University of Texas Health Science Center at San Antonio and (2) estimated appropriations of the institution's estimated allocation of amounts available for distribution out of the Permanent Health Fund for High Education.
- a. Amounts for distribution or investment returns in excess of the amounts estimated above are also appropriated to the institution. In the event that amounts available for distribution or investment returns are less than the amounts estimated above, this Act may not be construed as appropriating funds to makeup the difference.
 - b. All balances of estimated appropriations from the Permanent Endowment Fund for The University of Texas Health Science Center at San Antonio and of the institution's allocation from the amounts available for distribution out of the Permanent Health Fund for Higher Education, except for any General Revenue, at the close of the fiscal year ending August 31, 2003, and the income to said fund during the fiscal years beginning September 1, 2003, are hereby appropriated. Any unexpended appropriations made above as of August 31, 2004, are hereby appropriated to the institution for the same purposes for fiscal year 2005.

THE UNIVERSITY OF TEXAS M.D. ANDERSON CANCER CENTER

	For the Years Ending	
	August 31, 2004	August 31, 2005
1. Educational and General State Support	\$ 1,090,845,885	\$ 1,201,672,574
Grand Total, THE UNIVERSITY OF TEXAS M.D. ANDERSON CANCER CENTER	<u>\$ 1,090,845,885</u>	<u>\$ 1,201,672,574</u>
Method of Financing:		
General Revenue Fund	\$ 124,581,655	\$ 125,379,935
GR Dedicated - Estimated Other Educational and General Income Account No. 770	59,902,868	64,854,789
Other Funds		
Permanent Health Fund for Higher Education, estimated	1,656,270	1,656,270
Permanent Endowment Fund, UT MD Anderson Cancer Center, estimated	4,500,000	4,500,000
Health-Related Institutions Patient Income, estimated	900,205,092	1,005,281,580
Subtotal, Other Funds	<u>\$ 906,361,362</u>	<u>\$ 1,011,437,850</u>
Total, Method of Financing	<u>\$ 1,090,845,885</u>	<u>\$ 1,201,672,574</u>
Number of Full-Time-Equivalent Positions (FTE)- Appropriated Funds	9,350.7	9,749.9

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: INSTRUCTION/OPERATIONS

Provide instructional and operations support.

Outcome (Results/Impact):

Percent of Allied Health Graduates Passing the Certification/Licensure Exam on the First Attempt	100%	100%
Percent of Allied Health Graduates Who Are Licensed or Certified in Texas	90%	90%

**A.1.1. Strategy: ALLIED HEALTH PROFESSIONS
TRAINING**

	\$ 5,750,905	\$ 6,262,248
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A.2.1. Strategy: STAFF GROUP INSURANCE PREMIUMS	\$ 51,998,941	\$ 51,998,941
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**A.2.2. Strategy: WORKERS' COMPENSATION
INSURANCE**

	\$ 1,772,865	\$ 1,794,300
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A.2.3. Strategy: UNEMPLOYMENT INSURANCE	<u>\$ 1,633,352</u>	<u>\$ 1,653,100</u>
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Total, Goal A: INSTRUCTION/OPERATIONS	<u>\$ 61,156,063</u>	<u>\$ 61,708,589</u>
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B. Goal: PROVIDE RESEARCH SUPPORT

Outcome (Results/Impact):

Total External Research Expenditures	202,177,000	220,787,035
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B.1.1. Strategy: RESEARCH ENHANCEMENT	\$ 5,940,246	\$ 5,940,246
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B.1.2. Strategy: INDIRECT COST RECOVERY	\$ 46,657,430	\$ 53,302,414
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THE UNIVERSITY OF TEXAS M.D. ANDERSON CANCER CENTER
(Continued)

B.1.3. Strategy: SCIENCE PARK OPERATIONS	\$ <u>4,741,722</u>	\$ <u>4,739,728</u>
Total, Goal B: PROVIDE RESEARCH SUPPORT	\$ <u>57,339,398</u>	\$ <u>63,982,388</u>
C. Goal: PROVIDE INFRASTRUCTURE SUPPORT		
C.1.1. Strategy: E&G SPACE SUPPORT	\$ 60,888,265	\$ 66,302,161
Educational and general space support.		
C.2.1. Strategy: TUITION REVENUE BOND		
RETIREMENT	\$ 651,279	\$ 1,567,946
C.2.2. Strategy: LONG-TERM CAPITAL PROGRAM	\$ 50,000,000	\$ 50,000,000
C.2.3. Strategy: LONG-TERM CAPITAL EQUIPMENT	\$ <u>35,000,000</u>	\$ <u>35,000,000</u>
Total, Goal C: PROVIDE INFRASTRUCTURE SUPPORT	\$ <u>146,539,544</u>	\$ <u>152,870,107</u>
D. Goal: PROVIDE HEALTH CARE SUPPORT		
Outcome (Results/Impact):		
Percent of Medical Residency Completers Practicing in Texas	39%	39%
Total Gross Charges for Un-sponsored Charity Care Provided ; in State-owned Facilities	131,268,000	139,144,000
Total Gross Patient Charges (Excluding Un-sponsored Charity Care) Provided in State-owned Facilities	1,587,694,000	1,737,363,000
Administrative (Institutional Support) Cost as a Percent of Total Expenditures	7.65%	7.65%
D.1.1. Strategy: PATIENT CARE ACTIVITIES	\$ 817,029,610	\$ 914,330,220
Output (Volume):		
Total Number of Outpatient Visits	528,035	558,661
Total Number of Inpatient Days	146,003	151,259
Explanatory:		
Minority MD or DO Residents as a Percent of Total MD or DO Residents	12%	12%
E. Goal: PROVIDE SPECIAL ITEM SUPPORT		
E.1.1. Strategy: RESEARCH SUPPORT	\$ 1,750,000	\$ 1,750,000
E.2.1. Strategy: INSTITUTIONAL ENHANCEMENT	\$ <u>875,000</u>	\$ <u>875,000</u>
Total, Goal E: PROVIDE SPECIAL ITEM SUPPORT	\$ <u>2,625,000</u>	\$ <u>2,625,000</u>
F. Goal: TOBACCO FUNDS		
F.1.1. Strategy: TOBACCO EARNINGS - UT MD		
ANDERSON	\$ 4,500,000	\$ 4,500,000
Tobacco earnings for UT M. D. Anderson Cancer Center.		
F.1.2. Strategy: TOBACCO - PERMANENT HEALTH		
FUND	\$ <u>1,656,270</u>	\$ <u>1,656,270</u>
Tobacco earnings from the Permanent Health Fund for Higher Education to the health-related institutions of higher education.		
Total, Goal F: TOBACCO FUNDS	\$ <u>6,156,270</u>	\$ <u>6,156,270</u>
Grand Total, THE UNIVERSITY OF TEXAS		
M.D. ANDERSON CANCER		
CENTER	\$ <u>1,090,845,885</u>	\$ <u>1,201,672,574</u>

THE UNIVERSITY OF TEXAS M.D. ANDERSON CANCER CENTER
(Continued)

Method of Financing:		
General Revenue Fund	\$ 124,581,655	\$ 125,379,935
GR Dedicated - Estimated Other Educational and General Income Account No. 770	59,902,868	64,854,789
Other Funds		
Permanent Health Fund for Higher Education, estimated	1,656,270	1,656,270
Permanent Endowment Fund, UT MD Anderson Cancer Center, estimated	4,500,000	4,500,000
Health-Related Institutions Patient Income, estimated	900,205,092	1,005,281,580
Subtotal, Other Funds	<u>\$ 906,361,362</u>	<u>\$ 1,011,437,850</u>
Total, Method of Financing	<u>\$ 1,090,845,885</u>	<u>\$ 1,201,672,574</u>
Object-of-Expense Informational Listing:		
Salaries and Wages	\$ 438,650,462	\$ 484,301,821
Other Personnel Costs	2,335,396	2,465,255
Faculty Salaries (Higher Education Only)	70,858,232	73,819,171
Operating Costs	484,944,858	547,707,289
Grants	<u>94,056,937</u>	<u>93,379,038</u>
Total, Object-of-Expense Informational Listing	<u>\$ 1,090,845,885</u>	<u>\$ 1,201,672,574</u>

2. **Special Project Funding.** Notwithstanding other provisions of this article, the Board of Regents of The University of Texas System is hereby authorized, subject to approval by the Texas Higher Education Coordinating Board: (1) to expend such amounts of its Permanent University Fund bond proceeds and/or other bond proceeds and such amounts of its other available moneys as may be necessary to fund the following project either in whole or in part; (2) to accept gifts, grants, and matching grants to fund such project either in whole or in part; and (3) to acquire, construct, alter, add to, repair, rehabilitate, equip and/or furnish such project for The University of Texas M. D. Anderson Cancer Center: (a) replacement research facilities; and (b) ambulatory patient care facilities.

3. **Transfers of Appropriations - State Owned Hospitals.** The University of Texas M. D. Anderson Cancer Center shall transfer from non-Medicaid state appropriated funds \$103,002,225 in fiscal year 2004 and \$103,002,225 in fiscal year 2005 to the Health and Human Services Commission. The timing and form of such transfers shall be determined by the Comptroller of Public Accounts in consultation with the Health and Human Services Commission. The Legislative Budget Board is authorized to adjust the amounts of such transfers as necessary to match available federal funds. The transfers, however, shall be made not less frequently than monthly.

4. **Animal Facilities and Programs.** The animal facilities and programs of the Department of Veterinary Sciences at The University of Texas M. D. Anderson Cancer Center (UTMDACC) - Bastrop shall be regulated and inspected by the United States Department of Agriculture, Animal and Plant Health Inspection Services, pursuant to the Federal Animal Welfare Act. The UTMDACC - Bastrop Department of Veterinary Sciences shall comply with the regulations and is under the oversight of the United States Public Health Service/National Institutes of Health Office of Laboratory Animal Welfare. The UTMDACC - Bastrop Department of Veterinary

THE UNIVERSITY OF TEXAS M.D. ANDERSON CANCER CENTER
(Continued)

Sciences shall be independently accredited for animal care programs and facilities by the Council on Accreditation of the Association for Assessment and Accreditation of Laboratory Animal Care (AAALAC International). The Department shall be accredited by this body. It shall also be inspected regularly and its programs reviewed biannually by the UTMDACC Institutional Animal Care and Use Committee.

5. **Estimated Appropriation and Unexpended Balance.** Included in the amounts appropriated above are: (1) estimated appropriations of amounts available for distribution or investment returns out of the Permanent Endowment Fund for The University of Texas M.D. Anderson Cancer Center and (2) estimated appropriations of the institution's estimated allocation of amounts available for distribution out of the Permanent Health Fund for Higher Education.
 - a. Amounts available for distribution or investment returns in excess of the amounts estimated above are also appropriated to the institution. In the event that amounts available for distribution or investment returns are less than the amounts estimated above, this Act may not be construed as appropriating funds to makeup the difference.
 - b. All balances of estimated appropriations from the Permanent Endowment Fund for The University of Texas M.D. Anderson Cancer Center and of the institution's allocation from the amounts available for distribution out of the Permanent Health Fund for Higher Education, except for any General Revenue, at the close of the fiscal year ending August 31, 2003, and the income to said fund during the fiscal years beginning September 1, 2003, are hereby appropriated. Any unexpended appropriations made above as of August 31, 2004, are hereby appropriated to the institution for the same purposes for fiscal year 2005.
6. **Contingency for House Bill 2759.** Included in the amounts appropriated above out of the General Revenue Fund for Strategy C.2.1, Tuition Revenue Bond Retirement, is the amount of \$916,667 in fiscal year 2005 for the debt service related to the tuition revenue bonds authorized by House Bill 2759. The amount in this rider is contingent upon enactment of House Bill 2759, or similar legislation relating to the authorization of the issuance of revenue bonds for The University of Texas M.D. Anderson Cancer Center, by the Seventy-eighth Legislature, Regular Session.

THE UNIVERSITY OF TEXAS HEALTH CENTER AT TYLER

	For the Years Ending	
	August 31, 2004	August 31, 2005
I. Educational and General State Support	\$ 80,888,011	\$ 81,799,979
Grand Total, THE UNIVERSITY OF TEXAS HEALTH CENTER AT TYLER	<u>\$ 80,888,011</u>	<u>\$ 81,799,979</u>
Method of Financing:		
General Revenue Fund	\$ 29,226,124	\$ 29,207,669
GR Dedicated - Estimated Other Educational and General Income Account No. 770	815,867	831,242
Other Funds		
Permanent Health Fund for Higher Education, estimated	1,163,689	1,163,689
Permanent Endowment Fund, UT HC Tyler, estimated	1,125,000	1,125,000
Health-Related Institutions Patient Income, estimated	48,557,331	49,472,379
Subtotal, Other Funds	<u>\$ 50,846,020</u>	<u>\$ 51,761,068</u>
Total, Method of Financing	<u>\$ 80,888,011</u>	<u>\$ 81,799,979</u>
Number of Full-Time-Equivalent Positions (FTE)- Appropriated Funds	1,029.7	1,029.7
1. Informational Listing of Appropriated Funds. The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.		
A. Goal: PROVIDE INSTRUCTION/OPERATIONS Provide instructional and operations support.		
A.1.1. Strategy: MEDICAL EDUCATION & RESEARCH ITEMS	\$ 1,583,750	\$ 1,583,750
Medical education, benefits for TDH physicians, infectious disease control, occupational/env health research.		
A.2.1. Strategy: STAFF GROUP INSURANCE PREMIUMS	\$ 2,951,021	\$ 2,951,021
A.2.2. Strategy: WORKERS' COMPENSATION INSURANCE	\$ 264,515	\$ 237,498
A.2.3. Strategy: UNEMPLOYMENT INSURANCE	<u>\$ 92,890</u>	<u>\$ 92,876</u>
Total, Goal A: PROVIDE INSTRUCTION/OPERATIONS	<u>\$ 4,892,176</u>	<u>\$ 4,865,145</u>
B. Goal: PROVIDE RESEARCH SUPPORT Outcome (Results/Impact): Total External Research Expenditures	4,100,000	4,100,000
B.1.1. Strategy: RESEARCH ENHANCEMENT	\$ 1,611,250	\$ 1,611,250
B.1.2. Strategy: INDIRECT COST RECOVERY	<u>\$ 399,442</u>	<u>\$ 441,848</u>
Total, Goal B: PROVIDE RESEARCH SUPPORT	<u>\$ 2,010,692</u>	<u>\$ 2,053,098</u>

THE UNIVERSITY OF TEXAS HEALTH CENTER AT TYLER
(Continued)

C. Goal: INFRASTRUCTURE SUPPORT

Provide infrastructure support.

C.1.1. Strategy: EAG SPACE SUPPORT \$ 2,231,523 \$ 2,245,593
Educational and general space support.

**C.2.1. Strategy: TUITION REVENUE BOND
RETIREMENT** \$ 374,917 \$ 374,917

Total, Goal C: INFRASTRUCTURE SUPPORT \$ 2,606,440 \$ 2,620,510

D. Goal: PROVIDE HEALTH CARE SUPPORT

Outcome (Results/Impact):

Percent of Medical Residency Completers Practicing in Texas 90% 90%

Total Gross Charges for Un-sponsored Charity Care Provided
in State-owned Facilities 19,259,895 19,259,895

Total Gross Patient Charges (Excluding Un-sponsored Charity
Care) Provided in State-owned Facilities 102,334,163 102,334,163

Administrative (Institutional Support) Cost as a Percent of
Total Expenditures 5.85% 5.85%

D.1.1. Strategy: PATIENT CARE ACTIVITIES \$ 61,324,480 \$ 62,207,530

Output (Volume):

Total Number of Outpatient Visits 107,287 107,287

Total Number of Inpatient Days 29,021 29,021

Explanatory:

Minority MD or DO Residents as a Percent of Total MD or
DO Residents 10% 10%

E. Goal: PROVIDE SPECIAL ITEM SUPPORT

E.1.1. Strategy: NORTHEAST TEXAS INITIATIVE \$ 4,375,000 \$ 4,375,000

**E.2.1. Strategy: FAMILY PRACTICE RESIDENCY
TRAINING** \$ 1,203,034 \$ 1,202,507

Family practice residency training program.

E.3.1. Strategy: SUPPORT FOR INDIGENT CARE \$ 1,312,500 \$ 1,312,500

E.4.1. Strategy: INSTITUTIONAL ENHANCEMENT \$ 875,000 \$ 875,000

Total, Goal E: PROVIDE SPECIAL ITEM SUPPORT \$ 7,765,534 \$ 7,765,007

F. Goal: TOBACCO FUNDS

**F.1.1. Strategy: TOBACCO EARNINGS - UT HC AT
TYLER** \$ 1,125,000 \$ 1,125,000

Tobacco earnings for UT Health Center at Tyler.

**F.1.2. Strategy: TOBACCO - PERMANENT HEALTH
FUND** \$ 1,163,689 \$ 1,163,689

Tobacco earnings from the Permanent Health Fund
for Higher Education to the health-related
institutions of higher education.

Total, Goal F: TOBACCO FUNDS \$ 2,288,689 \$ 2,288,689

**Grand Total, THE UNIVERSITY OF TEXAS
HEALTH CENTER AT TYLER** \$ 80,888,011 \$ 81,799,979

Method of Financing:

General Revenue Fund \$ 29,226,124 \$ 29,207,669

GR Dedicated - Estimated Other Educational and
General Income Account No. 770 815,867 831,242

THE UNIVERSITY OF TEXAS HEALTH CENTER AT TYLER
(Continued)

<u>Other Funds</u>		
Permanent Health Fund for Higher Education, estimated	1,163,689	1,163,689
Permanent Endowment Fund, UT HC Tyler, estimated	1,125,000	1,125,000
Health-Related Institutions Patient Income, estimated	48,557,331	49,472,379
 Subtotal, Other Funds	 <u>\$ 50,846,020</u>	 <u>\$ 51,761,068</u>
 Total, Method of Financing	 <u>\$ 80,888,011</u>	 <u>\$ 81,799,979</u>
 Object-of-Expense Informational Listing:		
Salaries and Wages	\$ 30,093,181	\$ 33,453,672
Other Personnel Costs	1,642,447	1,721,613
Faculty Salaries (Higher Education Only)	8,987,711	10,482,910
Operating Costs	29,973,768	34,290,894
Grants	<u>10,190,904</u>	<u>1,850,890</u>
 Total, Object-of-Expense Informational Listing	 <u>\$ 80,888,011</u>	 <u>\$ 81,799,979</u>

2. **Rates, Donations and Gifts.** The Board of Regents of The University of Texas System shall fix reasonable rates to be charged and collected from pay patients of the center, and may make and enter into contracts for the hospitalization of the indigent sick and accept donations and gifts for the support and maintenance of the center; provided, however, that this provision should not be construed so as to authorize, without prior and specific approval of the Legislature, acceptance of real property which would require an appropriation by the Legislature for maintenance, repair, or construction of buildings.

3. **Transfers of Appropriations - State Owned Hospitals.** The University of Texas Health Center at Tyler shall transfer from non-Medicaid state appropriated funds \$23,824,163 in fiscal year 2004 and \$23,824,163 in fiscal year 2005 to the Health and Human Services Commission. The timing and form of such transfers shall be determined by the Comptroller of Public Accounts in consultation with the Health and Human Services Commission. The Legislative Budget Board is authorized to adjust the amounts of such transfers as necessary to match available federal funds.

4. **Estimated Appropriation and Unexpended Balance.** Included in the amounts appropriated above are: (1) estimated appropriations of amounts available for distribution or investment returns out of the Permanent Endowment Fund for The University of Texas Health Center at Tyler and (2) estimated appropriations of the institution's estimated allocation of amounts available for distribution out of the Permanent Health Fund for Higher Education.
 - a. Amounts available for distribution or investment returns in excess of the amounts estimated above are also appropriated to the institution. In the event that amounts available for distribution or investment returns are less than the amounts estimated above, this Act may not be construed as appropriating funds to makeup the difference.

 - b. All balances of estimated appropriations from the Permanent Endowment Fund for The University of Texas Health Center at Tyler and of the institution's allocation from the amounts available for distribution out of the Permanent Health Fund for Higher Education, except for any General Revenue, at the close of the fiscal year ending August 31, 2003, and the income to said fund during the fiscal years beginning September 1, 2003, are hereby

THE UNIVERSITY OF TEXAS HEALTH CENTER AT TYLER
(Continued)

appropriated. Any unexpended appropriations made above as of August 31, 2004, are hereby appropriated to the institution for the same purposes for fiscal year 2005.

TEXAS A&M UNIVERSITY SYSTEM HEALTH SCIENCE CENTER

	For the Years Ending	
	August 31, <u>2004</u>	August 31, <u>2005</u>
I. Educational and General State Support	\$ 63,104,703	\$ 61,771,867
Grand Total, TEXAS A&M UNIVERSITY SYSTEM HEALTH SCIENCE CENTER	<u>\$ 63,104,703</u>	<u>\$ 61,771,867</u>
Method of Financing:		
General Revenue Fund	\$ 52,199,843	\$ 50,832,040
GR Dedicated - Estimated Other Educational and General Income Account No. 770	5,925,462	5,925,462
Other Funds		
Permanent Health Fund for Higher Education, estimated	1,184,951	1,184,951
Permanent Endowment Fund, Texas A&M University HSC, estimated	1,125,000	1,125,000
Health-Related Institutions Patient Income, estimated	2,669,447	2,704,414
Subtotal, Other Funds	<u>\$ 4,979,398</u>	<u>\$ 5,014,365</u>
Total, Method of Financing	<u>\$ 63,104,703</u>	<u>\$ 61,771,867</u>
Number of Full-Time-Equivalent Positions (FTE)- Appropriated Funds	834.4	834.4

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: INSTRUCTION/OPERATIONS

Provide instructional and operations support.

Outcome (Results/Impact):

Percent of Medical School Students Passing Part 1 or Part 2 of the National Licensing Exam on the First Attempt	93%	93%
Percent of Medical School Graduates Entering a Primary Care Residency	60%	60%
Percent of Medical School Graduates Practicing Primary Care in Texas	33%	33%
Percent of Dental School Graduates Admitted to an Advanced Education Program in General Dentistry	15%	15%
Percent of Dental School Students Passing Part 1 or Part 2 of the National Licensing Exam on the First Attempt	93%	93%
Percent of Dental School Graduates Who Are Licensed in Texas	80%	80%
Percent of Allied Health Graduates Passing the Certification/Licensure Exam on the First Attempt	94%	94%

TEXAS A&M UNIVERSITY SYSTEM HEALTH SCIENCE CENTER
(Continued)

Percent of Allied Health Graduates Who Are Licensed or Certified in Texas	90%	90%
Percent of Rural Public Health School Graduates Who Are Employed in Texas	50%	50%
Administrative (Institutional Support) Cost as a Percent of Total Expenditures	10%	10%
A.1.1. Strategy: MEDICAL EDUCATION	\$ 15,626,775	\$ 15,628,381
Explanatory:		
Minority Admissions as a Percent of Total First-year Admissions (All Schools)	14%	14%
Minority MD Admissions as a Percent of Total MD Admissions	7%	7%
Minority MD or DO Residents as a Percent of Total MD or DO Residents	14%	14%
A.1.2. Strategy: DENTAL EDUCATION	\$ 20,108,006	\$ 20,109,914
Explanatory:		
Minority Admissions as a Percent of Total Dental School Admissions	12%	12%
A.1.3. Strategy: DENTAL HYGIENE EDUCATION	\$ 743,777	\$ 743,854
A.1.4. Strategy: BIOMEDICAL SCIENCES TRAINING	\$ 1,892,381	\$ 1,892,576
Graduate training in biomedical sciences.		
A.1.5. Strategy: RURAL PUBLIC HEALTH TRAINING	\$ 3,061,119	\$ 3,061,434
Graduate training in rural public health.		
A.2.1. Strategy: STAFF GROUP INSURANCE PREMIUMS	\$ 1,438,357	\$ 1,438,357
A.2.2. Strategy: WORKERS' COMPENSATION INSURANCE	\$ 94,175	\$ 94,266
A.2.3. Strategy: UNEMPLOYMENT INSURANCE	\$ 48,418	\$ 48,497
A.3.1. Strategy: TEXAS PUBLIC EDUCATION GRANTS	\$ 551,156	\$ 551,156
A.3.2. Strategy: MEDICAL LOANS	\$ 35,000	\$ 35,000
A.4.1. Strategy: FORMULA HOLD HARMLESS	\$ 108,978	\$ 108,978
Total, Goal A: INSTRUCTION/OPERATIONS	\$ <u>43,708,142</u>	\$ <u>43,712,413</u>
B. Goal: PROVIDE RESEARCH SUPPORT		
Outcome (Results/Impact):		
Total External Research Expenditures	22,000,000	22,000,000
B.1.1. Strategy: RESEARCH ENHANCEMENT	\$ 2,216,422	\$ 2,216,422
B.1.2. Strategy: INDIRECT COST RECOVERY	\$ <u>1,696,079</u>	\$ <u>1,696,079</u>
Total, Goal B: PROVIDE RESEARCH SUPPORT	\$ <u>3,912,501</u>	\$ <u>3,912,501</u>
C. Goal: PROVIDE INFRASTRUCTURE SUPPORT		
C.1.1. Strategy: E&G SPACE SUPPORT	\$ 4,831,543	\$ 4,832,040
Educational and general space support.		
C.2.1. Strategy: TUITION REVENUE BOND RETIREMENT	\$ <u>1,021,124</u>	\$ <u>1,021,124</u>
Total, Goal C: PROVIDE INFRASTRUCTURE SUPPORT	\$ <u>5,852,667</u>	\$ <u>5,853,164</u>
D. Goal: PROVIDE HEALTH CARE SUPPORT		
D.1.1. Strategy: DENTAL CLINIC OPERATIONS	\$ 2,011,644	\$ 2,041,795

TEXAS A&M UNIVERSITY SYSTEM HEALTH SCIENCE CENTER
(Continued)

E. Goal: PROVIDE SPECIAL ITEM SUPPORT		
E.1.1. Strategy: COASTAL BEND HEALTH EDUCATION CTR	\$ 2,684,798	\$ 1,317,043 & UB
Coastal Bend Health Education Center.		
E.1.2. Strategy: S. TEXAS RURAL PUBLIC HEALTH CTR	\$ 875,000	\$ 875,000
South Texas Center for Rural Public Health.		
E.2.1. Strategy: MULTICAMPUS INSTIT ENHANCEMENT	\$ 1,750,000	\$ 1,750,000
Multicampus (2) institutional enhancement.		
Total, Goal E: PROVIDE SPECIAL ITEM SUPPORT	<u>\$ 5,309,798</u>	<u>\$ 3,942,043</u>
F. Goal: TOBACCO FUNDS		
F.1.1. Strategy: TOBACCO EARNINGS - TAMU SYSTEM HSC	\$ 1,125,000	\$ 1,125,000
Tobacco Earnings for Texas A&M University System HSC.		
F.1.2. Strategy: TOBACCO - PERMANENT HEALTH FUND	\$ 1,184,951	\$ 1,184,951
Tobacco earnings from the Permanent Health Fund for Higher Education to the health-related institutions of higher education.		
Total, Goal F: TOBACCO FUNDS	<u>\$ 2,309,951</u>	<u>\$ 2,309,951</u>
Grand Total, TEXAS A&M UNIVERSITY SYSTEM HEALTH SCIENCE CENTER	<u>\$ 63,104,703</u>	<u>\$ 61,771,867</u>
Method of Financing:		
General Revenue Fund	\$ 52,199,843	\$ 50,832,040
GR Dedicated - Estimated Other Educational and General Income Account No. 770	5,925,462	5,925,462
Other Funds		
Permanent Health Fund for Higher Education, estimated	1,184,951	1,184,951
Permanent Endowment Fund, Texas A&M University HSC, estimated	1,125,000	1,125,000
Health-Related Institutions Patient Income, estimated	2,669,447	2,704,414
Subtotal, Other Funds	<u>\$ 4,979,398</u>	<u>\$ 5,014,365</u>
Total, Method of Financing	<u>\$ 63,104,703</u>	<u>\$ 61,771,867</u>
Object-of-Expense Informational Listing:		
Salaries and Wages	\$ 21,420,157	\$ 19,309,338
Other Personnel Costs	1,235,252	1,037,327
Faculty Salaries (Higher Education Only)	14,874,266	15,648,155

TEXAS A&M UNIVERSITY SYSTEM HEALTH SCIENCE CENTER
(Continued)

Professional Salaries - Faculty Equivalent (Higher Education Only)	1,647,129	1,105,340
Operating Costs	21,934,023	22,396,561
Grants	<u>1,993,876</u>	<u>2,275,146</u>
Total, Object-of-Expense Informational Listing	\$ <u>63,104,703</u>	\$ <u>61,771,867</u>

2. **Medical Program.** Texas A&M University System Health Science Center is hereby authorized to unite with Scott & White Clinic, Scott & White Memorial Hospital, and the Scott, Sherwood, and Brindley Foundation as its long-term primary partners for high quality clinical education and research for the benefit of the citizens of Texas. Texas A&M University System Health Science Center is additionally authorized to collaborate with the Central Texas Veterans' Health Care System, Darnall Army Community Hospital, and Driscoll Children's Hospital. Research conducted by Texas A&M University System Health Science Center faculty under the contract with its primary clinical partner to provide clinical education and research services shall be considered in the formula calculations for the Research Enhancement and E&G Space Support strategies.

3. **Cardiovascular Research Institute.** Out of the amounts appropriated above, Texas A&M University System Health Science Center shall expend up to \$2,055,000 in fiscal year 2004 and up to \$2,305,000 in fiscal year 2005 for Cardiovascular Research Institute activities conducted primarily at the health science center facilities in Temple. It is the intent of the Legislature that these funds would be in addition to the amounts allocated to the Temple campus for the normal operation and maintenance of programs and facilities during the biennium.

4. **Coastal Bend Health Education Center.** Out of funds appropriated above to Texas A&M University System Health Science Center in Strategy E.1.1, Coastal Bend Health Education Center, the institution shall allocate up to \$568,340 in fiscal year 2004 and up to \$505,192 in fiscal year 2005 to operate a local area network among coastal distance education sites, provide electronic library access, and develop allied health programs with area general academic institutions.

5. **Estimated Appropriation and Unexpended Balance.** Included in the amounts appropriated above are: (1) estimated appropriations of amounts available for distribution or investment returns out of the Permanent Endowment Fund for Texas A&M University System Health Science Center and (2) estimated appropriations of the institution's estimated allocation of amounts available for distribution out of the Permanent Health Fund for Higher Education.
 - a. Amounts available for distribution or investment returns in excess of the amounts estimated above are also appropriated to the institution. In the event that amounts available for distribution or investment returns are less than the amounts estimated above, this Act may not be construed as appropriating funds to makeup the difference.

 - b. All balances of estimated appropriations from the Permanent Endowment Fund for Texas A&M University System Health Science Center and of the institution's allocation from the amounts available for distribution out of the Permanent Health Fund for Higher Education, except for any General Revenue, at the close of the fiscal year ending August 31, 2003, and

TEXAS A&M UNIVERSITY SYSTEM HEALTH SCIENCE CENTER
(Continued)

the income to said fund during the fiscal years beginning September 1, 2003, are hereby appropriated. Any unexpended appropriations made above as of August 31, 2004, are hereby appropriated to the institution for the same purposes for fiscal year 2005.

6. **Research on Acute Neurological Injuries.** Out of funds appropriated above, Texas A&M University System Health Science Center may allocate up to \$1,000,000 in each fiscal year of the biennium to conduct joint research endeavors with other scientists from Baylor College of Medicine, The University of Texas Health Science Center at Houston, and The University of Texas Medical Branch at Galveston to develop treatments to repair acute neurological injuries such as those caused by trauma and strokes.

UNIVERSITY OF NORTH TEXAS HEALTH SCIENCE CENTER AT FORT WORTH

	For the Years Ending	
	August 31, 2004	August 31, 2005
	<u> </u>	<u> </u>
1. Educational and General State Support	\$ 46,789,630	\$ 46,803,039
Grand Total, UNIVERSITY OF NORTH TEXAS HEALTH SCIENCE CENTER AT FORT WORTH	\$ <u>46,789,630</u>	\$ <u>46,803,039</u>
Method of Financing:		
General Revenue Fund	\$ 38,682,853	\$ 38,619,071
GR Dedicated - Estimated Other Educational and General Income Account No. 770	5,826,357	5,903,548
<u>Other Funds</u>		
Permanent Health Fund for Higher Education, estimated	1,155,420	1,155,420
Permanent Endowment Fund, UNTHSC at Fort Worth, estimated	1,125,000	1,125,000
Subtotal, Other Funds	<u>\$ 2,280,420</u>	<u>\$ 2,280,420</u>
Total, Method of Financing	\$ <u>46,789,630</u>	\$ <u>46,803,039</u>
Number of Full-Time-Equivalent Positions (FTE)- Appropriated Funds	711.1	711.1

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: INSTRUCTION/OPERATIONS

Provide instructional and operations support.

Outcome (Results/Impact):

Percent of Medical School Students Passing Part 1 or Part 2
of the National Licensing Exam on the First Attempt

95%	95%
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UNIVERSITY OF NORTH TEXAS HEALTH SCIENCE CENTER AT FORT WORTH
(Continued)

Percent of Medical School Graduates Entering a Primary Care Residency	71%	71%
Percent of Medical School Graduates Practicing Primary Care in Texas	38%	38%
Percent of Graduates in Family Practice in Texas	25%	25%
Percent of Graduates Entering a Family Practice Residency	41%	41%
Percent of Allied Health Graduates Passing the Certification/Licensure Exam on the First Attempt	95%	95%
Percent of Allied Health Graduates Who Are Licensed or Certified in Texas	92%	92%
Percent of Public Health School Graduates Who Are Employed in Texas	81%	81%
Administrative (Institutional Support) Cost as a Percent of Total Expenditures	9.27%	9.27%
A.1.1. Strategy: MEDICAL EDUCATION	\$ 22,616,332	\$ 22,616,332
Explanatory:		
Minority Admissions as a Percent of Total First-year Admissions (All Schools)	19.5%	19.5%
Minority Admissions as a Percent of Total DO Admissions	10%	10%
Minority MD or DO Residents as a Percent of Total MD or DO Residents	9%	9%
A.1.2. Strategy: BIOMEDICAL SCIENCES TRAINING Graduate training in biomedical sciences.	\$ 2,053,282	\$ 2,053,282
A.1.3. Strategy: GRADUATE TRAINING IN PUBLIC HEALTH	\$ 3,357,550	\$ 3,357,550
A.1.4. Strategy: PHYSICIAN ASSISTANT PROGRAM	\$ 2,109,380	\$ 2,109,380
A.2.1. Strategy: STAFF GROUP INSURANCE PREMIUMS	\$ 371,954	\$ 371,954
A.2.2. Strategy: WORKERS' COMPENSATION INSURANCE	\$ 427,549	\$ 427,549
A.2.3. Strategy: UNEMPLOYMENT INSURANCE	\$ 12,000	\$ 12,000
A.3.1. Strategy: TEXAS PUBLIC EDUCATION GRANTS	\$ 582,665	\$ 593,331
A.3.2. Strategy: MEDICAL LOANS	\$ 73,362	\$ 74,126
Total, Goal A: INSTRUCTION/OPERATIONS	<u>\$ 31,604,081</u>	<u>\$ 31,615,504</u>
B. Goal: PROVIDE RESEARCH SUPPORT		
Outcome (Results/Impact):		
Total External Research Expenditures	4,750,000	4,950,000
B.1.1. Strategy: RESEARCH ENHANCEMENT	\$ 1,649,522	\$ 1,649,522
B.1.2. Strategy: INDIRECT COST RECOVERY	\$ 1,413,439	\$ 1,415,549
Total, Goal B: PROVIDE RESEARCH SUPPORT	<u>\$ 3,062,961</u>	<u>\$ 3,065,071</u>
C. Goal: PROVIDE INFRASTRUCTURE SUPPORT		
C.1.1. Strategy: E&G SPACE SUPPORT Educational and general space support.	\$ 3,924,405	\$ 3,924,405
C.2.1. Strategy: TUITION REVENUE BOND RETIREMENT	\$ 3,021,952	\$ 3,021,952
C.2.2. Strategy: LEASE OF FACILITIES	\$ 80,561	\$ 80,561
Total, Goal C: PROVIDE INFRASTRUCTURE SUPPORT	<u>\$ 7,026,918</u>	<u>\$ 7,026,918</u>
D. Goal: PROVIDE SPECIAL ITEM SUPPORT		
D.3.1. Strategy: ALZHEIMER'S DIAG & TREATMENT CENTER Alzheimer's Diagnostic and Treatment Center.	\$ 437,500	\$ 437,500
D.4.1. Strategy: DNA LABORATORY Clinical genetics/DNA laboratory.	\$ 1,502,750	\$ 1,502,626

**UNIVERSITY OF NORTH TEXAS HEALTH SCIENCE CENTER AT FORT WORTH
(Continued)**

D.5.1. Strategy: INSTITUTIONAL ENHANCEMENT	\$ 875,000	\$ 875,000
Total, Goal D: PROVIDE SPECIAL ITEM SUPPORT	\$ 2,815,250	\$ 2,815,126
E. Goal: TOBACCO FUNDS		
E.1.1. Strategy: TOBACCO EARNINGS - UNT HSC FT WORTH		
Tobacco earnings for UNT HSC Fort Worth.	\$ 1,125,000	\$ 1,125,000
E.1.2. Strategy: TOBACCO - PERMANENT FUND		
Tobacco earnings from the Permanent Health Fund for Higher Education to the health-related institutions of higher education.	\$ 1,155,420	\$ 1,155,420
Total, Goal E: TOBACCO FUNDS	\$ 2,280,420	\$ 2,280,420
Grand Total, UNIVERSITY OF NORTH TEXAS HEALTH SCIENCE CENTER AT FORT WORTH	\$ 46,789,630	\$ 46,803,039
Method of Financing:		
General Revenue Fund	\$ 38,682,853	\$ 38,619,071
GR Dedicated - Estimated Other Educational and General Income Account No. 770	5,826,357	5,903,548
Other Funds		
Permanent Health Fund for Higher Education, estimated	1,155,420	1,155,420
Permanent Endowment Fund, UNTHSC at Fort Worth, estimated	1,125,000	1,125,000
Subtotal, Other Funds	\$ 2,280,420	\$ 2,280,420
Total, Method of Financing	\$ 46,789,630	\$ 46,803,039
Object-of-Expense Informational Listing:		
Salaries and Wages	\$ 17,026,835	\$ 17,668,795
Other Personnel Costs	786,204	631,975
Faculty Salaries (Higher Education Only)	15,694,037	14,527,066
Professional Salaries - Faculty Equivalent (Higher Education Only)	431,104	326,333
Operating Costs	12,357,682	13,429,162
Grants	493,768	219,708
Total, Object-of-Expense Informational Listing	\$ 46,789,630	\$ 46,803,039

2. **Forensic Laboratory.** The University of North Texas Health Science Center at Fort Worth is authorized to conduct all blood and DNA tests associated with paternity testing for the Office of the Attorney General at a monetary rate not to exceed the monetary rate at which the Attorney General could obtain the service elsewhere to the extent permitted under federal law and

UNIVERSITY OF NORTH TEXAS HEALTH SCIENCE CENTER AT FORT WORTH
(Continued)

regulations. The income derived from this testing is to be spent only on the Forensic Laboratory. In addition, the services of the Forensic Laboratory are available to other entities or interested parties approved by the University of North Texas Health Science Center at Fort Worth.

3. **Parking Garage Debt Service.** Funds appropriated in Strategy C.2.1, Tuition Revenue Bond Retirement, may be used to retire bonds authorized by the Seventy-sixth Legislature to construct a campus parking garage. Parking fee revenue generated by this facility will be accounted for and reported to the Legislative Budget Board. The fee revenue, minus operational and maintenance costs, will be counted in the appropriations process to offset the costs of servicing debt associated with this facility.
4. **Estimated Appropriation and Unexpended Balance.** Included in the amounts appropriated above are: (1) estimated appropriations of amounts available for distribution or investment returns out of the Permanent Endowment Fund for the University of North Texas Health Science Center at Fort Worth and (2) estimated appropriations of the institution's estimated allocation of amounts available for distribution out of the Permanent Health Fund for Higher Education.
 - a. Amounts available for distribution or investment returns in excess of the amounts estimated above are also appropriated to the institution. In the event that amounts available for distribution or investment returns are less than the amounts estimated above, this Act may not be construed as appropriating funds to makeup the difference.
 - b. All balances of estimated appropriations from the Permanent Endowment Fund for the University of North Texas Health Science Center at Fort Worth and of the institution's allocation from the amounts available for distribution out of the Permanent Health Fund for Higher Education, except for any General Revenue, at the close of the fiscal year ending August 31, 2003, and the income to said fund during the fiscal years beginning September 1, 2003, are hereby appropriated. Any unexpended appropriations made above as of August 31, 2004, are hereby appropriated to the institution for the same purposes for fiscal year 2005.

TEXAS TECH UNIVERSITY HEALTH SCIENCES CENTER

	For the Years Ending	
	August 31, 2004	August 31, 2005
1. Educational and General State Support	\$ 91,537,934	\$ 91,558,229
Grand Total, TEXAS TECH UNIVERSITY HEALTH SCIENCES CENTER	\$ 91,537,934	\$ 91,558,229
 Method of Financing:		
General Revenue Fund	\$ 79,566,289	\$ 79,474,347
GR Dedicated - Estimated Other Educational and General Income Account No. 770	8,323,045	8,435,282
 <u>Other Funds</u>		
Permanent Health Fund for Higher Education, estimated	1,398,600	1,398,600
Permanent Endowment Fund, Texas Tech HSC El Paso, estimated	1,125,000	1,125,000
Permanent Endowment Fund, Texas Tech HSC Other, estimated	1,125,000	1,125,000
Subtotal, Other Funds	\$ 3,648,600	\$ 3,648,600
Total, Method of Financing	\$ 91,537,934	\$ 91,558,229
 Number of Full-Time-Equivalent Positions (FTE)- Appropriated Funds		
	1,580.5	1,580.5

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: INSTRUCTION/OPERATIONS

Provide instructional and operations support.

Outcome (Results/Impact):

Percent of Medical School Students Passing Part 1 or Part 2 of the National Licensing Exam on the First Attempt	92%	92%
Percent of Medical School Graduates Entering a Primary Care Residency	45%	45%
Percent of Medical School Graduates Practicing Primary Care in Texas	28%	28%
Percent of Allied Health Graduates Passing the Certification/Licensure Exam on the First Attempt	90%	90%
Percent of Allied Health Graduates Who Are Licensed or Certified in Texas	85%	85%
Percent of Bachelor of Science in Nursing Graduates Passing the National Licensing Exam on the First Attempt in Texas	86%	86%
Percent of Bachelor of Science in Nursing Graduates Who Are Licensed in Texas	92%	92%
Percent of Master of Science in Nursing Graduates Granted Advanced Practice Status in Texas	57%	57%
Percent of Pharmacy School Graduates Passing the National Licensing Exam on the First Attempt	95%	95%
Percent of Pharmacy School Graduates Who Are Licensed in Texas	90%	90%

TEXAS TECH UNIVERSITY HEALTH SCIENCES CENTER
(Continued)

Administrative (Institutional Support) Cost as a Percent of			
Total Expenditures		4.94%	4.94%
A.1.1. Strategy: MEDICAL EDUCATION	\$ 25,985,457	\$	25,985,457
Explanatory:			
Minority Admissions as a Percent of Total First-year			
Admissions (All Schools)		14.5%	14.5%
Minority MD Admissions as a Percent of Total MD Admissions		10.5%	10.5%
Minority MD or DO Residents as a Percent of Total MD or DO Residents		20%	20%
A.1.2. Strategy: BIOMEDICAL SCIENCES TRAINING	\$ 1,973,752	\$	1,973,752
Graduate training in biomedical sciences.			
A.1.3. Strategy: ALLIED HEALTH PROFESSIONS TRAINING	\$ 9,373,811	\$	9,373,811
A.1.4. Strategy: NURSING EDUCATION	\$ 4,610,203	\$	4,610,203
A.1.5. Strategy: PHARMACY EDUCATION	\$ 9,873,925	\$	9,873,925
A.2.1. Strategy: STAFF GROUP INSURANCE PREMIUMS	\$ 592,928	\$	592,928
A.2.2. Strategy: WORKERS' COMPENSATION INSURANCE	\$ 648,934	\$	648,934
A.3.1. Strategy: TEXAS PUBLIC EDUCATION GRANTS	\$ 747,000	\$	747,000
A.3.2. Strategy: MEDICAL LOANS	\$ 62,400	\$	62,400
Total, Goal A: INSTRUCTION/OPERATIONS	<u>\$ 53,868,410</u>	<u>\$</u>	<u>53,868,410</u>
B. Goal: PROVIDE RESEARCH SUPPORT			
Outcome (Results/Impact):			
Total External Research Expenditures		10,700,000	11,200,000
B.1.1. Strategy: RESEARCH ENHANCEMENT	\$ 1,721,401	\$	1,721,401
B.1.2. Strategy: INDIRECT COST RECOVERY	<u>\$ 3,398,103</u>	<u>\$</u>	<u>3,515,263</u>
Total, Goal B: PROVIDE RESEARCH SUPPORT	<u>\$ 5,119,504</u>	<u>\$</u>	<u>5,236,664</u>
C. Goal: INFRASTRUCTURE SUPPORT			
Provide infrastructure support.			
C.1.1. Strategy: E&G SPACE SUPPORT	\$ 11,282,040	\$	11,282,040
Educational and general space support.			
C.2.1. Strategy: TUITION REVENUE BOND RETIREMENT	<u>\$ 2,005,456</u>	<u>\$</u>	<u>2,005,456</u>
Total, Goal C: INFRASTRUCTURE SUPPORT	<u>\$ 13,287,496</u>	<u>\$</u>	<u>13,287,496</u>
D. Goal: PROVIDE SPECIAL ITEM SUPPORT			
D.1.1. Strategy: SOUTH TEXAS PROFESSIONAL EDUCATION	\$ 871,129	\$	774,337
South Texas Border Region health professional education.			
D.1.2. Strategy: BORDER SUPPORT - ACADEMIC EXPANSION	\$ 3,530,533	\$	3,530,645
Border health care support - academic expansion.			
D.1.3. Strategy: ACADEMIC SUPPORT-BORDER DEVELOPMENT	\$ 357,087	\$	357,348
Academic operations support - Border Region development.			
D.1.4. Strategy: INTEGRATED HEALTH NETWORK	\$ 1,203,250	\$	1,202,401
Output (Volume):			
Annual Event Hours of Distance Education		74,460	78,200
D.1.5. Strategy: MEDICAL EDUCATION - ODESSA	\$ 1,364,551	\$	1,365,389

TEXAS TECH UNIVERSITY HEALTH SCIENCES CENTER
(Continued)

D.1.8. Strategy: EL PASO - FOUR YEAR MEDICAL SCHOOL	\$ 1,312,500	\$ 1,312,500
D.2.1. Strategy: FAMILY/COMMUNITY MEDICINE RESIDENCY	\$ 545,743	\$ 545,357
Family and community medicine residency training programs.		
D.2.2. Strategy: MIDLAND SURGICAL RESIDENCY TRAINING	\$ 117,303	\$ 117,221
Midland surgical residency training program.		
D.2.3. Strategy: MIDLAND CARDIOLOGY RESIDENCY	\$ 269,407	\$ 269,217
Midland cardiology residency training program.		
D.2.4. Strategy: BORDER HEALTH - RESIDENT SUPPORT	\$ 351,915	\$ 352,176
Border health care support - resident support.		
D.3.1. Strategy: DIABETES RESEARCH CENTER	\$ 262,500	\$ 262,500
D.4.1. Strategy: RURAL HEALTH CARE	\$ 928,006	\$ 927,968
Rural health care support and education.		
D.5.1. Strategy: INSTITUTIONAL ENHANCEMENT	\$ 4,500,000	\$ 4,500,000
Multicampus (4) institutional enhancement.		
Total, Goal D: PROVIDE SPECIAL ITEM SUPPORT	\$ 15,613,924	\$ 15,517,059
E. Goal: TOBACCO FUNDS		
E.1.1. Strategy: TOBACCO EARNINGS TX TECH HSC ELPASO	\$ 1,125,000	\$ 1,125,000
Tobacco earnings for TX Tech University HSC (El Paso).		
E.1.2. Strategy: TOBACCO EARNINGS TX TECH UNIV HSC	\$ 1,125,000	\$ 1,125,000
Tobacco earnings for TX Tech University HSC - other than El Paso.		
E.1.3. Strategy: TOBACCO - PERMANENT HEALTH FUND	\$ 1,398,600	\$ 1,398,600
Tobacco earnings from the Permanent Health Fund for Higher Education to the health-related institutions of higher education.		-
Total, Goal E: TOBACCO FUNDS	\$ 3,648,600	\$ 3,648,600
Grand Total, TEXAS TECH UNIVERSITY HEALTH SCIENCES CENTER	\$ 91,537,934	\$ 91,558,229
Method of Financing:		
General Revenue Fund	\$ 79,566,289	\$ 79,474,347
GR Dedicated - Estimated Other Educational and General Income Account No. 770	8,323,045	8,435,282
Other Funds		
Permanent Health Fund for Higher Education, estimated	1,398,600	1,398,600
Permanent Endowment Fund, Texas Tech HSC El Paso, estimated	1,125,000	1,125,000

TEXAS TECH UNIVERSITY HEALTH SCIENCES CENTER
(Continued)

Permanent Endowment Fund, Texas Tech HSC Other, estimated	1,125,000	1,125,000
Subtotal, Other Funds	<u>\$ 3,648,600</u>	<u>\$ 3,648,600</u>
 Total, Method of Financing	 <u>\$ 91,537,934</u>	 <u>\$ 91,558,229</u>
Object-of-Expense Informational Listing:		
Salaries and Wages	\$ 33,647,060	\$ 35,211,989
Other Personnel Costs	1,319,002	1,297,739
Faculty Salaries (Higher Education Only)	32,354,435	34,437,031
Operating Costs	20,161,825	18,118,279
Grants	<u>4,055,612</u>	<u>2,493,191</u>
Total, Object-of-Expense Informational Listing	<u>\$ 91,537,934</u>	<u>\$ 91,558,229</u>

2. **South Texas/Border Region Health Professional Education.** Out of the amounts appropriated above to Texas Tech University Health Sciences Center in Strategy D.1.1, South Texas Professional Education, is the amount of \$871,129 for the fiscal year ending August 31, 2004 and \$774,337 for the fiscal year ending August 31, 2005 for use by the Regional Academic Health Center in El Paso for infrastructure support, faculty salaries, maintenance and operation, and library resources.
 - a. Any unexpended balances remaining in the appropriations identified in this section as of August 31, 2004, are appropriated to Texas Tech University Health Sciences Center for their original purposes and shall be used with funds appropriated by this section for the fiscal year ending August 31, 2005.
 - b. A report by the Texas Tech University Health Sciences Center shall be filed with the Legislative Budget Board and the Governor on or before December 1, 2004, concerning the use of the funds appropriated by this section and the extent to which the purposes specified by this section have been achieved.
3. **Appropriation of Costs for Health Care to Inmates.** None of the funds appropriated above shall be expended to provide or support the provision of health care to inmates of the Texas Department of Criminal Justice (TDCJ). It is the intent of the Legislature that all costs for providing health care to inmates of the TDCJ including costs of operating TDCJ hospital facilities in Galveston County and Lubbock County shall be paid from appropriations made to the TDCJ and from any financial reserves from contracts with TDCJ that are held by the university for the correctional health care services. Appropriations made to the TDCJ for the provision of inmate health care services shall be expended in accordance with Government Code, Chapter 501, Subchapter E.
4. **El Paso Center for Border Health Research.** It is the intent of the Legislature that the El Paso Center for Border Health Research is a collaboration between The University of Texas at El Paso and the Texas Tech University Health Sciences Center and is one component of the Paso del Norte Regional Health Institute. The El Paso Center for Border Health Research will be located in El Paso and will be concerned with the Texas border region. It shall conduct research, in areas not limited to, but focusing on and including, infectious diseases such as

TEXAS TECH UNIVERSITY HEALTH SCIENCES CENTER
(Continued)

tuberculosis, Hispanic health issues such as diabetes and hypertension, border environmental health issues such as those associated with water and air quality, and children's health.

5. **Medical School Enrollment.** Upon accreditation and approval by the Texas Higher Education Coordinating Board, Texas Tech University Health Sciences Center School of Medicine is authorized to admit annually an additional 20 medical students until the School of Medicine's first year enrollment reaches 200. It is the intent of the Legislature that this increase in enrollment be taken into account when preparing the appropriation recommendations for the Seventy-ninth Legislature.

6. **Estimated Appropriation and Unexpended Balance.** Included in the amounts appropriated above are: (1) estimated appropriations of amounts available for distribution or investment returns out of the Permanent Endowment Fund for the Texas Tech University Health Sciences Center at El Paso, (2) estimated appropriations of amounts available for distribution or investment returns out of the Permanent Endowment Fund for the Texas Tech University Health Sciences Center at locations other than El Paso and (3) estimated appropriations of the institution's estimated allocation of amounts available for distribution out of the Permanent Health Fund for Higher Education.
 - a. Amounts available for distribution or investment returns in excess of the amounts estimated are also appropriated to the institution. In the event that amounts available for distribution or investment returns are less than the amounts estimated above, this Act may not be construed as appropriating funds to makeup the difference.

 - b. All balances of estimated appropriations from the Permanent Endowment Fund for the Texas Tech University Health Sciences Center at El Paso, Permanent Endowment Fund for the Texas Tech University Health Sciences Center at locations other than El Paso, and of the institution's allocation from the amounts available for distribution out of the Permanent Health Fund for Higher Education, except for any General Revenue, at the close of the fiscal year ending August 31, 2003, and the income to said fund during the fiscal years beginning September 1, 2003 are hereby appropriated. Any unexpended appropriations made above as of August 31, 2004, are hereby appropriated to the institution for the same purposes for fiscal year 2005.

7. **El Paso - Four Year Medical School.** The Texas Tech University Health Sciences Center at El Paso is authorized to initiate curriculum design and development, basic science faculty recruitment, and commencement of organization and other processes necessary to attain accreditation of a four-year medical school by the Liaison Committee on Medical Education. The Texas Tech University Health Sciences Center at El Paso shall seek the support of the El Paso community, El Paso area foundation, units of local government and any other individuals, groups and entities that may support and contribute to the development and establishment of an El Paso Four Year Medical School.

PUBLIC COMMUNITY/JUNIOR COLLEGES

	For the Years Ending	
	August 31, <u>2004</u>	August 31, <u>2005</u>
Out of the General Revenue Fund:		
A. Goal: ALAMO COMMUNITY COLLEGE		
A.1.1. Strategy: ACADEMIC EDUCATION	\$ 41,622,930	\$ 41,622,930
A.1.2. Strategy: VOCATIONAL/TECHNICAL EDUCATION	\$ <u>16,159,535</u>	\$ <u>16,159,535</u>
Total, Goal A: ALAMO COMMUNITY COLLEGE	\$ <u>57,782,465</u>	\$ <u>57,782,465</u>
B. Goal: ALVIN COMMUNITY COLLEGE		
B.1.1. Strategy: ACADEMIC EDUCATION	\$ 4,053,264	\$ 4,053,264
B.1.2. Strategy: VOCATIONAL/TECHNICAL EDUCATION	\$ <u>4,010,691</u>	\$ <u>4,010,691</u>
Total, Goal B: ALVIN COMMUNITY COLLEGE	\$ <u>8,063,955</u>	\$ <u>8,063,955</u>
C. Goal: AMARILLO COLLEGE		
C.2.1. Strategy: ACADEMIC EDUCATION	\$ 7,846,775	\$ 7,846,775
C.2.2. Strategy: VOCATIONAL/TECHNICAL EDUCATION	\$ <u>7,926,670</u>	\$ <u>7,926,671</u>
Total, Goal C: AMARILLO COLLEGE	\$ <u>15,773,445</u>	\$ <u>15,773,446</u>
D. Goal: ANGELINA COLLEGE		
D.1.1. Strategy: ACADEMIC EDUCATION	\$ 4,335,875	\$ 4,335,876
D.1.2. Strategy: VOCATIONAL/TECHNICAL EDUCATION	\$ <u>3,725,570</u>	\$ <u>3,725,570</u>
Total, Goal D: ANGELINA COLLEGE	\$ <u>8,061,445</u>	\$ <u>8,061,446</u>
E. Goal: AUSTIN COMMUNITY COLLEGE		
E.1.1. Strategy: ACADEMIC EDUCATION	\$ 25,914,675	\$ 25,914,675
E.1.2. Strategy: VOCATIONAL/TECHNICAL EDUCATION	\$ <u>9,901,932</u>	\$ <u>9,901,932</u>
Total, Goal E: AUSTIN COMMUNITY COLLEGE	\$ <u>35,816,607</u>	\$ <u>35,816,607</u>
F. Goal: BLINN COLLEGE		
F.1.1. Strategy: STAR OF THE REPUBLIC MUSEUM	\$ 332,110	\$ 332,110
F.2.1. Strategy: ACADEMIC EDUCATION	\$ 15,773,785	\$ 15,773,785
F.2.2. Strategy: VOCATIONAL/TECHNICAL EDUCATION	\$ <u>2,624,353</u>	\$ <u>2,624,352</u>
Total, Goal F: BLINN COLLEGE	\$ <u>18,730,248</u>	\$ <u>18,730,247</u>
G. Goal: BRAZOSPORT COLLEGE		
G.1.1. Strategy: ACADEMIC EDUCATION	\$ 2,737,072	\$ 2,737,072
G.1.2. Strategy: VOCATIONAL/TECHNICAL EDUCATION	\$ <u>2,873,254</u>	\$ <u>2,873,254</u>
Total, Goal G: BRAZOSPORT COLLEGE	\$ <u>5,610,326</u>	\$ <u>5,610,326</u>
H. Goal: CENTRAL TEXAS COLLEGE		
H.1.1. Strategy: ACADEMIC EDUCATION	\$ 8,982,203	\$ 8,982,204
H.1.2. Strategy: VOCATIONAL/TECHNICAL EDUCATION	\$ <u>8,961,184</u>	\$ <u>8,961,184</u>
Total, Goal H: CENTRAL TEXAS COLLEGE	\$ <u>17,943,387</u>	\$ <u>17,943,388</u>

PUBLIC COMMUNITY/JUNIOR COLLEGES
(Continued)

I. Goal: CISCO JUNIOR COLLEGE		
I.1.1. Strategy: ACADEMIC EDUCATION	\$ 2,805,454	\$ 2,805,454
I.1.2. Strategy: VOCATIONAL/TECHNICAL EDUCATION	\$ <u>1,445,334</u>	\$ <u>1,445,335</u>
Total, Goal I: CISCO JUNIOR COLLEGE	\$ <u>4,250,788</u>	\$ <u>4,250,789</u>
J. Goal: CLARENDON COLLEGE		
J.1.1. Strategy: ACADEMIC EDUCATION	\$ 1,697,450	\$ 1,697,450
J.1.2. Strategy: VOCATIONAL/TECHNICAL EDUCATION	\$ <u>394,737</u>	\$ <u>394,737</u>
Total, Goal J: CLARENDON COLLEGE	\$ <u>2,092,187</u>	\$ <u>2,092,187</u>
K. Goal: COASTAL BEND COLLEGE		
K.1.1. Strategy: ACADEMIC EDUCATION	\$ 3,371,832	\$ 3,371,832
K.1.2. Strategy: VOCATIONAL/TECHNICAL EDUCATION	\$ <u>3,453,607</u>	\$ <u>3,453,607</u>
Total, Goal K: COASTAL BEND COLLEGE	\$ <u>6,825,439</u>	\$ <u>6,825,439</u>
L. Goal: COLLEGE OF THE MAINLAND		
L.1.1. Strategy: ACADEMIC EDUCATION	\$ 3,646,523	\$ 3,646,524
L.1.2. Strategy: VOCATIONAL/TECHNICAL EDUCATION	\$ <u>2,443,476</u>	\$ <u>2,443,476</u>
Total, Goal L: COLLEGE OF THE MAINLAND	\$ <u>6,089,999</u>	\$ <u>6,090,000</u>
M. Goal: COLLIN COUNTY CC		
Collin County Community College.		
M.1.1. Strategy: ACADEMIC EDUCATION	\$ 16,308,852	\$ 16,308,852
M.1.2. Strategy: VOCATIONAL/TECHNICAL EDUCATION	\$ <u>5,778,980</u>	\$ <u>5,778,980</u>
Total, Goal M: COLLIN COUNTY CC	\$ <u>22,087,832</u>	\$ <u>22,087,832</u>
N. Goal: DALLAS COUNTY CC		
Dallas County Community College.		
N.1.1. Strategy: SMALL BUSINESS DEVELOPMENT CENTER	\$ 746,042	\$ 746,042
N.2.1. Strategy: ACADEMIC EDUCATION	\$ 49,913,528	\$ 49,913,528
N.2.2. Strategy: VOCATIONAL/TECHNICAL EDUCATION	\$ <u>33,305,026</u>	\$ <u>33,305,026</u>
Total, Goal N: DALLAS COUNTY CC	\$ <u>83,964,596</u>	\$ <u>83,964,596</u>
O. Goal: DEL MAR COLLEGE		
O.1.1. Strategy: ACADEMIC EDUCATION	\$ 8,774,394	\$ 8,774,395
O.1.2. Strategy: VOCATIONAL/TECHNICAL EDUCATION	\$ <u>9,939,403</u>	\$ <u>9,939,403</u>
Total, Goal O: DEL MAR COLLEGE	\$ <u>18,713,797</u>	\$ <u>18,713,798</u>
P. Goal: EL PASO COMMUNITY COLLEGE		
P.1.1. Strategy: ACADEMIC EDUCATION	\$ 18,977,534	\$ 18,977,534
P.1.2. Strategy: VOCATIONAL/TECHNICAL EDUCATION	\$ <u>10,101,731</u>	\$ <u>10,101,732</u>
Total, Goal P: EL PASO COMMUNITY COLLEGE	\$ <u>29,079,265</u>	\$ <u>29,079,266</u>

PUBLIC COMMUNITY/JUNIOR COLLEGES
(Continued)

Q. Goal: FRANK PHILLIPS COLLEGE		
Q.1.1. Strategy: ACADEMIC EDUCATION	\$ 1,248,346	\$ 1,248,346
Q.1.2. Strategy: VOCATIONAL/TECHNICAL EDUCATION	\$ <u>1,245,963</u>	\$ <u>1,245,963</u>
Total, Goal Q: FRANK PHILLIPS COLLEGE	\$ <u>2,494,309</u>	\$ <u>2,494,309</u>
R. Goal: GALVESTON COLLEGE		
R.1.1. Strategy: ACADEMIC EDUCATION	\$ 2,573,655	\$ 2,573,655
R.1.2. Strategy: VOCATIONAL/TECHNICAL EDUCATION	\$ <u>2,171,845</u>	\$ <u>2,171,845</u>
Total, Goal R: GALVESTON COLLEGE	\$ <u>4,745,500</u>	\$ <u>4,745,500</u>
S. Goal: GRAYSON COUNTY COLLEGE		
S.1.1. Strategy: ACADEMIC EDUCATION	\$ 3,316,276	\$ 3,316,276
S.1.2. Strategy: VOCATIONAL/TECHNICAL EDUCATION	\$ <u>2,699,772</u>	\$ <u>2,699,772</u>
Total, Goal S: GRAYSON COUNTY COLLEGE	\$ <u>6,016,048</u>	\$ <u>6,016,048</u>
T. Goal: HILL COLLEGE		
T.1.1. Strategy: HERITAGE MUSEUM/GENEALOGY CENTER	\$ 360,937	\$ 360,938
Heritage Museum and Genealogy Center.		
T.2.1. Strategy: ACADEMIC EDUCATION	\$ 2,934,988	\$ 2,934,988
T.2.2. Strategy: VOCATIONAL/TECHNICAL EDUCATION	\$ <u>2,422,844</u>	\$ <u>2,422,844</u>
Total, Goal T: HILL COLLEGE	\$ <u>5,718,769</u>	\$ <u>5,718,770</u>
U. Goal: HOUSTON COMMUNITY COLLEGE		
U.1.1. Strategy: ACADEMIC EDUCATION	\$ 32,964,956	\$ 32,964,956
U.1.2. Strategy: VOCATIONAL/TECHNICAL EDUCATION	\$ <u>26,244,273</u>	\$ <u>26,244,273</u>
Total, Goal U: HOUSTON COMMUNITY COLLEGE	\$ <u>59,209,229</u>	\$ <u>59,209,229</u>
V. Goal: HOWARD COLLEGE		
V.1.1. Strategy: SWCID	\$ 2,741,766	\$ 2,741,766
Southwest Collegiate Institute for the Deaf.		
V.2.1. Strategy: ACADEMIC EDUCATION	\$ 2,400,916	\$ 2,400,917
V.2.2. Strategy: VOCATIONAL/TECHNICAL EDUCATION	\$ <u>4,662,977</u>	\$ <u>4,662,976</u>
Total, Goal V: HOWARD COLLEGE	\$ <u>9,805,659</u>	\$ <u>9,805,659</u>
W. Goal: KILGORE COLLEGE		
W.1.1. Strategy: ACADEMIC EDUCATION	\$ 5,211,043	\$ 5,211,043
W.1.2. Strategy: VOCATIONAL/TECHNICAL EDUCATION	\$ <u>4,999,946</u>	\$ <u>4,999,946</u>
Total, Goal W: KILGORE COLLEGE	\$ <u>10,210,989</u>	\$ <u>10,210,989</u>
X. Goal: LAREDO COMMUNITY COLLEGE		
X.1.1. Strategy: IMPORT/EXPORT TRNG CTR	\$ 211,436	\$ 211,437
Regional Import/Export Training Center.		
X.2.1. Strategy: ACADEMIC EDUCATION	\$ 7,051,538	\$ 7,051,539
X.2.2. Strategy: VOCATIONAL/TECHNICAL EDUCATION	\$ <u>4,436,249</u>	\$ <u>4,436,249</u>
Total, Goal X: LAREDO COMMUNITY COLLEGE	\$ <u>11,699,223</u>	\$ <u>11,699,225</u>

PUBLIC COMMUNITY/JUNIOR COLLEGES
(Continued)

Y. Goal: LEE COLLEGE		
Y.1.1. Strategy: ACADEMIC EDUCATION	\$ 4,746,001	\$ 4,746,001
Y.1.2. Strategy: VOCATIONAL/TECHNICAL EDUCATION	\$ <u>5,306,616</u>	\$ <u>5,306,617</u>
Total, Goal Y: LEE COLLEGE	\$ <u>10,052,617</u>	\$ <u>10,052,618</u>
Z. Goal: MCLENNAN COMMUNITY COLLEGE		
Z.1.1. Strategy: ACADEMIC EDUCATION	\$ 6,586,782	\$ 6,586,782
Z.1.2. Strategy: VOCATIONAL/TECHNICAL EDUCATION	\$ <u>5,310,152</u>	\$ <u>5,310,152</u>
Total, Goal Z: MCLENNAN COMMUNITY COLLEGE	\$ <u>11,896,934</u>	\$ <u>11,896,934</u>
AA. Goal: MIDLAND COLLEGE		
AA.1.1. Strategy: AMERICAN AIRPOWER HERITAGE MUSEUM	\$ 500,000	\$ 500,000
AA.2.1. Strategy: ACADEMIC EDUCATION	\$ 4,649,686	\$ 4,649,686
AA.2.2. Strategy: VOCATIONAL/TECHNICAL EDUCATION	\$ <u>3,403,355</u>	\$ <u>3,403,355</u>
Total, Goal AA: MIDLAND COLLEGE	\$ <u>8,553,041</u>	\$ <u>8,553,041</u>
AB. Goal: NAVARRO COLLEGE		
AB.1.1. Strategy: ACADEMIC EDUCATION	\$ 6,005,162	\$ 6,005,162
AB.1.2. Strategy: VOCATIONAL/TECHNICAL EDUCATION	\$ <u>2,894,258</u>	\$ <u>2,894,258</u>
Total, Goal AB: NAVARRO COLLEGE	\$ <u>8,899,420</u>	\$ <u>8,899,420</u>
AC. Goal: NORTH CENTRAL TX COLLEGE		
North Central Texas College.		
AC.1.1. Strategy: ACADEMIC EDUCATION	\$ 5,400,610	\$ 5,400,611
AC.1.2. Strategy: VOCATIONAL/TECHNICAL EDUCATION	\$ <u>1,969,411</u>	\$ <u>1,969,411</u>
Total, Goal AC: NORTH CENTRAL TX COLLEGE	\$ <u>7,370,021</u>	\$ <u>7,370,022</u>
AD. Goal: NORTH HARRIS MONTGOMERY CC		
North Harris Montgomery Community College.		
AD.1.1. Strategy: ACADEMIC EDUCATION	\$ 29,468,246	\$ 29,468,246
AD.1.2. Strategy: VOCATIONAL/TECHNICAL EDUCATION	\$ <u>11,273,555</u>	\$ <u>11,273,555</u>
Total, Goal AD: NORTH HARRIS MONTGOMERY CC	\$ <u>40,741,801</u>	\$ <u>40,741,801</u>
AE. Goal: NORTHEAST TEXAS CC		
Northeast Texas Community College.		
AE.2.1. Strategy: ACADEMIC EDUCATION	\$ 2,414,034	\$ 2,414,035
AE.2.2. Strategy: VOCATIONAL/TECHNICAL EDUCATION	\$ <u>1,313,221</u>	\$ <u>1,313,221</u>
Total, Goal AE: NORTHEAST TEXAS CC	\$ <u>3,727,255</u>	\$ <u>3,727,256</u>

PUBLIC COMMUNITY/JUNIOR COLLEGES
(Continued)

AF. Goal: ODESSA COLLEGE		
AF.1.1. Strategy: ACADEMIC EDUCATION	\$ 4,002,507	\$ 4,002,508
AF.1.2. Strategy: VOCATIONAL/TECHNICAL EDUCATION	\$ 4,364,146	\$ 4,364,146
Total, Goal AF: ODESSA COLLEGE	\$ 8,366,653	\$ 8,366,654
AG. Goal: PANOLA COLLEGE		
AG.1.1. Strategy: ACADEMIC EDUCATION	\$ 1,856,179	\$ 1,856,179
AG.1.2. Strategy: VOCATIONAL/TECHNICAL EDUCATION	\$ 1,368,999	\$ 1,369,000
Total, Goal AG: PANOLA COLLEGE	\$ 3,225,178	\$ 3,225,179
AH. Goal: PARIS JUNIOR COLLEGE		
AH.1.1. Strategy: ACADEMIC EDUCATION	\$ 4,476,583	\$ 4,476,583
AH.1.2. Strategy: VOCATIONAL/TECHNICAL EDUCATION	\$ 2,404,311	\$ 2,404,311
Total, Goal AH: PARIS JUNIOR COLLEGE	\$ 6,880,894	\$ 6,880,894
AI. Goal: RANGER COLLEGE		
AI.1.1. Strategy: ACADEMIC EDUCATION	\$ 1,340,576	\$ 1,340,576
AI.1.2. Strategy: VOCATIONAL/TECHNICAL EDUCATION	\$ 751,611	\$ 751,611
Total, Goal AI: RANGER COLLEGE	\$ 2,092,187	\$ 2,092,187
AJ. Goal: SAN JACINTO COLLEGE		
AJ.1.1. Strategy: ACADEMIC EDUCATION	\$ 18,865,727	\$ 18,865,728
AJ.1.2. Strategy: VOCATIONAL/TECHNICAL EDUCATION	\$ 14,308,641	\$ 14,308,641
Total, Goal AJ: SAN JACINTO COLLEGE	\$ 33,174,368	\$ 33,174,369
AK. Goal: SOUTH PLAINS COLLEGE		
AK.1.1. Strategy: ACADEMIC EDUCATION	\$ 8,530,817	\$ 8,530,817
AK.1.2. Strategy: VOCATIONAL/TECHNICAL EDUCATION	\$ 4,594,205	\$ 4,594,205
Total, Goal AK: SOUTH PLAINS COLLEGE	\$ 13,125,022	\$ 13,125,022
AL. Goal: SO TX COMMUNITY COLLEGE		
South Texas Community College.		
AL.1.1. Strategy: ACADEMIC EDUCATION	\$ 14,009,495	\$ 14,009,496
AL.1.2. Strategy: VOCATIONAL/TECHNICAL EDUCATION	\$ 5,925,588	\$ 5,925,588
Total, Goal AL: SO TX COMMUNITY COLLEGE	\$ 19,935,083	\$ 19,935,084

PUBLIC COMMUNITY/JUNIOR COLLEGES
(Continued)

AM. Goal: SW TEXAS JUNIOR COLLEGE		
Southwest Texas Junior College.		
AM.1.1. Strategy: ACADEMIC EDUCATION	\$ 4,274,567	\$ 4,274,567
AM.1.2. Strategy: VOCATIONAL/TECHNICAL EDUCATION	\$ 2,084,384	\$ 2,084,384
Total, Goal AM: SW TEXAS JUNIOR COLLEGE	\$ 6,358,951	\$ 6,358,951
AN. Goal: TARRANT COUNTY COLLEGE		
Tarrant County College.		
AN.1.1. Strategy: ACADEMIC EDUCATION	\$ 29,854,920	\$ 29,854,920
AN.1.2. Strategy: VOCATIONAL/TECHNICAL EDUCATION	\$ 10,189,642	\$ 10,189,642
Total, Goal AN: TARRANT COUNTY COLLEGE	\$ 40,044,562	\$ 40,044,562
AO. Goal: TEMPLE COLLEGE		
Temple College.		
AO.1.1. Strategy: ACADEMIC EDUCATION	\$ 3,274,561	\$ 3,274,561
AO.1.2. Strategy: VOCATIONAL/TECHNICAL EDUCATION	\$ 2,808,046	\$ 2,808,046
Total, Goal AO: TEMPLE COLLEGE	\$ 6,082,607	\$ 6,082,608
AP. Goal: TEXARKANA COLLEGE		
Texarkana College.		
AP.1.1. Strategy: ACADEMIC EDUCATION	\$ 3,716,366	\$ 3,716,366
AP.1.2. Strategy: VOCATIONAL/TECHNICAL EDUCATION	\$ 4,468,186	\$ 4,468,187
Total, Goal AP: TEXARKANA COLLEGE	\$ 8,184,552	\$ 8,184,553
AQ. Goal: TEXAS SOUTHMOST COLLEGE		
Texas Southmost College.		
AQ.1.1. Strategy: ACADEMIC EDUCATION	\$ 7,122,061	\$ 7,122,061
AQ.1.2. Strategy: VOCATIONAL/TECHNICAL EDUCATION	\$ 3,750,717	\$ 3,750,717
Total, Goal AQ: TEXAS SOUTHMOST COLLEGE	\$ 10,872,778	\$ 10,872,778
AR. Goal: TRINITY VALLEY CC		
Trinity Valley Community College.		
AR.1.1. Strategy: ACADEMIC EDUCATION	\$ 5,069,607	\$ 5,069,608
AR.1.2. Strategy: VOCATIONAL/TECHNICAL EDUCATION	\$ 5,217,606	\$ 5,217,606
Total, Goal AR: TRINITY VALLEY CC	\$ 10,287,213	\$ 10,287,214
AS. Goal: TYLER JUNIOR COLLEGE		
Tyler Junior College.		
AS.1.1. Strategy: ACADEMIC EDUCATION	\$ 9,869,733	\$ 9,869,733
AS.1.2. Strategy: VOCATIONAL/TECHNICAL EDUCATION	\$ 5,277,632	\$ 5,277,632
Total, Goal AS: TYLER JUNIOR COLLEGE	\$ 15,147,365	\$ 15,147,365

PUBLIC COMMUNITY/JUNIOR COLLEGES
(Continued)

AT. Goal: VERNON COLLEGE		
AT.1.1. Strategy: ACADEMIC EDUCATION	\$ 1,814,627	\$ 1,814,627
AT.1.2. Strategy: VOCATIONAL/TECHNICAL EDUCATION	\$ <u>3,255,076</u>	\$ <u>3,255,076</u>
Total, Goal AT: VERNON COLLEGE	\$ <u>5,069,703</u>	\$ <u>5,069,703</u>
AU. Goal: VICTORIA COLLEGE		
AU.2.1. Strategy: ACADEMIC EDUCATION	\$ 3,564,305	\$ 3,564,305
AU.2.2. Strategy: VOCATIONAL/TECHNICAL EDUCATION	\$ <u>3,281,016</u>	\$ <u>3,281,017</u>
Total, Goal AU: VICTORIA COLLEGE	\$ <u>6,845,321</u>	\$ <u>6,845,322</u>
AV. Goal: WEATHERFORD COLLEGE		
AV.1.1. Strategy: ACADEMIC EDUCATION	\$ 3,411,309	\$ 3,411,309
AV.1.2. Strategy: VOCATIONAL/TECHNICAL EDUCATION	\$ <u>3,865,907</u>	\$ <u>3,865,908</u>
Total, Goal AV: WEATHERFORD COLLEGE	\$ <u>7,277,216</u>	\$ <u>7,277,217</u>
AW. Goal: WESTERN TEXAS COLLEGE		
AW.1.1. Strategy: ACADEMIC EDUCATION	\$ 1,484,308	\$ 1,484,308
AW.1.2. Strategy: VOCATIONAL/TECHNICAL EDUCATION	\$ <u>1,155,656</u>	\$ <u>1,155,657</u>
Total, Goal AW: WESTERN TEXAS COLLEGE	\$ <u>2,639,964</u>	\$ <u>2,639,965</u>
AX. Goal: WHARTON COUNTY JR COLLEGE		
Wharton County Junior College.		
AX.1.1. Strategy: ACADEMIC EDUCATION	\$ 5,271,054	\$ 5,271,054
AX.1.2. Strategy: VOCATIONAL/TECHNICAL EDUCATION	\$ <u>2,622,524</u>	\$ <u>2,622,524</u>
Total, Goal AX: WHARTON COUNTY JR COLLEGE	\$ <u>7,893,578</u>	\$ <u>7,893,578</u>
Grand Total, PUBLIC COMMUNITY/JUNIOR COLLEGES	\$ <u>755,529,791</u>	\$ <u>755,529,814</u>
Object-of-Expense Informational Listing:		
Operating Costs	\$ <u>755,529,791</u>	\$ <u>755,529,814</u>
Total, Object-of-Expense Informational Listing	\$ <u>755,529,791</u>	\$ <u>755,529,814</u>

1. **Administration of Appropriated Funds.** Funds appropriated above shall be administered by the Texas Higher Education Coordinating Board.
2. **Appropriation Eligibility.** To be eligible for and to receive an appropriation a public community/junior college must be certified as required by Education Code, Chapter 61, § 61.001, and comply with the following provisions:

PUBLIC COMMUNITY/JUNIOR COLLEGES

(Continued)

- a. The Texas Higher Education Coordinating Board shall 1) determine whether each eligible public community/junior college has complied with all the provisions of this section; 2) determine each college's list of approved courses; and 3) certify its findings and such lists to the State Auditor not later than October 1 of each fiscal year. Each public community/junior college shall make such reports to the Texas Higher Education Coordinating Board as may be required, classified in accordance with the rules and regulations issued by the Board.
 - b. On or before the dates for reporting official enrollments each semester to the Texas Higher Education Coordinating Board, each college will collect in full from each student that is to be counted for state aid purposes the amounts set as tuition by the respective governing boards. Valid contracts with the United States government for instruction of eligible military personnel, and valid contracts with private business and public service-type organizations or institutions such as hospitals, may be considered as collections thereunder, but subject to adjustments after final payment thereof.
 - c. Each community/junior college must use a registration and financial reporting system which is sufficient to satisfy the audit requirements of the State Auditor and furnish any reports and information as the auditor may require.
 - d. Each community/junior college must file by December 1 of each fiscal year directly with the Governor, Legislative Budget Board, the Legislative Reference Library, and the Texas Higher Education Coordinating Board, a copy of an annual operating budget, and subsequent amendments thereto, approved by the community/junior college governing board. The operating budget shall be in such form and manner as may be prescribed by the board and/or agency with the advice of the State Auditor providing, however, that each report include departmental operating budgets by function and salaries and emoluments for faculty and staff listed by position.
3. **Approved Elements of Expenditure.** The expenditures by a public community/junior college of any funds received by it under these provisions headed "Public Community/Junior Colleges" shall be limited to the payment of the following elements of cost: instruction, academic support, student services, institutional support, organized activities, and staff benefits associated with salaries paid from general revenue. It is specifically provided, however, that in addition to the purposes enumerated herein, the funds appropriated above for special items may be expended for salaries, wages, travel, capital outlay and other necessary operating expenses. It is specifically provided that funds appropriated above may not be used for the operation of intercollegiate athletics.
 4. **Audit of Compliance.** The compliance of each public community/junior college with the requirements set forth in the paragraphs above shall be ascertained by the State Auditor who shall also audit the pertinent books and records of each college as necessary.
 5. **Vouchers for Disbursement of Appropriated Funds.** Vouchers for disbursement of the sums appropriated hereinabove shall be prepared by the Texas Higher Education Coordinating Board on the basis of the provisions in the paragraphs above and the warrants issued in payment thereof shall be issued in compliance with Education Code, § 130.0031.

Funds appropriated above to Howard County College for the operation of the Southwest Collegiate Institute for the Deaf shall be distributed in accordance with the installment schedule for Category 1 junior colleges.

The total amount of funds appropriated above in each year of the biennium to Midland College in Strategy AA.1.1, American Airpower Heritage Museum, should be distributed on September 1 of the year funds are appropriated.

PUBLIC COMMUNITY/JUNIOR COLLEGES
(Continued)

In submitting vouchers for disbursement of the funds herein appropriated, the Texas Higher Education Coordinating Board, shall certify to the State Comptroller of Public Accounts that each school listed has qualified and is entitled to receive such funds under the provisions set forth in this Act under the heading "Public Community/Junior Colleges."

6. **Unobligated Balances.** At the close of each fiscal year each community/junior college shall report to the Coordinating Board the amount of state allocations which have not been obligated within each line item and shall return that amount to the State Treasury for deposit in the General Revenue Fund.
7. **Adjustment of Contact Hours.** The hours used in the contact hour base period are subject to audit for accuracy by the State Auditor according to an audit plan developed in consultation with the Texas Higher Education Coordinating Board, the Legislative Budget Board and community, technical, and state colleges, and the dollar amounts adjusted accordingly by the Texas Higher Education Coordinating Board at the direction of the Legislative Budget Board. The total amount appropriated to the two-year institutions' contact hour formula shall be redistributed to all institutions funded by the formula based on certified contact hours. The calculation of revised appropriation amounts shall allow each institution an error rate of up to 2 percent of the total contact hour formula appropriations to that institution for the biennium. Adjustments shall be made to appropriated amounts in accordance with adjustments of estimated contact hours to actual certified contact hours, even if the total error rate is less than 2 percent of the total contact hour formula amount appropriated to that institution for the biennium. No college shall have dollar amounts adjusted below \$2,092,187. Institutions where sampling errors are identified may request a comprehensive institutional audit at institutional expense.
8. **Separation of Funds.** The funds appropriated by the State shall be maintained separately by community/junior colleges from other sources of income.
9. **Supplanting of Federal Funds Prohibited.** It is legislative intent that state funds not be used to supplant federal funds for the Workforce Investment Act programs conducted by community/junior colleges.
10. **Residency of Texas Department of Criminal Justice Inmates.** All inmates of the Texas Department of Criminal Justice are, for educational purposes only, residents of the State of Texas.
11. **Small Business Development Center.** The Small Business Development Center at Dallas County Community College shall receive \$746,042 in each year of the biennium, as appropriated above, contingent upon certification by the Comptroller of Public Accounts that increased activity by the Small Business Development Center will generate at least \$1,492,084 for the biennium in additional revenue to the General Revenue Fund. It is the intent of the Legislature that state funds provided to the Small Business Development Center be used by the center to attract federal funds on a dollar-for-dollar basis.
12. **Regional Import/Export Training Center.** Appropriations of \$43,750 each year made above are contingent upon certification by the Comptroller of Public Accounts that increased economic activity associated with the Regional Import/Export Training Center and the Laredo Junior College will generate at least \$87,500 for the biennium in additional revenue to the General Revenue Fund. It is the intent of the Legislature that state funds provided to the Regional Import/Export Training Center be used by the center to attract federal funds on a dollar-for-dollar basis.

PUBLIC COMMUNITY/JUNIOR COLLEGES
(Continued)

13. **Informational Listing of Other Appropriations.** In addition to the funds appropriated above, general revenue is appropriated elsewhere in this Act for the use of the Public Community/Junior Colleges as follows:
 - a. Out of the general revenue funds appropriated to the Higher Education Employees Group Insurance Contributions, \$220,772,988 is intended for the use of public community colleges, subject to the provisions associated with that appropriation.
 - b. Out of the general revenue funds appropriated to the Teacher's Retirement System, \$120,976,895 is appropriated for the state matching contribution for public community college employees.
 - c. Out of the general revenue funds appropriated to the Optional Retirement Program, \$53,439,898 is appropriated for the state matching contribution for public community college employees.
14. **Trusteed Funds.** In addition to the funds appropriated above, certain funds appropriated to the Higher Education Coordinating Board are trusteed for the use of the Public Community/Junior Colleges as follows:
 - a. General revenue funds in the amount of \$18,000,000 for Two-Year Enrollment Growth, subject to the criteria in the associated rider.
15. **Reporting Requirement.** Public Community/Junior Colleges shall file with the Comptroller of Public Accounts and the State Auditor, a Benefits Proportional By Fund Report by November 20th for the preceding year ending August 31. The report shall be in a format prescribed by the Comptroller.

TEXAS STATE TECHNICAL COLLEGE SYSTEM ADMINISTRATION

	For the Years Ending	
	August 31, 2004	August 31, 2005
1. Educational and General State Support	\$ 3,343,923	\$ 3,351,455
Grand Total, TEXAS STATE TECHNICAL COLLEGE SYSTEM ADMINISTRATION	<u>\$ 3,343,923</u>	<u>\$ 3,351,455</u>
Method of Financing:		
General Revenue Fund	\$ 2,931,339	\$ 2,931,340
GR Dedicated - Estimated Other Educational and General Income Account No. 770	<u>412,584</u>	<u>420,115</u>
Total, Method of Financing	<u>\$ 3,343,923</u>	<u>\$ 3,351,455</u>
Number of Full-Time-Equivalent Positions (FTE)-Appropriated Funds	48.7	48.7

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: INSTRUCTION/OPERATIONS

Provide instructional and operations support.

A.1.1. Strategy: STAFF GROUP INSURANCE PREMIUMS	\$ 49,000	\$ 49,000
A.1.2. Strategy: SYSTEM OFFICE OPERATIONS	\$ 2,644,176	\$ 2,651,708
A.1.3. Strategy: TECHNICAL TRAINING PARTNERSHIP	<u>\$ 650,747</u>	<u>\$ 650,747</u>

Technical training partnerships with community colleges.

Total, Goal A: INSTRUCTION/OPERATIONS	<u>\$ 3,343,923</u>	<u>\$ 3,351,455</u>
Grand Total, TEXAS STATE TECHNICAL COLLEGE SYSTEM ADMINISTRATION	<u>\$ 3,343,923</u>	<u>\$ 3,351,455</u>

Method of Financing:

General Revenue Fund	\$ 2,931,339	\$ 2,931,340
GR Dedicated - Estimated Other Educational and General Income Account No. 770	<u>412,584</u>	<u>420,115</u>
Total, Method of Financing	<u>\$ 3,343,923</u>	<u>\$ 3,351,455</u>

Object-of-Expense Informational Listing:

Salaries and Wages	\$ 1,744,408	\$ 1,775,336
Other Personnel Costs	38,318	38,324
Faculty Salaries (Higher Education Only)	326,581	409,560
Professional Salaries - Faculty Equivalent (Higher Education Only)	48,127	60,355
Operating Costs	974,489	890,880
Capital Expenditures	<u>212,000</u>	<u>177,000</u>
Total, Object-of-Expense Informational Listing	<u>\$ 3,343,923</u>	<u>\$ 3,351,455</u>

TEXAS STATE TECHNICAL COLLEGE SYSTEM ADMINISTRATION
(Continued)

2. **Coordination with Community/Junior Colleges.** In accordance with Education Code, Chapter 135, prior to establishing a program in an area which is within a community/junior college district, the Texas State Technical College must receive authorization to offer such educational, technical or vocational programs from the Texas Higher Education Coordinating Board.
3. **Appropriation, Governing Board.** Out of the funds appropriated above an amount not to exceed \$49,000 in each year of the biennium shall be for all expenses associated with the governing board's duties including, but not limited to: travel, entertainment, lodging and expenses of state employees who provide services for the governing board.

A separate record of the board's expenditures shall be kept and retained in the same manner as the fiscal records of the institution(s) the board governs. No funds may be used for the governing board's expenses except for the specific amounts designated above. Funds appropriated for the governing board's expenses may be used for any other purpose covered by this Act.

4. **Expenditure Reporting for System Administration and Extension Centers.** Prior to each legislative session the Texas State Technical College System Administration shall file with the House Appropriations Committee, the Senate Finance Committee, the Legislative Budget Board, and the Governor a report detailing expenditures for system administration and the extension centers at Abilene, Brownwood, and Breckenridge. The report shall compare actual expenditures to funds appropriated for those purposes and shall cover the current and previous two biennia.

TEXAS STATE TECHNICAL COLLEGE - HARLINGEN

	For the Years Ending	
	August 31, 2004	August 31, 2005
1. Educational and General State Support	\$ 19,029,252	\$ 19,172,436
Grand Total, TEXAS STATE TECHNICAL COLLEGE - HARLINGEN	\$ 19,029,252	\$ 19,172,436
Method of Financing:		
General Revenue Fund	\$ 15,429,577	\$ 15,429,579
GR Dedicated - Estimated Other Educational and General Income Account No. 770	3,599,675	3,742,857
Total, Method of Financing	\$ 19,029,252	\$ 19,172,436
Number of Full-Time-Equivalent Positions (FTE)-Appropriated Funds	437.3	454.3

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: INSTRUCTION/OPERATIONS
Provide instructional and operations support.

TEXAS STATE TECHNICAL COLLEGE - HARLINGEN
(Continued)

Outcome (Results/Impact):		
Percent of First-time, Full-time, Degree or Certificate-seeking Students Graduated within Three Years with Either an AAS Degree or a Certificate	35%	36%
Headcount Enrollment	5,500	5,500
Number of Associate Degrees and Certificates Awarded	525	538
Number of Minority Students Graduated	450	450
Administrative Cost as a Percent of Total Expenditures	8.1%	8.1%
A.1.1. Strategy: ACADEMIC EDUCATION	\$ 3,914,382	\$ 3,914,645
A.1.2. Strategy: VOCATIONAL/TECHNICAL EDUCATION	\$ 9,641,178	\$ 9,641,758
A.1.3. Strategy: STAFF GROUP INSURANCE PREMIUMS	\$ 355,000	\$ 355,000
A.1.4. Strategy: TEXAS PUBLIC EDUCATION GRANTS	<u>\$ 590,000</u>	<u>\$ 610,000</u>
Total, Goal A: INSTRUCTION/OPERATIONS	<u>\$ 14,500,560</u>	<u>\$ 14,521,403</u>
B. Goal: INFRASTRUCTURE SUPPORT		
Provide infrastructure support.		
B.1.1. Strategy: E&G SPACE SUPPORT Educational and general space support.	\$ 2,700,226	\$ 2,722,066
B.1.2. Strategy: TUITION REVENUE BOND RETIREMENT	<u>\$ 110,717</u>	<u>\$ 110,718</u>
Total, Goal B: INFRASTRUCTURE SUPPORT	<u>\$ 2,810,943</u>	<u>\$ 2,832,784</u>
C. Goal: SPECIAL ITEM SUPPORT		
Provide special item support.		
C.1.1. Strategy: INSTITUTIONAL ENHANCEMENT	\$ 1,717,749	\$ 1,818,249
Grand Total, TEXAS STATE TECHNICAL COLLEGE - HARLINGEN	<u>\$ 19,029,252</u>	<u>\$ 19,172,436</u>
Method of Financing:		
General Revenue Fund	\$ 15,429,577	\$ 15,429,579
GR Dedicated - Estimated Other Educational and General Income Account No. 770	<u>3,599,675</u>	<u>3,742,857</u>
Total, Method of Financing	<u>\$ 19,029,252</u>	<u>\$ 19,172,436</u>
Object-of-Expense Informational Listing:		
Salaries and Wages	\$ 6,734,787	\$ 6,788,375
Other Personnel Costs	262,610	263,609
Faculty Salaries (Higher Education Only)	6,961,236	6,999,168
Professional Salaries - Faculty Equivalent (Higher Education Only)	592,331	596,874
Operating Costs	3,738,288	3,764,410
Client Services	590,000	610,000
Capital Expenditures	<u>150,000</u>	<u>150,000</u>
Total, Object-of-Expense Informational Listing	<u>\$ 19,029,252</u>	<u>\$ 19,172,436</u>

TEXAS STATE TECHNICAL COLLEGE - WEST TEXAS

	For the Years Ending	
	August 31, <u>2004</u>	August 31, <u>2005</u>
I. Educational and General State Support	\$ 12,442,070	\$ 12,524,231
Grand Total, TEXAS STATE TECHNICAL COLLEGE - WEST TEXAS	\$ <u>12,442,070</u>	\$ <u>12,524,231</u>
Method of Financing:		
General Revenue Fund	\$ 10,275,146	\$ 10,275,147
GR Dedicated - Estimated Other Educational and General Income Account No. 770	<u>2,166,924</u>	<u>2,249,084</u>
Total, Method of Financing	\$ <u>12,442,070</u>	\$ <u>12,524,231</u>
Number of Full-Time-Equivalent Positions (FTE)- Appropriated Funds	248.8	247.8

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: INSTRUCTION/OPERATIONS

Provide instructional and operations support.

Outcome (Results/Impact):

Percent of First-time, Full-time, Degree or Certificate-seeking Students Graduated within Three Years with Either an AAS Degree or a Certificate

	52%	52%
Headcount Enrollment	2,493	2,593
Number of Associate Degrees and Certificates Awarded	477	495
Number of Minority Students Graduated	121	125
Administrative Cost as a Percent of Total Expenditures	10.5%	10.5%

A.1.1. Strategy: ACADEMIC EDUCATION	\$ 431,612	\$ 429,660
A.1.2. Strategy: VOCATIONAL/TECHNICAL EDUCATION	\$ 4,433,553	\$ 4,416,865
A.1.3. Strategy: STAFF GROUP INSURANCE PREMIUMS	\$ 218,000	\$ 218,000
A.1.4. Strategy: TEXAS PUBLIC EDUCATION GRANTS	\$ 355,854	\$ 370,089
A.1.5. Strategy: ABILENE ACADEMIC/VOCATIONAL ED	\$ 2,122,810	\$ 2,111,204

Abilene academic/vocational education.

A.1.6. Strategy: BROWNWOOD ACADEMIC/VOCATIONAL ED	\$ 697,644	\$ 692,974
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Brownwood academic/vocational education.

A.1.7. Strategy: RURAL TECH ACADEMIC/VOCATIONAL ED	\$ 813,317	\$ 809,727
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Rural Tech Center academic/vocational education.

Total, Goal A: INSTRUCTION/OPERATIONS	\$ <u>9,072,790</u>	\$ <u>9,048,519</u>
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B. Goal: INFRASTRUCTURE SUPPORT

Provide infrastructure support.

B.1.1. Strategy: E&G SPACE SUPPORT	\$ 1,112,645	\$ 1,217,512
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Educational and general space support.

B.1.2. Strategy: TUITION REVENUE BOND RETIREMENT	\$ 74,734	\$ 74,734
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B.1.3. Strategy: ABILENE E&G SPACE SUPPORT	\$ 185,372	\$ 176,388
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Abilene educational and general space support.

B.1.4. Strategy: BROWNWOOD E&G SPACE SUPPORT	\$ 88,510	\$ 99,058
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Brownwood educational and general space support.

TEXAS STATE TECHNICAL COLLEGE - WEST TEXAS
(Continued)

B.1.5. Strategy: RURAL TECH E&G SPACE SUPPORT	<u>\$ 57,824</u>	<u>\$ 57,824</u>
Rural Tech Center Educational and general space support.		
Total, Goal B: INFRASTRUCTURE SUPPORT	<u>\$ 1,519,085</u>	<u>\$ 1,625,516</u>
C. Goal: SPECIAL ITEM SUPPORT		
Provide special item support.		
C.1.1. Strategy: INSTITUTIONAL ENHANCEMENT	\$ 1,850,195	\$ 1,850,196
Grand Total, TEXAS STATE TECHNICAL COLLEGE - WEST TEXAS	<u>\$ 12,442,070</u>	<u>\$ 12,524,231</u>
Method of Financing:		
General Revenue Fund	\$ 10,275,146	\$ 10,275,147
GR Dedicated - Estimated Other Educational and General Income Account No. 770	<u>2,166,924</u>	<u>2,249,084</u>
Total, Method of Financing	<u>\$ 12,442,070</u>	<u>\$ 12,524,231</u>
Object-of-Expense Informational Listing:		
Salaries and Wages	\$ 4,266,358	\$ 4,334,832
Other Personnel Costs	337,562	339,066
Faculty Salaries (Higher Education Only)	4,345,090	4,372,769
Professional Salaries - Faculty Equivalent (Higher Education Only)	218,622	219,240
Operating Costs	2,866,132	2,956,011
Client Services	27,306	29,313
Capital Expenditures	<u>381,000</u>	<u>273,000</u>
Total, Object-of-Expense Informational Listing	<u>\$ 12,442,070</u>	<u>\$ 12,524,231</u>

TEXAS STATE TECHNICAL COLLEGE - MARSHALL

	For the Years Ending	
	August 31, 2004	August 31, 2005
1. Educational and General State Support	\$ 4,607,872	\$ 4,607,211
Grand Total, TEXAS STATE TECHNICAL COLLEGE - MARSHALL	<u>\$ 4,607,872</u>	<u>\$ 4,607,211</u>
Method of Financing:		
General Revenue Fund	\$ 3,844,134	\$ 3,844,135
GR Dedicated - Estimated Other Educational and General Income Account No. 770	<u>763,738</u>	<u>763,076</u>
Total, Method of Financing	<u>\$ 4,607,872</u>	<u>\$ 4,607,211</u>
Number of Full-Time-Equivalent Positions (FTE)-Appropriated Funds	90.7	90.7
1. Informational Listing of Appropriated Funds. The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.		
A. Goal: INSTRUCTION/OPERATIONS		
Provide instructional and operations support.		
Outcome (Results/Impact):		
Percent of First-time, Full-time, Degree or Certificate-seeking Students Graduated within Three Years with Either an AAS Degree or a Certificate	44%	45%
Headcount Enrollment	1,050	1,150
Number of Associate Degrees and Certificates Awarded	130	140
Number of Minority Students Graduated	39	42
Administrative Cost as a Percent of Total Expenditures	13.5%	13.4%
A.1.1. Strategy: ACADEMIC EDUCATION	\$ 475,043	\$ 473,719
A.1.2. Strategy: VOCATIONAL/TECHNICAL EDUCATION	\$ 1,893,716	\$ 1,889,017
A.1.3. Strategy: STAFF GROUP INSURANCE PREMIUMS	\$ 61,000	\$ 61,000
A.1.4. Strategy: TEXAS PUBLIC EDUCATION GRANTS	<u>\$ 128,821</u>	<u>\$ 128,821</u>
Total, Goal A: INSTRUCTION/OPERATIONS	<u>\$ 2,558,580</u>	<u>\$ 2,552,557</u>
B. Goal: INFRASTRUCTURE SUPPORT		
Provide infrastructure support.		
B.1.1. Strategy: E&G SPACE SUPPORT	\$ 585,953	\$ 591,314
Educational and general space support.		
B.1.2. Strategy: TUITION REVENUE BOND RETIREMENT	<u>\$ 58,126</u>	<u>\$ 58,126</u>
Total, Goal B: INFRASTRUCTURE SUPPORT	<u>\$ 644,079</u>	<u>\$ 649,440</u>
C. Goal: SPECIAL ITEM SUPPORT		
Provide special item support.		
C.1.1. Strategy: INSTITUTIONAL ENHANCEMENT	\$ 1,405,213	\$ 1,405,214
Grand Total, TEXAS STATE TECHNICAL COLLEGE - MARSHALL	<u>\$ 4,607,872</u>	<u>\$ 4,607,211</u>

TEXAS STATE TECHNICAL COLLEGE - MARSHALL
(Continued)

Method of Financing:		
General Revenue Fund	\$ 3,844,134	\$ 3,844,135
GR Dedicated - Estimated Other Educational and General Income Account No. 770	<u>763,738</u>	<u>763,076</u>
Total, Method of Financing	\$ <u>4,607,872</u>	\$ <u>4,607,211</u>
Object-of-Expense Informational Listing:		
Salaries and Wages	\$ 1,621,158	\$ 1,621,355
Other Personnel Costs	44,210	44,139
Faculty Salaries (Higher Education Only)	1,438,394	1,436,100
Professional Salaries - Faculty Equivalent (Higher Education Only)	59,733	59,593
Operating Costs	1,236,297	1,237,944
Grants	128,821	128,821
Capital Expenditures	<u>79,259</u>	<u>79,259</u>
Total, Object-of-Expense Informational Listing	\$ <u>4,607,872</u>	\$ <u>4,607,211</u>

TEXAS STATE TECHNICAL COLLEGE - WACO

	For the Years Ending	
	August 31, <u>2004</u>	August 31, <u>2005</u>
1. Educational and General State Support	\$ 27,927,618	\$ 28,127,398
Grand Total, TEXAS STATE TECHNICAL COLLEGE - WACO	\$ <u>27,927,618</u>	\$ <u>28,127,398</u>
Method of Financing:		
General Revenue Fund	\$ 23,102,290	\$ 23,102,291
GR Dedicated - Estimated Other Educational and General Income Account No. 770	<u>4,825,328</u>	<u>5,025,107</u>
Total, Method of Financing	\$ <u>27,927,618</u>	\$ <u>28,127,398</u>
Number of Full-Time-Equivalent Positions (FTE)- Appropriated Funds	583.7	588.7

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: INSTRUCTION/OPERATIONS

Provide instructional and operations support.

Outcome (Results/Impact):

Percent of First-time, Full-time, Degree or Certificate-seeking Students Graduated within Three Years with Either an AAS Degree or a Certificate	43%	43%
Headcount Enrollment	5,475	5,600
Number of Associate Degrees and Certificates Awarded	970	975
Number of Minority Students Graduated	213	224
Administrative Cost as a Percent of Total Expenditures	8.8%	8.8%

A.1.1. Strategy: ACADEMIC EDUCATION	\$ 2,113,958	\$ 2,129,404
A.1.2. Strategy: VOCATIONAL/TECHNICAL EDUCATION	\$ 17,291,569	\$ 17,399,185

TEXAS STATE TECHNICAL COLLEGE - WACO
(Continued)

A.1.3. Strategy: STAFF GROUP INSURANCE PREMIUMS	\$ 670,000	\$ 670,000
A.1.4. Strategy: TEXAS PUBLIC EDUCATION GRANTS	<u>\$ 879,355</u>	<u>\$ 914,523</u>
Total, Goal A: INSTRUCTION/OPERATIONS	<u>\$ 20,954,882</u>	<u>\$ 21,113,112</u>
B. Goal: PROVIDE INFRASTRUCTURE SUPPORT		
B.1.1. Strategy: E&G SPACE SUPPORT	\$ 4,705,053	\$ 4,746,601
Educational and general space support.		
B.1.2. Strategy: TUITION REVENUE BOND		
RETIREMENT	<u>\$ 110,717</u>	<u>\$ 110,718</u>
Total, Goal B: PROVIDE INFRASTRUCTURE SUPPORT	<u>\$ 4,815,770</u>	<u>\$ 4,857,319</u>
C. Goal: PROVIDE SPECIAL ITEM SUPPORT		
C.1.1. Strategy: INSTITUTIONAL ENHANCEMENT	\$ 2,156,966	\$ 2,156,967
Grand Total, TEXAS STATE TECHNICAL COLLEGE - WACO	<u>\$ 27,927,618</u>	<u>\$ 28,127,398</u>
Method of Financing:		
General Revenue Fund	\$ 23,102,290	\$ 23,102,291
GR Dedicated - Estimated Other Educational and General Income Account No. 770	<u>4,825,328</u>	<u>5,025,107</u>
Total, Method of Financing	<u>\$ 27,927,618</u>	<u>\$ 28,127,398</u>
Object-of-Expense Informational Listing:		
Salaries and Wages	\$ 8,387,926	\$ 8,435,341
Other Personnel Costs	353,985	356,141
Faculty Salaries (Higher Education Only)	10,099,196	10,163,242
Professional Salaries - Faculty Equivalent (Higher Education Only)	656,200	660,423
Operating Costs	7,284,747	7,331,519
Client Services	885,564	920,732
Capital Expenditures	<u>260,000</u>	<u>260,000</u>
Total, Object-of-Expense Informational Listing	<u>\$ 27,927,618</u>	<u>\$ 28,127,398</u>

SPECIAL PROVISIONS RELATING ONLY TO COMPONENTS OF TEXAS STATE TECHNICAL COLLEGE

1. **Expenditure of Educational and General Funds.** Recognizing that Texas State Technical College may have the opportunity and should be encouraged to attract private contributions, grants, or contracts, and to enter into agreements with private businesses and other agencies of government for purposes not specifically contained in the strategy items above that might require matching funds from TSTC, the Board of Regents of Texas State Technical College is hereby authorized to expend its remaining educational and general funds to meet contribution, contract, or grant-matching requirements only for the following purposes:
 - a. planning and implementing a large-scale job-training program in conjunction with private business and other state agencies;
 - b. acquiring facilities and equipment to carry out a large-scale industrial training program in conjunction with a major employer; and

**SPECIAL PROVISIONS RELATING ONLY TO COMPONENTS OF
TEXAS STATE TECHNICAL COLLEGE**

(Continued)

- c. additional space and mechanical systems or renovation of existing buildings in accordance with the Campus Master Plans and subject to approval by the Texas Higher Education Coordinating Board.
2. **Financial Records.** The financial records and reports of the Texas State Technical College shall classify accounts in accordance with the recommendation of the National Committee on the Preparation of a Manual on College and University Business Administration, as set forth in Volume I of "College and University Business Administration," published by the American Council on Education with a copyright date of 1952, and subsequent published revisions with such modifications as may be developed and provided by the Comptroller of Public Accounts, or as may be required to conform with specific provisions of the Appropriation Acts of the Legislature. The accounts of the Texas State Technical College shall be maintained and audited in accordance with the approved reporting system. The Texas State Technical College shall deliver to the Texas Higher Education Coordinating Board, any such program reports as it may deem necessary in accordance with its rules and regulations.
3. **Enrollment Records and Reports.** To be eligible to receive the appropriations hereinabove, the Texas State Technical College shall maintain separately for each campus and each extension center such enrollment records and report such enrollment data as required by the Texas Higher Education Coordinating Board. These enrollment reports shall be submitted in the form and on the date required.

The above reports shall be certified to the Comptroller of Public Accounts no later than the date required by the Coordinating Board, and each term copies of the above certified enrollment reports shall be sent to the Coordinating Board, Legislative Budget Board, Governor, State Auditor and Legislative Reference Library.

The State Auditor shall verify the certified enrollment data submitted to the agencies listed above as part of the audit of the Texas State Technical College.

The Texas State Technical College shall offer only such courses as are economically justified in the considered judgment of the Board of Regents. The Board of Regents shall adopt policies specifying the conditions under which classes of less than 10 students by headcount are to be considered necessary and justifiable. The Board of Regents shall direct the chancellor or other officials to review enrollment data prior to the designated Coordinating Board census date and take all necessary actions to ensure that the small classes offered on each campus are only those that conform with established policies on small classes. Each school term, each campus shall prepare for submission to the Board of Regents a small class report showing the department, course number, title of course and the name of the instructor. The Board of Regents shall review enrollment reports certified to the Comptroller of Public Accounts, the campus small class reports and other enrollment records as necessary to ensure that the classes offered are economically justified and are in compliance with Board of Regents' policy.

4. **Certification of Compliance.** Expenditure of the funds appropriated hereinabove is contingent upon annual certification by the chancellor of the Texas State Technical College to the Comptroller of Public Accounts that the Texas State Technical College is in compliance with these provisions regarding budgets, accounting procedures and enrollment.
5. **Approved Geographic Locations.** None of the funds appropriated above to the Texas State Technical College shall be expended in promoting, developing or creating a campus or extension center at any other location in the state except as specified in Education Code § 135.02.

**SPECIAL PROVISIONS RELATING ONLY TO COMPONENTS OF
TEXAS STATE TECHNICAL COLLEGE**

(Continued)

6. **Temporary Special Courses.** Out of funds appropriated by contact hour generation hereinabove to the Texas State Technical College in pre-apprenticeship, related training for apprentices and specialized training for journeymen and compensatory training for pre-apprenticeship and apprenticeship enrollees, and plant expansion and new plant start-up training program no more than \$50,000 per year may be spent wherever the need exists within the state in conjunction with curriculum approval by the Texas Higher Education Coordinating Board. Such expenditure of funds for these special courses are temporary in nature and outside the provision of Education Code § 135.04.
7. **Aircraft Pilot Training Programs.** Funds may be used for the operation, maintenance or lease of aircraft for use in the Aircraft Pilot Training programs subject to the requirement that excess costs of flight instruction be recovered by an assessment of charge to student pilots. This income shall be separately accounted for and credited as a reduction in expenditure in the Aircraft Pilot Training Program.
8. **Approval of Plans by Foundations.** Any use of the Texas State Technical College's assets or facilities including, but not limited to, buildings, equipment or employees by existing foundations or for the promotion of foundations shall require prior approval of the Board of Regents. Approval is contingent upon receipt by the Board of Regents of a satisfactory annual plan of operation. At a minimum, this plan must specify the proposed use of any Texas State Technical College facilities, equipment, and personnel; payments made directly to Texas State Technical College personnel for services provided or expenses incurred; and donations of funds to the Texas State Technical College for designated purposes. All funds donated by foundations to the Texas State Technical College shall be received and accounted for in the same manner as all other Texas State Technical College funds. After Board of Regents approval, the plan shall be filed with the Legislative Budget Board.
9. **Audit of Base Contact Hours.** The hours used in the contact hour base period to fund Texas State Technical College are subject to audit for accuracy by the State Auditor according to an audit plan developed in consultation with the Texas Higher Education Coordinating Board, the Legislative Budget Board, and community, technical, and state colleges and the appropriation amounts adjusted accordingly by the Comptroller of Public Accounts. The total amount appropriated to the two-year institutions' contact hour formula shall be redistributed to all institutions funded by the formula based on certified contact hours. The calculation of revised appropriation amounts shall allow each institution an error rate of up to 2 percent of the total contact hour formula appropriations to that institution for the biennium. Adjustments shall be made to appropriated amounts in accordance with adjustments of estimated contact hours to actual certified contact hours, even if the total error rate is less than 2 percent of the total contact hour formula amount appropriated to that institution for the biennium.
10. **Campus President Salaries.** Out of the funds appropriated to each campus of Texas State Technical College, an amount NTE \$63,654 in 2004 and \$63,654 in 2005 may be expended for the salary of a president. All presidents may receive in addition to the above amounts a house, utilities, and/or supplement from private sources. If an institutionally owned house is not available an amount NTE \$7,200 per year from the appropriations above, and additional funds from gifts and grants where required, may be provided in lieu of house and utilities.
11. **Chancellor Salary.** Out of the funds appropriated, transferred, or contracted to the system office, an amount NTE \$70,231 in 2004 and \$70,231 in 2005 may be expended for the salary of a chancellor. The chancellor may receive in addition to the above amount a house, utilities, and/or supplement from private sources. If a system owned house is not available an amount NTE \$7,200 per year from the system office appropriation and additional funds from gifts and grants where required, may be provided in lieu of house and utilities.

**SPECIAL PROVISIONS RELATING ONLY TO COMPONENTS OF
TEXAS STATE TECHNICAL COLLEGE**

(Continued)

12. **Flight Log Reporting Requirements.** Texas State Technical College shall provide the following travel log information about a state-operated aircraft each time the aircraft is flown:
- a. a mission statement, which may appear as a selection to be identified from general categories appearing on the form;
 - b. the name, state agency represented, destination, and signature of each person who is a passenger or crew member of the aircraft;
 - c. the date of each flight;
 - d. a detailed and specific description of the official business purpose of each flight; and
 - e. other information determined by the Legislative Budget Board to be necessary to monitor the proper use of the aircraft.

TEXAS AGRICULTURAL EXPERIMENT STATION

	For the Years Ending	
	August 31, 2004	August 31, 2005
1. Educational and General State Support	\$ 62,614,625	\$ 62,614,626
Grand Total, TEXAS AGRICULTURAL EXPERIMENT STATION	<u>\$ 62,614,625</u>	<u>\$ 62,614,626</u>
Method of Financing:		
General Revenue Fund	\$ 50,530,605	\$ 50,530,606
<u>General Revenue Fund - Dedicated</u>		
Clean Air Account No. 151	500,000	500,000
Agricultural Soil and Water Conservation Account No. 563	115,000	115,000
Research-related Indirect Cost Recovery, estimated	275,000	275,000
Subtotal, General Revenue Fund - Dedicated	<u>\$ 890,000</u>	<u>\$ 890,000</u>
Federal Funds	6,455,093	6,455,093
<u>Other Funds</u>		
Feed Control Fund - Local No. 058, estimated	2,345,424	2,345,424
Sales Funds - Agricultural Experiment Station, estimated	1,046,000	1,046,000
Fertilizer Control Fund, estimated	1,347,503	1,347,503
Subtotal, Other Funds	<u>\$ 4,738,927</u>	<u>\$ 4,738,927</u>
Total, Method of Financing	<u>\$ 62,614,625</u>	<u>\$ 62,614,626</u>
Number of Full-Time-Equivalent Positions (FTE)- Appropriated Funds	1,312.0	1,312.0

TEXAS AGRICULTURAL EXPERIMENT STATION
(Continued)

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: AGRICULTURAL/LIFE SCIENCES RESEARCH

To create and apply knowledge through research to serve society with productive and sustainable environmental, natural resources and agricultural systems.

Outcome (Results/Impact):

Percentage Change in Number of Patents, Disclosures,

Licenses, and Publications - Livestock Research

2%

2%

A.1.1. Strategy: AGRICULTURAL/LIFE SCIENCES RESEARCH

\$ 48,055,727 \$ 48,055,728

Conduct agricultural and life sciences research to ensure the Texas agricultural system is highly competitive in the global economy and provides a secure food and fiber system.

Output (Volume):

Number of Refereed Publications

1,700

1,700

Explanatory:

Amount of External Sponsor Support

40,950,000

40,950,000

B. Goal: REGULATORY SERVICES

To provide regulatory services that are fair to the industry and protect the interests of consumers.

Outcome (Results/Impact):

Percent Change in Number of European Honey Bee Certificates Issued

2%

2%

B.1.1. Strategy: HONEY BEE REGULATION

\$ 262,744 \$ 262,744

Control diseases and other pests of EHB, reduce the impact of AHB through timely monitoring, regulatory/containment provisions, and respond to public needs.

Output (Volume):

Number of Bee Colonies Inspected

46,000

46,000

Number of Apiaries Inspected

230

230

B.2.1. Strategy: FEED AND FERTILIZER PROGRAM

\$ 3,250,527 \$ 3,250,527

Monitor and evaluate products distributed in the state.

Output (Volume):

Number of Feed and Fertilizer Samples Assigned to the

Feed and Fertilizer Control Service Field Personnel

7,350

7,350

Number of Feed and Fertilizer Samples Analyzed by the

Agricultural Analytical Services Laboratory

7,500

7,500

Total, Goal B: REGULATORY SERVICES

\$ 3,513,271 \$ 3,513,271

C. Goal: STAFF BENEFITS

To maintain a competitive benefit program for employees and retirees pursuant to state mandated requirements.

C.1.1. Strategy: STAFF GROUP INSURANCE

\$ 624,000 \$ 624,000

Provide funding for staff group insurance premiums.

C.1.2. Strategy: WORKERS' COMP INSURANCE

\$ 241,299 \$ 241,299

Provide funding for workers' compensation insurance.

C.1.3. Strategy: UNEMPLOYMENT INSURANCE

\$ 20,289 \$ 20,289

Provide funding for unemployment insurance.

C.1.4. Strategy: OASI

\$ 412,700 \$ 412,700

Provide funding for OASI.

Total, Goal C: STAFF BENEFITS

\$ 1,298,288 \$ 1,298,288

TEXAS AGRICULTURAL EXPERIMENT STATION
(Continued)

D. Goal: INDIRECT ADMINISTRATION		
D.1.1. Strategy: INDIRECT ADMINISTRATION	\$ 3,356,011	\$ 3,356,011
D.1.2. Strategy: INFRASTRUCTURE SUPPORT	<u>\$ 6,391,328</u>	<u>\$ 6,391,328</u>
Total, Goal D: INDIRECT ADMINISTRATION	<u>\$ 9,747,339</u>	<u>\$ 9,747,339</u>
Grand Total, TEXAS AGRICULTURAL EXPERIMENT STATION	<u>\$ 62,614,625</u>	<u>\$ 62,614,626</u>
Method of Financing:		
General Revenue Fund	\$ 50,530,605	\$ 50,530,606
<u>General Revenue Fund - Dedicated</u>		
Clean Air Account No. 151	500,000	500,000
Agricultural Soil and Water Conservation Account No. 563	115,000	115,000
Research-related Indirect Cost Recovery, estimated	275,000	275,000
Subtotal, General Revenue Fund - Dedicated	<u>\$ 890,000</u>	<u>\$ 890,000</u>
Federal Funds	6,455,093	6,455,093
<u>Other Funds</u>		
Feed Control Fund - Local No. 058, estimated	2,345,424	2,345,424
Sales Funds - Agricultural Experiment Station, estimated	1,046,000	1,046,000
Fertilizer Control Fund, estimated	1,347,503	1,347,503
Subtotal, Other Funds	<u>\$ 4,738,927</u>	<u>\$ 4,738,927</u>
Total, Method of Financing	<u>\$ 62,614,625</u>	<u>\$ 62,614,626</u>
Object-of-Expense Informational Listing:		
Salaries and Wages	\$ 26,941,237	\$ 26,941,237
Other Personnel Costs	1,995,700	1,995,700
Professional Salaries - Faculty Equivalent (Higher Education Only)	16,412,381	16,412,381
Operating Costs	<u>17,265,307</u>	<u>17,265,308</u>
Total, Object-of-Expense Informational Listing	<u>\$ 62,614,625</u>	<u>\$ 62,614,626</u>

2. **Unexpended Balances, TAES Current Fund.** Any balances remaining as of August 31, 2003 in Texas Agricultural Experiment Station Current Fund No. 240 and all revenues received during the biennium beginning September 1, 2003 are hereby appropriated to Texas Agricultural Experiment Station.
3. **Buffalo Gnat.** Out of the funds appropriated above, up to \$10,000 in General Revenue Funds in each year of the biennium shall be used for buffalo gnat eradication.
4. **Limited Waiver from Proportionality Provision.** The Texas Agricultural Experiment Station is specifically exempt from implementation of proportionality for Higher Education Retirement Programs, but only in regard to the retirement match limit that is imposed under the federal Hatch Act and the McIntire-Stennis Act.

TEXAS AGRICULTURAL EXPERIMENT STATION
(Continued)

5. **Equine Research Account.** Pursuant to Revised Texas Civil Statutes Annotated, art. 179c, § 6.08(h), income from the Equine Research Account is hereby appropriated to the Texas Agricultural Experiment Station for support of the Equine Research Program.
6. **Agriculture Registration Fees.** Included in the appropriations above are fees collected in each year of the biennium beginning September 1, 2003, pursuant to § 131.046, Texas Agriculture Code, from the General Revenue Fund (Revenue Object Code 3410) to the Texas Agricultural Experiment Station for the Honey Bee Disease Program.
7. **Honey Bees Research.** Out of the funds appropriated above in Strategy A.1.1, Agricultural/Life Sciences Research, \$131,250 in fiscal year 2004 and \$131,250 in fiscal year 2005 shall be used for research on the protection and management of honey bees.
8. **Cotton Germplasm Collections.** Out of the funds appropriated above in Strategy A.1.1, Agricultural/Life Sciences Research, \$262,500 in fiscal year 2004 and \$262,500 in fiscal year 2005 in General Revenue Funds shall be used for the evaluation of cotton germplasm collections.
9. **Environmental Quality Research.** Out of the funds appropriated above in Strategy A.1.1, Agricultural/Life Sciences Research, a biennial amount of \$525,000 shall be used to fund air quality research related to livestock production conducted at the Texas Agricultural Experiment Station in Amarillo, Texas.
10. **Contingent Upon Comptroller Certification: Texas State Data Center.** Out of the funds appropriated above in Strategy A.1.1, Agricultural/Life Science Research, \$150,000 in fiscal year 2004 and \$150,000 in fiscal year 2005 are appropriated from the General Revenue Fund for the operation of the Texas State Data Center in the Department of Rural Sociology in the Texas Agriculture Experiment Station, contingent upon certification by the Comptroller of Public Accounts that increased activity resulting from the work of the Texas State Data Center will generate at least \$300,000 for the biennium in additional revenue to the General Revenue Fund.

TEXAS COOPERATIVE EXTENSION

	For the Years Ending	
	August 31, 2004	August 31, 2005
1. Educational and General State Support	\$ 59,091,186	\$ 59,091,186
Grand Total, TEXAS COOPERATIVE EXTENSION	\$ 59,091,186	\$ 59,091,186
Method of Financing:		
General Revenue Fund	\$ 41,496,035	\$ 41,496,035
GR Dedicated - Agricultural Soil and Water Conservation Account No. 563	115,000	115,000
Federal Funds	9,982,462	9,982,462
Other Funds		
County Funds - Extension Programs Fund, estimated	6,876,263	6,876,263
Interagency Contracts	621,426	621,426
Subtotal, Other Funds	\$ 7,497,689	\$ 7,497,689
Total, Method of Financing	\$ 59,091,186	\$ 59,091,186
Number of Full-Time-Equivalent Positions (FTE)- Appropriated Funds	1,073.2	1,073.2

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: HEALTH AND SAFETY EDUCATION

To educate Texans to take more responsibility for improving their health, safety, productivity, and well-being.

Outcome (Results/Impact):

Educational Program Index Attainment

A.1.1. Strategy: HEALTH AND SAFETY EDUCATION	\$ 9,687,796	\$ 9,687,796
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Conduct educational programs related to nutrition, food safety, dependent care, and safe agricultural, home, and workplace environments.

Output (Volume):

Direct Teaching Exposures	1,535,000	1,535,000
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Efficiencies:

Average Cost Per Educational Contact	3.7	3.7
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B. Goal: ENVIRONMENTAL EDUCATION

To educate citizens to improve their stewardship of the environment and Texas' natural resources.

Outcome (Results/Impact):

Educational Program Index Attainment

B.1.1. Strategy: ENVIRONMENTAL EDUCATION	\$ 10,625,294	\$ 10,625,294
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Conduct educational programs to protect and maintain Texas' land and water ecosystems.

Output (Volume):

Direct Teaching Exposures	1,368,000	1,368,000
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Efficiencies:

Average Cost Per Educational Contact	3.2	3.2
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C. Goal: ECONOMIC COMPETITIVENESS

To enable Texans to make decisions that contribute to their economic security and to the state's economic prosperity.

Outcome (Results/Impact):

Educational Program Index Attainment	80	80
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TEXAS COOPERATIVE EXTENSION
(Continued)

C.1.1. Strategy: ECONOMIC COMPETITIVENESS	\$	21,391,405	\$	21,391,405
Conduct educational programs that contribute to the economic competitiveness of agricultural producers, the economic viability of rural communities, and the economic stability of individuals and families.				
Output (Volume):				
Direct Teaching Exposures		2,302,600		2,302,600
Efficiencies:				
Economic Impact Per Dollar Invested		472		472
D. Goal: LEADERSHIP DEVELOPMENT				
To foster the development of responsible, productive, and self-motivated youth and adults.				
Outcome (Results/Impact):				
Educational Program Index Attainment		80		80
D.1.1. Strategy: LEADERSHIP DEVELOPMENT	\$	12,485,489	\$	12,485,489
Teach the principles of leadership development to both youth and adults and provide opportunities for youth to learn life skills and enhance career development.				
Output (Volume):				
Direct Teaching Exposures		3,818,500		3,818,500
Efficiencies:				
Average Cost Per Educational Contact		2.7		2.7
E. Goal: COUNTY EXTENSION AGENT SUPPORT				
To support County Extension Agents in recognition for their service to Texans.				
E.1.1. Strategy: COUNTY EXTENSION AGENT SALARIES	\$	726,720	\$	726,720
County Extension Agent salary increase.				
F. Goal: STAFF BENEFITS				
To maintain a competitive benefit program for employees and retirees pursuant to state mandated requirements.				
F.1.1. Strategy: STAFF GROUP INSURANCE	\$	774,251	\$	774,251
Provide funding for staff group insurance premiums.				
F.1.2. Strategy: WORKERS' COMP INSURANCE	\$	180,000	\$	180,000
Provide funding for workers' compensation insurance.				
F.1.3. Strategy: UNEMPLOYMENT INSURANCE	\$	8,000	\$	8,000
Provide funding for unemployment insurance.				
F.1.4. Strategy: OASI	\$	283,000	\$	283,000
Provide funding for OASI.				
Total, Goal F: STAFF BENEFITS	\$	<u>1,245,251</u>	\$	<u>1,245,251</u>
G. Goal: INDIRECT ADMINISTRATION				
G.1.1. Strategy: INDIRECT ADMINISTRATION	\$	1,814,004	\$	1,814,004
G.1.2. Strategy: INFRASTRUCTURE SUPPORT	\$	1,115,227	\$	1,115,227
Total, Goal G: INDIRECT ADMINISTRATION	\$	<u>2,929,231</u>	\$	<u>2,929,231</u>
Grand Total, TEXAS COOPERATIVE EXTENSION	\$	<u>59,091,186</u>	\$	<u>59,091,186</u>
Method of Financing:				
General Revenue Fund	\$	41,496,035	\$	41,496,035
GR Dedicated - Agricultural Soil and Water Conservation Account No. 563		115,000		115,000
Federal Funds		9,982,462		9,982,462

TEXAS COOPERATIVE EXTENSION
(Continued)

Other Funds		
County Funds - Extension Programs Fund, estimated	6,876,263	6,876,263
Interagency Contracts	621,426	621,426
Subtotal, Other Funds	\$ 7,497,689	\$ 7,497,689
Total, Method of Financing	\$ 59,091,186	\$ 59,091,186
Object-of-Expense Informational Listing:		
Salaries and Wages	\$ 10,327,413	\$ 10,327,413
Other Personnel Costs	3,278,271	3,278,271
Professional Salaries - Faculty Equivalent (Higher Education Only)	12,281,136	12,281,136
Professional Salaries - Extension (Texas Agricultural Extension Svc)	22,303,473	22,303,473
Operating Costs	<u>10,900,893</u>	<u>10,900,893</u>
Total, Object-of-Expense Informational Listing	\$ 59,091,186	\$ 59,091,186

2. **Integrated Pest Management.** Out of the funds appropriated above, \$49,365 in each year of the biennium is for contracting with the Texas Pest Management Association for pest management. No more than 10 percent of these funds shall be used by the Texas Cooperative Extension for administering the program.
3. **Limited Waiver from Proportionality Provision.** For the purpose of determining proportional payments of retirement and group insurance benefits for the Texas Cooperative Extension, as required in this Act, County Funds paid directly by County Commissioners Courts shall be considered as General Revenue Funds. The Texas Cooperative Extension is specifically exempt from implementation of proportionality for Higher Education Retirement Programs, but only in regard to the retirement match limit that is imposed under the federal Smith-Lever Act and the Hatch Act.
4. **Increased Inter-agency Collaboration.** The Texas Cooperative Extension and the Texas Engineering Extension Service are directed to meet annually to generate, implement and manage efforts designed to reinforce each agency's respective training mission and avoid potential duplication of training efforts. The agencies shall file a jointly produced report with the Legislative Budget Board and the Governor by October 1 of each year summarizing the actions taken to meet the above purposes.
5. **Quail Management.** Out of the funds appropriated above, \$125,000 in fiscal year 2004 and \$125,000 in fiscal year 2005 shall be used for education outreach programs, restoration of habitat and quail research for the purpose of promoting appropriate management practices.
6. **Youth Development Programs in Urban Areas.** It is the intent of the Legislature that the Texas Cooperative Extension, in addition to providing ongoing programs for rural residents, shall place greater emphasis on providing community leadership development education programming, targeting (but not limited to) youth residing in urban areas.

TEXAS ENGINEERING EXPERIMENT STATION

	For the Years Ending	
	August 31, 2004	August 31, 2005
1. Educational and General State Support	\$ 67,816,755	\$ 67,819,951
Grand Total, TEXAS ENGINEERING EXPERIMENT STATION	\$ 67,816,755	\$ 67,819,951
 Method of Financing:		
General Revenue Fund	\$ 11,645,170	\$ 11,645,171
<u>General Revenue Fund - Dedicated</u>		
Research-related Indirect Cost Recovery, estimated	3,616,891	3,616,891
Texas Emissions Reduction Plan Account No. 5071	160,515	163,710
Subtotal, General Revenue Fund - Dedicated	<u>\$ 3,777,406</u>	<u>\$ 3,780,601</u>
Federal Funds	33,694,179	33,694,179
<u>Other Funds</u>		
Interagency Contracts	3,159,653	3,159,653
Other Funds, estimated	15,540,347	15,540,347
Subtotal, Other Funds	<u>\$ 18,700,000</u>	<u>\$ 18,700,000</u>
 Total, Method of Financing	 \$ 67,816,755	 \$ 67,819,951
 Number of Full-Time-Equivalent Positions (FTE)- Appropriated Funds	 706.0	 706.0

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: ENGINEERING RESEARCH

To conduct basic and applied research in engineering and related fields which addresses critical state and national issues, supports industrial and public systems, enhances higher education and promotes economic development.

Outcome (Results/Impact):

Leverage Ratio of General Revenue Appropriations to Total

Funds (Excluding Infrastructure Funds)	12.1	12.1
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Total Dollar Volume of Research (Millions)	92	92
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Number of Formal License Agreements	7	7
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A.1.1. Strategy: RESEARCH DIVISIONS	\$ 35,294,589	\$ 35,297,784
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Develop and support disciplinary and cross-disciplinary research programs, centers, institutes, and new initiatives.

Output (Volume):

Dollar Volume of Research (Millions)	61.3	61.75
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Number of Research Projects	3,300	3,300
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A.1.2. Strategy: MULTI-INSTITUTIONAL OUTREACH	\$ 18,014,388	\$ 18,014,388
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Collaborate with academic institutions in Texas, the nation and elsewhere in research and development activities and provide research and grant writing outreach across the State.

Output (Volume):

Number of Collaborative Initiatives	1,065	1,065
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Dollar Volume of Activities (Millions)	21.5	21.75
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TEXAS ENGINEERING EXPERIMENT STATION
(Continued)

A.2.1. Strategy: TECHNOLOGY TRANSFER	\$ 714,815	\$ 714,815
Provide intellectual property assistance to the research programs for commercial application.		
Output (Volume):		
Number of Patent Applications	54.5	56.5
A.3.1. Strategy: EDUCATIONAL PROGRAMS	<u>\$ 1,057,249</u>	<u>\$ 1,057,249</u>
Provide programs and opportunities for the participation of students, especially minorities and women, in research and education programs.		
Output (Volume):		
Number of Students from Underrepresented Groups Participating in Agency Activities	4,200	4,200
Total, Goal A: ENGINEERING RESEARCH	<u>\$ 55,081,041</u>	<u>\$ 55,084,236</u>
B. Goal: STAFF BENEFITS		
To maintain a competitive benefit program for employees and retirees pursuant to state mandated requirements.		
B.1.1. Strategy: STAFF GROUP INSURANCE	\$ 3,975,335	\$ 3,975,335
Provide funding for staff group insurance premiums.		
B.1.2. Strategy: WORKERS' COMP INSURANCE	\$ 194,084	\$ 194,084
Provide funding for workers' compensation insurance.		
B.1.3. Strategy: UNEMPLOYMENT INSURANCE	\$ 23,390	\$ 23,390
Provide funding for unemployment insurance.		
B.1.4. Strategy: OASI	\$ 1,082,820	\$ 1,082,820
Provide funding for OASI.		
B.1.5. Strategy: OPTIONAL RETIREMENT PROGRAM	<u>\$ 68,276</u>	<u>\$ 68,276</u>
Optional Retirement Program Differential.		
Total, Goal B: STAFF BENEFITS	<u>\$ 5,343,905</u>	<u>\$ 5,343,905</u>
C. Goal: INDIRECT ADMINISTRATION		
C.1.1. Strategy: INDIRECT ADMINISTRATION	\$ 3,935,215	\$ 3,935,216
C.1.2. Strategy: INFRASTRUCTURE SUPPORT	<u>\$ 3,456,594</u>	<u>\$ 3,456,594</u>
Total, Goal C: INDIRECT ADMINISTRATION	<u>\$ 7,391,809</u>	<u>\$ 7,391,810</u>
Grand Total, TEXAS ENGINEERING EXPERIMENT STATION	<u>\$ 67,816,755</u>	<u>\$ 67,819,951</u>
Method of Financing:		
General Revenue Fund	\$ 11,645,170	\$ 11,645,171
General Revenue Fund - Dedicated		
Research-related Indirect Cost Recovery, estimated	3,616,891	3,616,891
Texas Emissions Reduction Plan Account No. 5071	160,515	163,710
Subtotal, General Revenue Fund - Dedicated	<u>\$ 3,777,406</u>	<u>\$ 3,780,601</u>
Federal Funds	33,694,179	33,694,179

TEXAS ENGINEERING EXPERIMENT STATION
(Continued)

Other Funds		
Interagency Contracts	3,159,653	3,159,653
Other Funds, estimated	15,540,347	15,540,347
Subtotal, Other Funds	\$ 18,700,000	\$ 18,700,000
Total, Method of Financing	\$ 67,816,755	\$ 67,819,951
Object-of-Expense Informational Listing:		
Salaries and Wages	\$ 24,628,328	\$ 24,628,329
Other Personnel Costs	2,065,019	2,065,019
Professional Salaries - Faculty Equivalent (Higher Education Only)	9,772,322	9,772,322
Operating Costs	5,162,815	5,162,815
Professional Fees and Services	3,556,425	3,556,425
Fuels and Lubricants	3,458	3,458
Consumable Supplies	310,595	310,595
Utilities	207,417	207,417
Travel	1,340,333	1,340,333
Rent - Building	29,681	29,681
Rent - Machine and Other	89,372	89,372
Other Operating Expense	16,322,888	16,326,083
Client Services	187,475	187,475
Client Services	1,240,627	1,240,627
Capital Expenditures	<u>2,900,000</u>	<u>2,900,000</u>
Total, Object-of-Expense Informational Listing	\$ 67,816,755	\$ 67,819,951

2. **Offshore Technology Research Center.** Out of the funds appropriated above in Strategy A.1.1, Research Divisions, \$203,861 in fiscal year 2004 and \$203,861 in fiscal year 2005 is for the purpose of supporting the Offshore Technology Research Center.

TEXAS TRANSPORTATION INSTITUTE

	For the Years Ending	
	August 31, 2004	August 31, 2005
1. Educational and General State Support	\$ 34,366,695	\$ 35,081,764
Grand Total, TEXAS TRANSPORTATION INSTITUTE	\$ 34,366,695	\$ 35,081,764
 Method of Financing:		
GR Dedicated - Research Related Indirect Cost Recovery Account No. 008, estimated	\$ 1,465,592	\$ 1,511,970
Federal Funds	3,198,073	3,279,359
 <u>Other Funds</u>		
Appropriated Receipts	6,403,260	6,615,950
Interagency Contracts	18,217,076	18,589,599
State Highway Fund No. 006	5,082,694	5,084,886
Subtotal, Other Funds	\$ 29,703,030	\$ 30,290,435
Total, Method of Financing	\$ 34,366,695	\$ 35,081,764
Number of Full-Time-Equivalent Positions (FTE)-Appropriated Funds	411.7	413.7

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: TRANSPORTATION RESEARCH

To identify and solve transportation research problems, to disseminate the results, and to enhance the relevance and quality of transportation education in Texas.

Outcome (Results/Impact):

Total Dollar Volume of Research 31,310,874 31,927,115

Leverage Ratio of General Revenue Appropriations to Total Funds (Excluding Infrastructure Funds)

12.4 12.4

A.1.1. Strategy: SPONSORED RESEARCH

Submit research proposals and develop programs to secure funded contracts from sources, including: TxDOT, USDOT, and other state and federal agencies, other states, regional and local governments, and private sector entities and to support transportation-related educational programs within the Texas A&M University System and other Texas university systems.

\$ 23,673,182 \$ 24,136,780

Output (Volume):

Number of TTI Patented Safety Devices Installed

250,000 260,000

Number of Students Involved in TTI Education and Research Activities

175 175

Dollar Volume of Research

26,171,757 26,695,193

A.1.2. Strategy: NATIONAL CENTERS

Submit research proposals and develop programs within the National Centers to enhance and promote advanced transportation-related educational and research programs within the Texas A&M University System and other Texas university systems.

\$ 3,983,616 **\$ 4,053,288**

TEXAS TRANSPORTATION INSTITUTE
(Continued)

Output (Volume):		
Number of Students Involved in TTI Education and Research Activities	37	38
Dollar Volume of Research	4,640,366	4,733,173
Total, Goal A: TRANSPORTATION RESEARCH	\$ 27,656,798	\$ 28,190,068
B. Goal: STAFF BENEFITS		
To maintain a competitive benefit program for employees and retirees pursuant to state mandated requirements.		
B.1.1. Strategy: STAFF GROUP INSURANCE Provide funding for staff group insurance premiums.	\$ 1,672,110	\$ 1,772,437
B.1.2. Strategy: WORKERS' COMP INSURANCE Provide funding for workers' compensation insurance.	\$ 102,153	\$ 104,196
B.1.3. Strategy: UNEMPLOYMENT INSURANCE Provide funding for unemployment insurance.	\$ 17,728	\$ 18,083
B.1.4. Strategy: OASI Provide funding for OASI.	<u>\$ 1,121,786</u>	<u>\$ 1,144,241</u>
Total, Goal B: STAFF BENEFITS	\$ 2,913,777	\$ 3,038,957
C. Goal: INDIRECT ADMINISTRATION		
C.1.1. Strategy: INDIRECT ADMINISTRATION	\$ 2,409,670	\$ 2,466,289
C.1.2. Strategy: INFRASTRUCTURE SUPPORT	<u>\$ 1,386,450</u>	<u>\$ 1,386,450</u>
Total, Goal C: INDIRECT ADMINISTRATION	\$ 3,796,120	\$ 3,852,739
Grand Total, TEXAS TRANSPORTATION INSTITUTE	\$ 34,366,695	\$ 35,081,764
Method of Financing:		
GR Dedicated - Research Related Indirect Cost Recovery Account No. 008, estimated	\$ 1,465,592	\$ 1,511,970
Federal Funds	3,198,073	3,279,359
<u>Other Funds</u>		
Appropriated Receipts	6,403,260	6,615,950
Interagency Contracts	18,217,076	18,589,599
State Highway Fund No. 006	5,082,694	5,084,886
Subtotal, Other Funds	\$ 29,703,030	\$ 30,290,435
Total, Method of Financing	\$ 34,366,695	\$ 35,081,764
Object-of-Expense Informational Listing:		
Salaries and Wages	\$ 20,011,717	\$ 20,403,873
Other Personnel Costs	2,271,936	2,316,808
Operating Costs	11,540,089	11,807,271
Capital Expenditures	<u>542,953</u>	<u>553,812</u>
Total, Object-of-Expense Informational Listing	\$ 34,366,695	\$ 35,081,764

TEXAS TRANSPORTATION INSTITUTE
(Continued)

2. **Transportation Safety Center.** Out of State Highway Fund No. 006, \$500,000 in fiscal year 2004 and \$500,000 in fiscal year 2005 shall be used to fund the Transportation Safety Center to conduct research, education, and technology transfer to improve the safety of Texas' roads and highways.
3. **Center for International Intelligent Transportation Research.** Out of funds appropriated above, it is the intent of the Legislature that the Texas Transportation Institute shall develop a plan by January 1, 2004 to establish the Center for International Intelligent Transportation Research. The Center will identify critical cross-border transportation issues, conduct research, propose solutions that will improve the transportation environment in the El Paso area, and enhance the efficient, safe and secure movement of people and goods across the United States borders.

TEXAS ENGINEERING EXTENSION SERVICE

	For the Years Ending	
	August 31, 2004	August 31, 2005
1. Educational and General State Support	\$ 59,288,608	\$ 60,577,617
Grand Total, TEXAS ENGINEERING EXTENSION SERVICE	\$ 59,288,608	\$ 60,577,617
 Method of Financing:		
General Revenue Fund	\$ 5,908,112	\$ 5,908,113
Extension-related Indirect Cost Recovery, estimated	4,246,027	4,353,973
Federal Funds	18,457,096	18,842,904
 Other Funds		
Appropriated Receipts	25,001,150	25,639,095
Interagency Contracts	5,676,223	5,833,532
Subtotal, Other Funds	\$ 30,677,373	\$ 31,472,627
 Total, Method of Financing	\$ 59,288,608	\$ 60,577,617
 Number of Full-Time-Equivalent Positions (FTE)-		
Appropriated Funds	495.5	495.5

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: PROVIDE TRAINING

To provide basic and advanced training, technology transfer activities and technical assistance on a statewide basis to meet the needs of governmental and industrial employees. The emphasis on technical training and assistance activities will ensure a qualified and competent workforce for the future.

Outcome (Results/Impact):

Leverage Ratio of General Revenue Appropriations to Total Funds (Excluding Infrastructure Funds)

A.1.1. Strategy: PUBLIC SECTOR TRAINING

Provide training for the public sector by assigning responsibility, conducting training

	10		10
\$ 35,073,922	\$	36,134,813	

TEXAS ENGINEERING EXTENSION SERVICE
(Continued)

needs assessments, using advisory groups, monitoring legislation and developing a marketing strategy within each training division.

Output (Volume):

Number of Student Contact Hours	1,296,625	1,296,625
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Efficiencies:

Average Number of Student Contact Hours Per Full-time Instructor	16.092	16.092
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A.1.2. Strategy: INDUSTRIAL SECTOR TRAINING	\$ 6,168,983	\$ 6,357,050
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Provide training for the industrial sector by assigning responsibility, conducting training needs assessments, using advisory groups, monitoring legislation and developing a marketing strategy within each training division.

Efficiencies:

Average Number of Student Contact Hours Per Full-time Instructor	10.732	10.732
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Total, Goal A: PROVIDE TRAINING	\$ 41,242,905	\$ 42,491,863
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B. Goal: TECHNOLOGY TRANSFER ASSISTANCE

To provide special instructions, technology transfer activities and technical assistance on a statewide basis to special population groups.

B.1.1. Strategy: TECHNOLOGY TRANSFER	\$ 6,087,098	\$ 6,087,105
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Operate an efficient technology transfer program through direct services, interactive electronic media, and database search activities.

Output (Volume):

Number of Initiatives with Communities and Businesses	2,512	2,512
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Efficiencies:

Number of Clients Served Per Service Delivery FTE	85.6	85.6
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B.1.2. Strategy: PRE-EMPLOYMENT TRAINING	\$ 1,382,173	\$ 1,422,208
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Operate a pre-employment training program.

Efficiencies:

Average Number of Student Contact Hours Per Full-time Instructor	6.663	- 6.663
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Total, Goal B: TECHNOLOGY TRANSFER ASSISTANCE	\$ 7,469,271	\$ 7,509,313
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C. Goal: STAFF BENEFITS

To maintain a competitive benefit program for employees and retirees pursuant to state mandated requirements.

C.1.1. Strategy: STAFF GROUP INSURANCE	\$ 2,049,058	\$ 2,049,059
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Provide funding for staff group insurance premiums.

C.1.2. Strategy: WORKERS' COMPENSATION INSURANCE	\$ 115,904	\$ 115,905
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Provide funding for workers' compensation insurance.

C.1.3. Strategy: UNEMPLOYMENT INSURANCE	\$ 42,268	\$ 42,268
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Provide funding for unemployment insurance.

C.1.4. Strategy: OASI	\$ 1,465,805	\$ 1,465,805
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Provide funding for OASI.

Total, Goal C: STAFF BENEFITS	\$ 3,673,035	\$ 3,673,037
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TEXAS ENGINEERING EXTENSION SERVICE
(Continued)

D. Goal: INDIRECT ADMINISTRATION		
D.1.1. Strategy: INDIRECT ADMINISTRATION	\$ 5,915,785	\$ 5,915,792
D.1.2. Strategy: INFRASTRUCTURE SUPPORT	<u>\$ 987,612</u>	<u>\$ 987,612</u>
Total, Goal D: INDIRECT ADMINISTRATION	<u>\$ 6,903,397</u>	<u>\$ 6,903,404</u>
Grand Total, TEXAS ENGINEERING EXTENSION SERVICE	<u>\$ 59,288,608</u>	<u>\$ 60,577,617</u>
Method of Financing:		
General Revenue Fund	\$ 5,908,112	\$ 5,908,113
Extension-related Indirect Cost Recovery, estimated	4,246,027	4,353,973
Federal Funds	18,457,096	18,842,904
<u>Other Funds</u>		
Appropriated Receipts	25,001,150	25,639,095
Interagency Contracts	5,676,223	5,833,532
Subtotal, Other Funds	<u>\$ 30,677,373</u>	<u>\$ 31,472,627</u>
Total, Method of Financing	<u>\$ 59,288,608</u>	<u>\$ 60,577,617</u>
Object-of-Expense Informational Listing:		
Salaries and Wages	\$ 22,119,986	\$ 22,119,989
Other Personnel Costs	2,658,757	2,658,761
Operating Costs	32,921,074	34,210,074
Capital Expenditures	<u>1,588,791</u>	<u>1,588,793</u>
Total, Object-of-Expense Informational Listing	<u>\$ 59,288,608</u>	<u>\$ 60,577,617</u>

2. **Increased Interagency Collaboration.** The Texas Cooperative Extension and the Texas Engineering Extension Service are directed to meet annually to generate, implement, and manage efforts designed to reinforce each agency's respective training mission and avoid potential duplication of training efforts. The agencies shall file a jointly produced report with the Legislative Budget Board and the Governor by October 1 of each year summarizing the actions taken to meet the above purposes.

3. **Pay for Regular Compensatory Time.** The Texas Engineering Extension Service, notwithstanding any other provision of law, may pay its Fair Labor Standards Act exempt employees on a straight-line basis for work on a holiday or for regular compensatory time hours when such time is worked in connection with a state or federal activation and when the taking of regular compensatory time off would be disruptive to normal business functions.

TEXAS FOREST SERVICE

	For the Years Ending	
	August 31, 2004	August 31, 2005
1. Educational and General State Support	\$ 35,328,766	\$ 35,328,767
Grand Total, TEXAS FOREST SERVICE	<u>\$ 35,328,766</u>	<u>\$ 35,328,767</u>
 Method of Financing:		
<u>General Revenue Fund</u>		
General Revenue Fund	\$ 11,272,317	\$ 11,272,318
General Revenue - Insurance Companies Maintenance Tax and Insurance Department Fees	3,325,000	3,325,000
Subtotal, General Revenue Fund	<u>\$ 14,597,317</u>	<u>\$ 14,597,318</u>
 <u>General Revenue Fund - Dedicated</u>		
Volunteer Fire Department Assistance Account No. 5064	15,000,000	15,000,000
Rural Volunteer Fire Department Insurance Account No. 5066, estimated	434,000	434,000
Subtotal, General Revenue Fund - Dedicated	<u>\$ 15,434,000</u>	<u>\$ 15,434,000</u>
Federal Funds	3,536,199	3,536,199
Appropriated Receipts	1,761,250	1,761,250
Total, Method of Financing	<u>\$ 35,328,766</u>	<u>\$ 35,328,767</u>
 Number of Full-Time-Equivalent Positions (FTE)- Appropriated Funds	 357.0	 357.0

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: DEVELOP FOREST RESOURCES

To assure maximum development of the forest and tree resources throughout Texas and protect human life, the total forest environment and other rural lands and property from damage by wildfire, forest insects, diseases and other natural and man-caused factors.

Outcomes (Results/Impact):

Saved-to-lost Ratio of Resource and Property Values from Wildfire

	5.1	5.1
Number of Trees Saved from Spread of Oak Wilt Disease	33,500	33,500
Number of Acres Protected through Windbreak Plantings	10,000	10,000

A.1.1. Strategy: WILDFIRE AND EMERGENCY PROGRAM \$ 23,984,500 \$ 23,984,501

Provide statewide leadership for an effective forest and rural land wildfire prevention, detection, and suppression program and emergency response management.

Output (Volume):

Number of Community Assists	2,800	2,800
Number of Contact Hours of Firefighter Training	35,000	35,000
Number of Hours Spent for Emergency Response	26,800	26,800

A.1.2. Strategy: FOREST INSECTS AND DISEASES \$ 1,033,593 \$ 1,033,594

Provide statewide leadership in the early detection, landowner notification, and control of major forest and tree insects and diseases.

TEXAS FOREST SERVICE
(Continued)

Output (Volume):		
Number of Property Owners Provided with Oak Wilt Information	6,150	6,150
A.2.1. Strategy: FORESTRY LEADERSHIP	\$ 5,003,663	\$ 5,003,662
Provide professional forestry leadership and markets for nonindustrial private forest resources.		
Output (Volume):		
Number of Acres of Reforestation on Nonindustrial Private Forestland in East Texas	44,000	44,000
Number of Resource Development Assists	4,060	4,060
A.2.2. Strategy: ENVIRONMENTAL ENHANCEMENT	\$ 1,896,287	\$ 1,896,287
Provide statewide leadership in environmental enhancement through management and conservation of tree and forest resources.		
Output (Volume):		
Number of Community Assists	410	410
Number of Windbreak Seedlings Planted	220,000	220,000
Total, Goal A: DEVELOP FOREST RESOURCES	\$ 31,918,043	\$ 31,918,044
B. Goal: STAFF BENEFITS		
To provide staff benefits to eligible employees and retirees pursuant to state law.		
B.1.1. Strategy: STAFF GROUP INSURANCE	\$ 604,270	\$ 604,270
Provide funding for staff group insurance premiums.		
B.1.2. Strategy: WORKERS' COMP INSURANCE	\$ 57,330	\$ 57,330
Provide funding for workers' compensation insurance.		
B.1.3. Strategy: UNEMPLOYMENT INSURANCE	\$ 11,466	\$ 11,466
Provide funding for unemployment insurance.		
B.1.4. Strategy: OASI	\$ 263,144	\$ 263,144
Provide funding for OASI.		
B.1.5. Strategy: HAZARDOUS DUTY PAY	\$ 8,500	\$ 8,500
Provide funding for hazardous duty pay.		
Total, Goal B: STAFF BENEFITS	\$ 944,710	\$ 944,710
C. Goal: INDIRECT ADMINISTRATION		
C.1.1. Strategy: INDIRECT ADMINISTRATION	\$ 2,099,289	\$ 2,099,289
C.1.2. Strategy: INFRASTRUCTURE SUPPORT	\$ 366,724	\$ 366,724
Total, Goal C: INDIRECT ADMINISTRATION	\$ 2,466,013	\$ 2,466,013
Grand Total, TEXAS FOREST SERVICE	\$ 35,328,766	\$ 35,328,767
Method of Financing:		
General Revenue Fund		
General Revenue Fund	\$ 11,272,317	\$ 11,272,318
General Revenue - Insurance Companies Maintenance Tax and Insurance Department Fees	3,325,000	3,325,000
Subtotal, General Revenue Fund	\$ 14,597,317	\$ 14,597,318
General Revenue Fund - Dedicated		
Volunteer Fire Department Assistance Account No. 5064	15,000,000	15,000,000
Rural Volunteer Fire Department Insurance Account No. 5066, estimated	434,000	434,000
Subtotal, General Revenue Fund - Dedicated	\$ 15,434,000	\$ 15,434,000

TEXAS FOREST SERVICE
(Continued)

Federal Funds	3,536,199	3,536,199
Appropriated Receipts	1,761,250	1,761,250
Total, Method of Financing	\$ 35,328,766	\$ 35,328,767
Object-of-Expense Informational Listing:		
Salaries and Wages	\$ 12,369,632	\$ 12,369,633
Other Personnel Costs	1,064,779	1,064,779
Operating Costs	673,066	673,066
Professional Fees and Services	87,292	87,292
Fuels and Lubricants	414,662	414,662
Consumable Supplies	776,751	776,751
Utilities	665,042	665,042
Travel	404,930	404,930
Rent - Building	596,929	596,929
Rent - Machine and Other	308,478	308,478
Other Operating Expense	3,128,401	3,128,401
Client Services	110,601	110,601
Grants	14,720,251	14,720,251
Capital Expenditures	7,952	7,952
Total, Object-of-Expense Informational Listing	\$ 35,328,766	\$ 35,328,767

2. **Overtime Payments, Contingency.** Included in the appropriation above, \$335,223 for each year of the biennium is for the sole purpose of paying mandatory overtime expenses of non-exempt employees of the Texas Forest Service when such overtime is incurred in emergency response activities. It is further provided that payments from this appropriation shall be made only upon overtime payroll vouchers submitted to the State Comptroller. Any balances remaining as of August 31, 2003 are hereby appropriated for the same purpose for the biennium beginning September 1, 2003, and balances remaining as of August 31, 2004 are hereby appropriated for fiscal year 2005.
3. **Texas Wildfire Protection Plan.** Out of the funds appropriated above in Strategy A.1.1, Wildfire and Emergency Program, \$3,325,000 from the Insurance Companies Maintenance Tax in each year of the biennium shall be used for the Texas Wildfire Protection Plan.
4. **Pay for Regular Compensatory Time.** The Texas Forest Service, notwithstanding any other provisions of law, may pay its Fair Labor Standards Act exempt employees on a straight-time basis for work on a holiday or for regular compensatory time hours when such time is worked in connection with an emergency and when the taking of regular compensatory time off would be disruptive to normal business functions.

TEXAS WILDLIFE DAMAGE MANAGEMENT SERVICE

	For the Years Ending	
	August 31, 2004	August 31, 2005
Out of the General Revenue Fund:		
1. Educational and General State Support	\$ 3,278,256	\$ 3,278,255
Grand Total, TEXAS WILDLIFE DAMAGE MANAGEMENT SERVICE	<u>\$ 3,278,256</u>	<u>\$ 3,278,255</u>

Number of Full-Time-Equivalent Positions (FTE)-Appropriated Funds 87.0 87.0

1. Informational Listing of Appropriated Funds. The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

Out of the General Revenue Fund:

A. Goal: WILDLIFE DAMAGE MANAGEMENT

To protect the resources, property, and well-being of Texans from damage caused by or related to the activities of wildlife species:

Outcome (Results/Impact):

Percent of Texas Counties Receiving Direct Wildlife Damage Management Assistance	81%	81%
Percent of Texas Counties Receiving Zoonosis Monitoring Assistance	30%	30%
Percent of Texas Counties Receiving Wildlife Damage Management Technical Assistance	85%	85%

A.1.1. Strategy: DIRECT CONTROL ASSISTANCE	\$ 2,947,336	\$ 2,945,566
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To provide operational direct control assistance on a cooperative basis for the protection of resources and human health.

Output (Volume):

Number of Specimen Samples Taken for Zoonosis Monitoring	5,200	5,200
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Number of Properties Provided Wildlife Damage Management Assistance	5,500	- 5,500
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A.2.1. Strategy: TECHNICAL ASSISTANCE	\$ 318,320	\$ 319,912
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To provide the general public with a consistent source of technical assistance and information on the proper handling of specific wildlife problems and education concerning the necessity for wildlife damage management.

Output (Volume):

Number of Technical Assistance Projects (i.e., Personal, Phone, and Written Consultations) Conducted	8,200	8,200
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Total, Goal A: WILDLIFE DAMAGE MANAGEMENT	<u>\$ 3,265,656</u>	<u>\$ 3,265,478</u>
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B. Goal: STAFF BENEFITS

To maintain a competitive benefit program for employees and retirees pursuant to state mandated requirements.

B.1.1. Strategy: WORKERS' COMP INSURANCE	\$ 12,600	\$ 12,777
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Provide funding for workers' compensation insurance.

Grand Total, TEXAS WILDLIFE DAMAGE MANAGEMENT SERVICE	<u>\$ 3,278,256</u>	<u>\$ 3,278,255</u>
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TEXAS VETERINARY MEDICAL DIAGNOSTIC LABORATORY

	For the Years Ending	
	August 31, 2004	August 31, 2005
1. Educational and General State Support	\$ 10,413,489	\$ 10,413,490
Grand Total, TEXAS VETERINARY MEDICAL DIAGNOSTIC LABORATORY	\$ 10,413,489	\$ 10,413,490
 Method of Financing:		
General Revenue Fund	\$ 4,759,374	\$ 4,759,375
 <u>Other Funds</u>		
Drug Testing Laboratory Fee Revenue, estimated	1,210,061	1,210,061
Veterinary Medical Diagnostic Laboratory Fee Revenue, estimated	4,444,054	4,444,054
Subtotal, Other Funds	<u>\$ 5,654,115</u>	<u>\$ 5,654,115</u>
 Total, Method of Financing	 <u>\$ 10,413,489</u>	 <u>\$ 10,413,490</u>
 Number of Full-Time-Equivalent Positions (FTE)- Appropriated Funds	 155.0	 155.0

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: DIAGNOSTIC AND DRUG TESTING

To continue to provide a high-quality veterinary diagnostic service, drug testing, export testing and disease surveillance program to the animal industries.

Outcomes (Results/Impact):

Number of Diagnostic Services Rendered

800,000

800,000

Percent of Animals Testing Drug Free

99.3%

99.3%

A.1.1. Strategy: DIAGNOSTIC SERVICES

\$ 7,016,571

\$ 7,016,571

Provide diagnostic service and disease surveillance.

Output (Volume):

Number of Cases Submitted and Examined

158,500

158,500

Number of Surveillance Tests Performed for Agents of Bio-
or Eco-terrorism

230,000

230,000

A.2.1. Strategy: DRUG TESTING SERVICE

\$ 959,115

\$ 959,115

Provide drug testing service primarily for the
pari-mutuel animal racing industries.

Output (Volume):

Number of Animals Tested

27,000

27,000

Total, Goal A: DIAGNOSTIC AND DRUG TESTING

\$ 7,975,686

\$ 7,975,686

B. Goal: STAFF BENEFITS

To maintain a competitive benefit program for employees and retirees pursuant to state mandated requirements.

B.1.1. Strategy: STAFF GROUP INSURANCE

\$ 431,463

\$ 431,463

Provide funding for staff group insurance premiums.

B.1.2. Strategy: WORKERS' COMP INSURANCE

\$ 28,420

\$ 28,420

Provide funding for workers' compensation insurance.

TEXAS VETERINARY MEDICAL DIAGNOSTIC LABORATORY
(Continued)

B.1.3. Strategy: UNEMPLOYMENT INSURANCE	\$ 2,743	\$ 2,743
Provide funding for unemployment insurance.		
B.1.4. Strategy: OASI	\$ 187,611	\$ 187,611
Provide funding for OASI.		
B.1.5. Strategy: OPTIONAL RETIREMENT PROGRAM	\$ 48,126	\$ 48,126
Optional retirement program differential.		
Total, Goal B: STAFF BENEFITS	<u>\$ 698,363</u>	<u>\$ 698,363</u>
C. Goal: INDIRECT ADMINISTRATION		
C.1.1. Strategy: INDIRECT ADMINISTRATION	\$ 868,449	\$ 868,449
C.1.2. Strategy: INFRASTRUCTURE SUPPORT	<u>\$ 870,991</u>	<u>\$ 870,992</u>
Total, Goal C: INDIRECT ADMINISTRATION	<u>\$ 1,739,440</u>	<u>\$ 1,739,441</u>
Grand Total, TEXAS VETERINARY MEDICAL DIAGNOSTIC LABORATORY	<u>\$ 10,413,489</u>	<u>\$ 10,413,490</u>
Method of Financing:		
General Revenue Fund	\$ 4,759,374	\$ 4,759,375
<u>Other Funds</u>		
Drug Testing Laboratory Fee Revenue, estimated	1,210,061	1,210,061
Veterinary Medical Diagnostic Laboratory Fee Revenue, estimated	4,444,054	4,444,054
Subtotal, Other Funds	<u>\$ 5,654,115</u>	<u>\$ 5,654,115</u>
Total, Method of Financing	<u>\$ 10,413,489</u>	<u>\$ 10,413,490</u>
Object-of-Expense Informational Listing:		
Salaries and Wages	\$ 5,783,832	\$ 5,783,832
Other Personnel Costs	328,448	328,448
Operating Costs	1,146,144	1,146,145
Professional Fees and Services	4,856	4,856
Fuels and Lubricants	8,969	8,969
Consumable Supplies	1,508,603	1,508,603
Utilities	7,625	7,625
Travel	61,270	61,270
Rent - Building	3,732	3,732
Rent - Machine and Other	20,017	20,017
Other Operating Expense	1,258,206	1,258,206
Capital Expenditures	<u>281,787</u>	<u>281,787</u>
Total, Object-of-Expense Informational Listing	<u>\$ 10,413,489</u>	<u>\$ 10,413,490</u>

2. **Drug Testing Laboratory Reimbursement.** From fees collected from the drug testing program for race horses and dogs, the Texas Veterinary Medical Diagnostic Laboratory shall transfer funds to the General Revenue Fund during the 2004-2005 biennium to reimburse fully the amounts provided for start-up funding for the drug testing laboratory (estimated to be \$200,000). It is the intent of the Legislature that all transfers be complete on or before August 31, 2005.

3. **Diagnostic Services Enhancement.** Out of the funds appropriated above in Strategy A.1.1, Diagnostic Services, \$300,000 in fiscal year 2004 is appropriated for purposes of repairing the Amarillo facility's incinerator, purchasing a new incinerator for the College Station facility, and

TEXAS VETERINARY MEDICAL DIAGNOSTIC LABORATORY
(Continued)

upgrading the Amarillo facility's Biosafety Level II laboratory to Biosafety Level III status. Any unexpended balances remaining as of August 31, 2004 are hereby appropriated for the same purposes for fiscal year 2005.

TEXAS FOOD AND FIBERS COMMISSION

	For the Years Ending	
	August 31, 2004	August 31, 2005
1. Educational and General State Support	\$ 4,559,196	\$ 4,559,197
Grand Total, TEXAS FOOD AND FIBERS COMMISSION	\$ 4,559,196	\$ 4,559,197
Method of Financing:		
General Revenue Fund	\$ 1,349,101	\$ 1,349,102
Federal Funds	465,500	465,500
Other Funds, estimated	<u>2,744,595</u>	<u>2,744,595</u>
Total, Method of Financing	\$ 4,559,196	\$ 4,559,197
Number of Full-Time-Equivalent Positions (FTE)- Appropriated Funds	3.0	3.0
Schedule of Exempt Positions:		
Executive Director, Group 2	\$66,459	\$66,459
1. Informational Listing of Appropriated Funds. The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.		
A. Goal: SUPPORT AND COORDINATE RESEARCH To support and coordinate cooperative research relating to the production, use, and quality of Texas natural fibers and food protein products at Texas universities.		
Outcome (Results/Impact):		
Leverage Ratio of General Revenue to Other Research Funds	2.75	2.75
A.1.1. Strategy: RESEARCH AND DEVELOPMENT	\$ 4,377,401	\$ 4,377,402
Review, coordinate, and fund research and development programs that expand the use and improve the quality of Texas cotton, wool, mohair, oilseeds, and food proteins.		
Output (Volume):		
Number of Research and Development Projects	38	38
Number of Formal Published Research Reports	102	102
Efficiencies:		
Cumulative Accrual of Supporting Research Funds	3,210,095	3,210,095
B. Goal: INDIRECT ADMINISTRATION		
B.1.1. Strategy: INDIRECT ADMINISTRATION	\$ 181,795	\$ 181,795
Grand Total, TEXAS FOOD AND FIBERS COMMISSION	\$ 4,559,196	\$ 4,559,197
Method of Financing:		
General Revenue Fund	\$ 1,349,101	\$ 1,349,102

TEXAS FOOD AND FIBERS COMMISSION
(Continued)

Federal Funds	465,500	465,500
Other Funds, estimated	<u>2,744,595</u>	<u>2,744,595</u>
Total, Method of Financing	\$ 4,559,196	\$ 4,559,197
Object-of-Expense Informational Listing:		
Salaries and Wages	\$ 138,019	\$ 138,019
Other Personnel Costs	2,300	2,400
Professional Fees and Services	5,000	5,000
Consumable Supplies	2,000	2,000
Utilities	1,000	1,000
Travel	17,000	17,000
Rent - Building	360	360
Rent - Machine and Other	3,000	3,000
Other Operating Expense	4,365,517	4,365,418
Capital Expenditures	<u>25,000</u>	<u>25,000</u>
Total, Object-of-Expense Informational Listing	\$ 4,559,196	\$ 4,559,197

2. **Contract Requirements.** The Texas Food and Fibers Commission is hereby authorized to contract with any institution pursuant to the provisions of Agriculture Code, Chapter 42. All funds received by the Texas Food and Fibers Commission in the form of grants and/or gifts are hereby appropriated to the specific purpose or purposes authorized by the grantor, and may be withdrawn from the State Treasury; provided, however, that the Texas Food and Fibers Commission shall not accept and place in the State Treasury any grants as provided under this paragraph which would cause the violation of the specific or general provisions of this Act. It is further provided that where any grant exceeds the total cost of the specific project for which it was made, such excess may be returned to the grantor and such excess amounts are hereby appropriated for this purpose.
3. **Reimbursement of Advisory Committee Members.** Pursuant to Government Code § 2110.004, reimbursement of expenses for advisory committee members, out of the funds appropriated above, \$3,000 in fiscal year 2004 and \$3,000 in fiscal year 2005 is limited to the following advisory committee: Industry Advisory Committee.

RETIREMENT AND GROUP INSURANCE

	For the Years Ending	
	August 31, <u>2004</u>	August 31, <u>2005</u>
A. Goal: EMPLOYEES RETIREMENT SYSTEM		
A.1.1. Strategy: RETIREMENT - PUBLIC EDUCATION	\$ 4,280,886	\$ 4,323,694
Provide an actuarially sound level of funding as defined by state law for employees of public education agencies. Estimated.		
A.1.2. Strategy: RETIREMENT - HIGHER EDUCATION	\$ 2,727,872	\$ 2,755,143
Provide an actuarially sound level of funding as defined by state law for employees of higher education institutions. Estimated.		
A.1.3. Strategy: GROUP INSURANCE - PUBLIC EDUCATION	\$ 10,739,005	\$ 10,926,851
Provide a basic health care and life insurance program for general state employees of public education agencies. Estimated.		

RETIREMENT AND GROUP INSURANCE
(Continued)

A.1.4. Strategy: GROUP INSURANCE - HIGHER EDUCATION		
Provide a basic health care and life insurance program for employees of higher education institutions. Estimated.	\$ 2,660,724	\$ 2,734,671
Total, Goal A: EMPLOYEES RETIREMENT SYSTEM	<u>\$ 20,408,487</u>	<u>\$ 20,740,359</u>
Grand Total, RETIREMENT AND GROUP INSURANCE	<u>\$ 20,408,487</u>	<u>\$ 20,740,359</u>
Method of Financing:		
General Revenue Fund, estimated	\$ 17,375,538	\$ 17,679,367
General Revenue Dedicated Accounts, estimated	115,271	115,435
Federal Funds, estimated	<u>2,917,678</u>	<u>2,945,557</u>
Total, Method of Financing	<u>\$ 20,408,487</u>	<u>\$ 20,740,359</u>

SOCIAL SECURITY AND BENEFIT REPLACEMENT PAY

	For the Years Ending	
	August 31, 2004	August 31, 2005
A. Goal: SOCIAL SECURITY/BENEFIT REPLACEMENT		
To provide funding to the Comptroller of Public Accounts for Social Security Contributions and Benefit Replacement Pay.		
A.1.1. Strategy: STATE MATCH - EMPLOYER - PUBLIC ED		
Provide an employer match for Social Security contributions for employees of public education agencies. Estimated.	\$ 6,918,425	\$ 6,987,609
A.1.2. Strategy: STATE MATCH-EMPLOYER-HIGHER ED		
Provide an employer match for Social Security contributions for employees of institutions of higher education. Estimated.	\$ 206,974,522	\$ 211,135,965
A.1.3. Strategy: BRP - PUBLIC EDUCATION		
Provide Benefit Replacement Pay to eligible employees of public education agencies. Estimated.	\$ 1,090,493	\$ 1,034,878
A.1.4. Strategy: BRP - HIGHER EDUCATION		
Provide Benefit Replacement Pay to eligible employees of higher education agencies. Estimated.	<u>\$ 155,597</u>	<u>\$ 147,661</u>
Total, Goal A: SOCIAL SECURITY/BENEFIT REPLACEMENT	<u>\$ 215,139,037</u>	<u>\$ 219,306,113</u>
Grand Total, SOCIAL SECURITY AND BENEFIT REPLACEMENT PAY	<u>\$ 215,139,037</u>	<u>\$ 219,306,113</u>
Method of Financing:		
General Revenue Fund, estimated	\$ 167,930,179	\$ 169,266,905
General Revenue Dedicated Accounts, estimated	39,504,455	42,235,173
Federal Funds, estimated	1,334,593	1,337,459
Other Special State Funds, estimated	<u>6,369,810</u>	<u>6,466,576</u>
Total, Method of Financing	<u>\$ 215,139,037</u>	<u>\$ 219,306,113</u>

BOND DEBT SERVICE PAYMENTS

	For the Years Ending	
	August 31, 2004	August 31, 2005
Out of the General Revenue Fund:		
A. Goal: FINANCE CAPITAL PROJECTS		
To provide funding to the Texas Public Finance Authority for the payment of general obligation bond debt service requirements.		
A.1.1. Strategy: BOND DEBT SERVICE	\$ 555,093	\$ 555,360 & UB
Make general obligation bond debt service payments in compliance with bond covenants.		
Grand Total, BOND DEBT SERVICE PAYMENTS	\$ 555,093	\$ 555,360

LEASE PAYMENTS

	For the Years Ending	
	August 31, 2004	August 31, 2005
Out of the General Revenue Fund:		
A. Goal: FINANCE CAPITAL PROJECTS		
To provide funding to the Building and Procurement Commission for payment to the Texas Public Finance Authority for the payment of revenue bond debt service requirements.		
A.1.1. Strategy: LEASE PAYMENTS - PUBLIC EDUCATION	\$ 7,315,261	\$ 7,321,353 & UB
Make lease payments to the Texas Public Finance Authority for the payment of revenue bond debt service requirements for public education agencies on facilities financed through the Texas Public Finance Authority.		
A.1.2. Strategy: LEASE PAYMENTS - HIGHER EDUCATION	\$ 937,272	\$ 937,194 & UB
Make lease payments to the Texas Public Finance Authority for the payment of revenue bond debt service requirements for higher education agencies and institutions on facilities financed through the Texas Public Finance Authority.		
Total, Goal A: FINANCE CAPITAL PROJECTS	\$ 8,252,533	\$ 8,258,547
Grand Total, LEASE PAYMENTS	\$ 8,252,533	\$ 8,258,547

SPECIAL PROVISIONS RELATING ONLY TO STATE AGENCIES OF HIGHER EDUCATION

The Special Provisions which follow shall apply only to agencies of higher education:

Sec. 2. Local Funds Appropriated. All balances of local funds except for any identifiable general revenue in the local funds of the state institutions of higher education named in this Article, as those funds are defined in Education Code § 51.009(a), at the close of the fiscal year ending August 31, 2003, including balances in their local revolving funds at that time, and the income to said funds during the fiscal years beginning September 1, 2003 and 2004, are hereby appropriated for the operation, maintenance, and improvement of the respective state institutions. Institutional funds, as those funds are defined in Education Code § 51.009(b), shall be expended as authorized by the laws governing the use of the funds, and unless specifically included or identified, are exempt from the Article III and IX Special Provisions of this Act.

All local funds shall be subject to the special and general provisions of Articles III and IX except where certain local funds are specifically exempted from these provisions by a provision herein or by specific statutory authority.

Sec. 3. Definition of Terms.

1. As used in this Act, the term "general academic institutions" shall mean only the following institutions:

The University of Texas at Arlington
The University of Texas at Austin
The University of Texas at Dallas
The University of Texas at El Paso
The University of Texas - Pan American
The University of Texas at Brownsville
The University of Texas of the Permian Basin
The University of Texas at San Antonio
The University of Texas at Tyler
Texas A&M University
Texas A&M University at Galveston
Prairie View A&M University
Tarleton State University
Texas A&M University - Corpus Christi
Texas A&M University - Kingsville
Texas A&M International University
West Texas A&M University
Texas A&M University - Commerce
Texas A&M University - Texarkana
University of Houston
University of Houston - Clear Lake
University of Houston - Downtown
University of Houston - Victoria
Midwestern State University
University of North Texas
Stephen F. Austin State University
Texas Southern University
Texas Tech University
Texas Woman's University
Angelo State University
Lamar University - Beaumont
Lamar Institute of Technology
Lamar State College - Orange
Lamar State College - Port Arthur

**SPECIAL PROVISIONS RELATING ONLY TO STATE AGENCIES
OF HIGHER EDUCATION**

(Continued)

Sam Houston State University
Southwest Texas State University
Sul Ross State University, including:
Sul Ross State University Rio Grande College

2. "Educational and General Funds" are those funds defined in Education Code § 51.009(c) and General Revenue Fund appropriations.

Sec. 4. Transfer Provisions.

1. **Intercomponent Transfers.** With the approval of the respective governing board, appropriation transfers may be made among medically-related components and their associated system administration, among academic component institutions and their associated system administration, and among component technical colleges controlled by the board, and within each institution, transfers may be made between informational items of appropriation for the general academic institutions, health centers, health science centers, medical education programs, and technical colleges regardless of whether the informational items are general revenue or local funds in character. Transfers may not be made from medically-related components to academic components or from academic components to medically-related components except that transfers may be made from schools of nursing, pharmacy and allied health in academic components to medically-related components and from medically-related components into the health-related programs listed above in academic components. Transfers may not be made into the informational items setting the salary rate for the president, chancellor, or for any other line-item salary shown. Nothing in this section shall authorize the transfer of appropriations from Texas A&M University Service Agencies to Texas A&M University.
2. **Health to Academic Intercomponent Transfers with LBB Prior Approval.** As an exception to the provisions in Subsection 1, transfers may be made with prior approval of the Governor and Legislative Budget Board from medically-related components to general academics if it does not diminish the academic programs of the medically-related component or result in increased fees to patients at the component. The systems shall furnish whatever documentation may be required by the Governor and Legislative Budget Board to assure these conditions are met.
3. **Revenue Enhancement and Transfer Notification.** The Legislature instructs The University of Texas System to enhance local funds revenues to reduce the need for general revenue funds. The Legislature instructs The University of Texas System to give 30 days notice to the Legislative Budget Board and Governor prior to transferring local funds from any System hospital. Furthermore, notwithstanding the provisions of subsections 1 and 2 above, The University of Texas System Board of Regents shall not transfer funds from health institutions delivering patient care if such a transfer would result in a decrease in the quality or amount of indigent patient care offered by the affected institution.
4. **Reporting of Transfers.** Any transfers made pursuant to Subsections 1, 2, and 3, whether general revenue or local funds in nature, shall be reported in the Legislative Appropriations Request for the biennium beginning September 1, 2005.
5. **Tuition Revenue Bond and Revenue Bond Transfers.** Notwithstanding the other provisions of this act, transfers are not prohibited to the extent they are required to comply with proceedings authorizing bonds or other obligations now outstanding or hereafter issued pursuant to law.

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Sec. 5. Salary and Benefit Provisions.

1. **Prorated Salaries Authorized.** Any employees who distribute their time and duties between general administration, instruction, organized activities related to instruction, and the management of auxiliary enterprises, may receive their total salary payments in proportionate parts from such activities and from the appropriated or available funds therefore.
2. **President Salaries.** Out of the educational and general funds appropriated to the general academic institutions, health centers, health science centers, and medical education programs, an amount NTE \$65,945 in 2004 and \$65,945 in 2005 may be expended for the salary of a president. All presidents may receive in addition to the above amounts a house, utilities, and/or supplement from institutional funds. If a house owned by the institution, center, or program is not available, an amount NTE \$7,200 per year from the appropriation to the institution, center, or program, and additional amounts from institutional funds where required, may be provided in lieu of house and utilities.
3. **Chancellor Salaries.** Out of the funds appropriated, transferred, or contracted to the system offices, an amount NTE \$70,231 in 2004 and \$70,231 in 2005 may be expended for the salary for a chancellor. All chancellors may receive in addition to the above amounts a house, utilities, and/or supplement from institutional funds. If a system owned house is not available an amount NTE \$7,200 per year from the system office appropriation and additional amounts from private and institutional funds where required, may be provided in lieu of house and utilities.
4. **Merit Authorization.** It is expressly provided that institutional administrators may grant merit salary increases to employees whose job performance and productivity is consistently above that normally expected or required.
5. **Merit Requirement for Faculty and Faculty Equivalent Employees of Institutions and Agencies of Higher Education.** Notwithstanding any other provisions of this act, salary increases for faculty or faculty equivalent employees of institutions of higher education shall be awarded on the basis of merit and performance in accepted activities. This shall not be interpreted so as to preclude salary adjustment designed to avoid salary inequities.
6. **Group Insurance Premiums.** For the biennium ending August 31, 2005, there is hereby appropriated such amounts, from local funds or educational and general income available to institutions of higher education, as may be necessary to pay the proportional share of the State's contributions for Staff Group Health Insurance Premiums. Funds appropriated by this subsection may be transferred by those institutions not retaining separate insurance programs to the Employees Retirement System at appropriate intervals to pay the proportional share of the group insurance premiums.
7. **Higher Education Institutions Participating In the Employees Retirement System Group Insurance Program.** General Revenue funds appropriated herein shall be supplemented by funds appropriated elsewhere in this Act for employees enrolled in the State Kids Insurance Program (SKIP) to provide for a premium-sharing structure comparable to the Children's Health Insurance Program (CHIP). Institutions of higher education participating in the Employees Retirement System Group Insurance Program paying for health insurance costs from non-General Revenue Funds shall provide the same levels of premium-sharing for SKIP enrollees as provided for those higher education employees with health insurance paid from General Revenue Funds.

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8. Administrative Accountability.

- a. In each state fiscal year of the biennium, an institution of higher education, including a system office, may not spend funds appropriated to the institution by this Act unless, not later than December 1, the institution submits to the Legislative Budget Board, the chair of the House Appropriations Committee, and the chair of the Senate Finance Committee a report that includes the total number of persons holding high-ranking administrative positions at the institution.
- b. For purposes of subsection (1), "high-ranking administrative position" includes the following positions:
 - (1) chancellor;
 - (2) vice chancellor;
 - (3) associate chancellor;
 - (4) assistant chancellor;
 - (5) president;
 - (6) vice president;
 - (7) associate vice president;
 - (8) assistant vice president;
 - (9) dean;
 - (10) associate dean;
 - (11) assistant dean; and
 - (12) any other administrative position having similar responsibilities to the other positions listed in this subsection.
- c. A report submitted under subsection (1) must:
 - (1) be in a form prescribed by the Legislative Budget Board;
 - (2) include the name, salary, and total value of nonsalary benefits for each person holding a high-ranking administrative position at the institution; and
 - (3) include the percentage salary increase for each person holding a high-ranking administrative position at the institution who occupies the same position during the current fiscal year as during the preceding fiscal year.
- d. Not later than the seventh day after the date an institution of higher education submits the report required by subsection (1), the institution shall make a copy of the report available for public inspection in the library of the institution.

Sec. 6. Expenditure Provisions. The expenditure of the appropriations made in this Article or authorized in law for institutions of higher education except bequests and gifts specifically designated to be in some manner handled otherwise, shall be subject to the provisions of this section which follow and with exceptions only as specifically noted:

1. **Annual Operating Budgets Required.** It is expressly provided that the governing board of each of the institutions of higher education named herein shall approve on or before September 1, 2003 and 2004, an itemized budget covering the operation of the ensuing fiscal year, which budget shall be prepared within the limits of the revenue available. Each institution's operating budget shall contain a section(s) which provides budget amounts and the method of finance for each listed informational item of appropriated funds contained in this Act. A copy of each budget, and any subsequent amendments thereto, shall be filed with the Legislative Reference Library and the institution's general library to be available for public

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inspection. Copies of each budget shall also be filed with the Legislative Budget Board, the Governor, and the Texas Higher Education Coordinating Board by December 1 of each fiscal year.

2. **Clearing Accounts.** At their option, the institutions may use their local depository bank account in lieu of the special clearing account, authorized by Education Code, § 51.008(b), provided that the general requirements set out in therein, for deposits and transfers to the state treasury, are complied with.
3. **Revolving Funds.**
 - a. Each institution affected by this section, at its option, is hereby authorized to maintain a revolving fund to facilitate the payment of nominal expenses and to pay bills within cash discount periods. The institutions may use the revolving fund for regular monthly payrolls as well as for weekly and special payrolls. Disbursements from the revolving funds are to be reimbursed from respective items of educational and general appropriation made herein, the Comptroller of Public Accounts being hereby authorized to make such reimbursements on claims filed with her by the institutions under her regularly prescribed procedures except that one voucher and one warrant may cover any number of claims for this purpose. These reimbursement claims shall meet the same requirements as other claims against state appropriations, and each institution shall prepare such a reimbursement claim as at the close of business on the last day of each month and as many times during the month as may be expedient in order to make unnecessary the maintaining of an unreasonably large revolving fund.
 - b. The respective governing board shall determine the amounts of the revolving funds to be set up for each institution, and may increase or decrease the amounts if necessary. Such governing board shall designate a depository bank for each revolving fund, and shall specify the officers and/or employees to sign checks drawn on each such fund. The depository bank for each revolving fund shall be required to secure the deposit as provided by law.
 - c. Appropriations to all institutions of higher education and systems, except funds identified exclusively for salaries, may be used to reimburse any revolving fund operated for the benefit of one or more parts or component units of an institution or system, such as a motor pool for managing automotive vehicles authorized by this Act, a feed supply center, an office supply or laboratory supply center, a computer center, or any other operations of a similar nature established by authority of the governing board of said institution or system.
4. **Local Depositories.** The governing boards of the respective institutions for which appropriations are made in this Article are hereby authorized to select depository banks for the safekeeping of funds which are authorized, by statute, to be maintained outside the state treasury. The boards shall require depository banks to furnish adequate surety bonds or securities to be posted for the assurance of safety of such deposits. The depository bank or banks so selected are hereby authorized to pledge their securities for assurance of safety for such funds. All such local funds shall be deposited in these depositories within seven (7) days from date of collection. The governing boards may require the depository so designated and selected to pay interest on deposits at a rate to be agreed upon by said depositories and said boards.
5. **Investment Reports.**
 - a. The governing board of each of the educational institutions named in this Article shall file with the State Auditor, Comptroller of Public Accounts, Legislative Budget Board, and the

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Governor an annual report of all investment transactions involving endowment funds, short-term and long-term investment funds, and all other securities transactions, in a method prescribed by the State Auditor's Office. Copies of such reports shall be available for public inspection. In addition to the annual report, each institution shall publish on its website quarterly investment reports in any format it deems appropriate.

- b. The governing boards of each educational institution named in this Article must adopt formal investment policies. Each governing board shall submit to the Legislative Budget Board and State Auditor's Office a copy of their investment policy by December 31 of each year.

6. Central Services Accounts.

- a. Out of funds appropriated in this Article, the governing boards of the university systems and their component units, and institutions of higher education may employ persons to serve two or more parts or component units of the system or institution and may pay their salaries in whole or in part from the informational items of appropriation made herein to any component unit. The governing boards are authorized to establish accounts from which salaries and expenses for the administration and supervision of the units of the system or institution may be paid and to require the units, including any other agency the administration of which it may be charged with by law, to pay into this account from any general revenue, local, or institutional funds their proportionate share as determined by the board for the expense of such administration and supervision. The Comptroller of Public Accounts is authorized to set up an account for each of the systems or institutions and to deposit in the account funds to the amount authorized by the governing boards and executive heads of the respective units, from funds appropriated by the Legislature to the units for noninstructional salaries and general operating expenses. The Comptroller is authorized to draw warrants against such accounts based on vouchers submitted by the systems or institutions in payment of salaries, maintenance, equipment or travel incidental to the administration and supervision of the respective units.
- b. The systems and institutions whose governing boards and component units are subject to the above are authorized to establish the following accounts:

Texas A&M University System Central Services Account
The University of Texas System Central Services Account
University of Houston System Central Services Account
Texas Tech University System Central Services Account
University of North Texas System Central Services Account
Texas State University System Central Services Account

- c. Travel expense incurred by a person employed by one unit of an above system or institution in connection with service to the other units may be reimbursed by the unit for which such services are performed or proportionately if more than one such unit is involved.
- 7. Utility Revolving Funds.** The governing boards of Texas Woman's University, West Texas A&M University, all components of the University of Houston System, Texas State University System, Texas Tech University System, University of North Texas System, and The University of Texas System are authorized to use appropriated funds, except funds expressly identified for salaries, to make payments of debt service and other payments in connection with utility plant revenue bonds and utility plant operation and maintenance expenses, and/or to reimburse any revolving fund now or hereafter established in connection with providing utility services to any

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building or facility of the college or university, in accordance with the general principles established in Education Code § 55.11, and the creation and maintenance of any such revolving fund is hereby authorized.

8. Appropriation Expenditure Authorization.

- a. The educational and general appropriations made in this Act to the general academic teaching institutions, health related institutions and Texas State Technical College may be expended for the following purposes, including, but not limited to: Instruction; Research; Public Service; Academic Support; Student Services; Institutional Support; Operation and Maintenance of Plant; Scholarships; Staff Benefits; Organized Activities; and Patient Care. Major repairs and rehabilitation of buildings and facilities may be purchased from appropriated funds, but may not be purchased from general revenue funds that are not expressly identified or allocated for such purposes.
- b. No educational and general funds appropriated to any institution or agency named in this article may be expended on auxiliary enterprises, unless specifically authorized in this Act.

9. Tuition Revenue Bonds and Revenue Bonds. Funds clearly identified in separate informational strategies to the general academic teaching institutions and health sciences centers for revenue or tuition revenue bond retirement may be expended only to reimburse institutions or centers for debt retirement authorized by Education Code § 55.17 through § 55.174 and § 55.19, and any additional authorization enacted by the Seventy-eighth Legislature. Any funds in excess of the amount expended for debt retirement shall be reverted to the General Revenue Fund at the end of each fiscal year.

Sec. 7. Recruitment of Students. No funds appropriated by this Act may be expended for travel expenses incurred outside the boundaries of the State of Texas for the purpose of direct recruitment of students.

Sec. 8. Television Stations Prohibited. None of the educational and general funds appropriated in this Article may be expended for the acquisition, construction or operation of television transmitter stations; provided, however, this prohibition shall not be construed so as to prevent the institutions of higher education named in this Article from using closed-circuit television for purely instructional purposes, or to prevent institutions with existing public broadcasting or transmitter stations to use them for educational purposes, or to prevent the continuance of operating arrangements with existing transmitter stations for purely educational purposes; or to prevent cooperative arrangements with public broadcast stations.

Sec. 9. Intercollegiate Athletics. The special and general provisions of Articles III and IX of this Act shall not apply to intercollegiate athletics. The governing boards of the respective institutions of higher education shall make such necessary rules and adjustments as may be deemed advisable for the management and operation of such activities; however, no funds under control of intercollegiate athletics may be used to purchase alcoholic beverages; no educational and general funds appropriated may be used for the operation of intercollegiate athletics; such rules and adjustments shall be designed to complement the rules applicable to other departments of the respective institution and finally, such rules and adjustments shall specifically prohibit violation of National Collegiate Athletic Association (NCAA) or other governing body rules with respect to recruitment of athletes.

Sec. 10. Prohibition Against Additional Museums. None of the educational and general funds appropriated in this Article shall be used for establishing additional museums or for the maintenance and operation of museums unless the language of this Act or of other acts and resolutions of the Legislature specifically authorizes such use of educational and general funds. As an exception to this provision, in order to encourage and promote gifts, grants, or donations to institutions of higher

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education, it is specifically provided that an institution which receives such gifts, grants or donations for the construction or establishment of a museum, which is added to an institution's building inventory after September 1, 1997, may use education and general funds appropriated by this Article for the maintenance and operation of such a museum. This exception applies only to the authority to spend appropriated funds for these purposes; such museum space shall not be included in formula calculations for purposes of determining the amounts of appropriations due for maintenance or operations of institutional facilities.

Sec. 11. Method of Financing Scholarships.

1. Out of the funds identified by this Article in the informational items described as "Other Educational and General Income," the respective governing boards of the general academic teaching institutions and of the health centers, health science centers, or technical colleges may allocate and expend the actual receipts in such informational item for student scholarships pursuant to the provisions of Education Code § 56.031 to § 56.039, cited as the Texas Public Educational Grants Program.
2. Copies of such approved allocations together with copies of rules and regulations adopted by the respective governing boards concerning the award of such scholarships, shall be filed with the Coordinating Board and with the Comptroller prior to the disbursement of any moneys for scholarships. Copies of any subsequent changes in such allocations or rules shall be similarly filed with the Coordinating Board and with the Comptroller.
3. No educational and general funds appropriated in this Act for scholarships to institutions of higher education may be used to provide athletic scholarships.
4. Out of the additional funds appropriated for the 2004-05 biennium for the informational strategy described as "Scholarships," it is the intent of the Legislature that the respective governing boards shall allocate and expend such funds for need-based student scholarships regardless of the race, sex, color or ethnicity of the student recipient.

Sec. 12. Use of Educational and General Funds for Alumni Activities Prohibited. None of the educational and general funds appropriated by this Article may be expended by institutions of higher education for the support or maintenance of alumni organizations or activities.

Sec. 13. Limitation of Nonresident Enrollment in Certain State-supported Professional Schools.

1. None of the funds appropriated by this Act may be expended for the establishment, operation, or maintenance, or for the payment of any salaries to the employees in, any wholly or partially state-supported medical, dental, or law school which: (a) imposes a limitation on the number of students that it admits, (b) in an academic semester denies admission to one or more Texas residents who apply for admission and who reasonably demonstrate that they are probably capable of doing the quality of work that is necessary to obtain the usual degree awarded by such school, and (c) in the same academic semester admits, as either class, nonresidents of the State of Texas in a number greater than 10 percent of the class of which such nonresidents are a part. Limitation of nonresident enrollment at The University of Texas Law School, Texas Tech University School of Law, and the University of Houston Law Center may be increased to 20 percent of the class of which nonresidents are a part provided that the admission of such nonresident students is on the basis of academic merit alone. By the provisions of this paragraph it is intended to withhold funds appropriated by this Act from state-supported medical, dental, and law schools which limit their enrollments and which fill more than 10 percent of their classes with non-resident students in the case of medical and dental schools, and 20 percent in the case of The University of Texas Law School, Texas Tech University Law School and the University of Houston Law Center, when the result of admitting a nonresident

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denies admission to a qualified Texas applicant. This provision shall not apply to the funds appropriated to the Coordinating Board for the funding of Baylor College of Medicine or to funds appropriated for tuition equalization grants for students attending private colleges.

2. In addition, The University of Texas Southwestern Medical Center at Dallas may admit up to 25 competitively recruited medical students in each entering class for a specialized six-year program of clinical and research training designed to lead to the MD and PhD degrees irrespective of whether those students are Texas residents.
3. Texas medical schools may enroll up to 6 competitively recruited medical students, who already possess the DDS degree, in each second year medical school class for a specialized six year program in oral and maxillofacial surgery comprised of the last three years of medical school and a three year residency program irrespective of whether those students are Texas residents.

Sec. 14. Off-campus Instruction. General academic institutions may teach courses off campus with the following restrictions:

1. At the conclusion of each fiscal year, the Coordinating Board shall file a report with the Governor and the Legislative Budget Board on all general academic institutions concerning off-campus semester credit hours for that fiscal year.
2. Semester credit hours generated at upper level centers authorized by the Legislature or by the Coordinating Board, as well as at Prairie View A&M University's Houston nursing program and Texas Woman's University nursing programs in Dallas and Houston are not considered to be off-campus.
3. All courses taught off campus must be taught by a regular faculty member or administrator who is employed at least half-time on the main campus of the institution. The Commissioner of Higher Education may waive this requirement in special cases where institutions can justify the use of a uniquely qualified individual. Allied health and vocational instructors are exempted from this requirement.

Sec. 15. Medical School Enrollment. It is the intent of the Legislature that the first year class enrollment of undergraduate medical students in the fiscal years ending August 31, 2004 and August 31, 2005, shall be no less than 200 students at The University of Texas System medical colleges and 100 students at the University of North Texas Health Science Center at Fort Worth and the Texas Tech University Health Sciences Center College of Medicine. This provision shall not be construed as requiring any school of medicine to accept an unqualified applicant. In the event that a school of medicine falls below the required first year class enrollment of undergraduate medical students by more than 5 percent for fiscal years 2004 and 2005, the school shall report to the Legislative Budget Board the reasons for failing to meet the required enrollment. It is the intent of the Legislature that this information be taken into account when preparing the appropriation recommendations for the Seventy-ninth Legislature.

Sec. 16. Tuition and Other Educational and General Local Fee Collection. On or before the end of the 20th class day for each regular semester and the 15th class day for each summer session, each institution of higher education shall collect from each student whose semester credit hours are to be included in formula funding calculations all tuition and all fees in accordance with the installment tuition and fee payment plan provided for by Education Code, Chapter 54, as amended. Valid contracts with the United States Government for instruction of eligible military personnel, valid contracts with private business and public service-type organizations or institutions such as hospitals, and financial aid awards processed by the financial aid office but not yet issued to the student may be considered as collections thereunder but subject to adjustments after final payment thereof.

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Sec. 17. Compliance with Uniform Recruitment and Retention Strategy. It is the intent of the Legislature that institutions of higher education give top priority and consideration to compliance with the spirit and mandates of the Uniform Recruitment and Retention Strategy.

Sec. 18. Formula Variable and Educational and General Income Audits. The Texas Higher Education Coordinating Board in consultation with the State Auditor's Office and the Legislative Budget Board, shall clearly define all variables used by the Seventy-eighth Legislature in arriving at formula appropriations for 2004 and 2005. According to an audit plan developed in consultation with the Coordinating Board and Legislative Budget Board, all variables of selected formulas used in making 2004 and 2005 formula appropriations are subject to audit by the State Auditor. The State Auditor shall report any differences from data submitted by the institutions to the Coordinating Board, the Legislative Budget Board, and the Governor. The Coordinating Board shall then calculate a new appropriations amount for each institution that reported data in conflict with that verified by the Auditor. These calculations shall then be reported to the Legislative Budget Board, Governor, and the Comptroller of Public Accounts and may be used to revise appropriation authority accordingly. The calculation of revised appropriation amounts shall allow each institution an error rate of up to 2 percent of the biennial appropriations related to the variables audited at that institution.

In addition, components of educational and general income reported in the institutional requests for legislative appropriations for fiscal years 2004 and 2005 are subject to audit by the State Auditor.

The State Auditor may request the assistance of an institution's internal auditor in performing the audits described in this section.

Sec. 19. System Offices Funding Authorized. Educational and general funds appropriated to components of The University of Texas, Texas A&M University, University of Houston, Texas Tech University, University of North Texas, Texas State University System and Texas State Technical College Systems may be transferred or contracted to system offices to provide support for coordination, administration, and other related services.

Sec. 20. Annual Reports of Health Related Institutions Practice Plans. As a limitation and restriction upon appropriations made by this Act, all agencies that have a public health related institution covered under Article III shall not expend funds after a period of 120 days following the close of the fiscal year, unless there has been filed with the Governor, the State Auditor, the Legislative Budget Board, the Legislative Reference Library and the Comptroller of Public Accounts an annual report as of August 31 of the preceding fiscal year, showing the use of practice plan funds. The annual report shall conform to a uniform reporting system developed by the State Auditor's Office for all financial data concerning the health related institutions practice plans.

Sec. 21. Self-Insurance Funds. Any funds of an institution of higher education used for or allocated to a self-insurance fund authorized by Government Code § 2259.001 for a risk otherwise insurable by the institution of higher education shall be treated by the Comptroller of Public Accounts as an expenditure of the respective funds. The self-insurance funds so created shall be considered designated funds as that term is used in § 51.008(b) of the Education Code. Any self-insurance fund reserves so created shall not exceed in amount the maximum value determined to be actuarially sound for each such self-insurance program.

Sec. 22. Elements of Un-sponsored Charity Care.

1. **Financially Indigent.** Un-sponsored charity care shall include unreimbursed services to the financially indigent. Financially indigent shall mean uninsured or underinsured patients accepted for care with no obligation or a discounted obligation to pay for services rendered based on a teaching hospital's or clinic's formal eligibility system which may include:
 - (a) income levels and means testing or other criteria for determining a patient's inability to pay;

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or (b) other criteria for determining a patient's inability to pay that are consistent with the hospital's or clinic's mission and established policy. The federal poverty level shall serve as an index for the threshold below which patients receiving care at The University of Texas Southwestern Medical Center at Dallas, The University of Texas Medical Branch at Galveston, The University of Texas Health Science Center at Houston, The University of Texas Health Science Center at San Antonio, The University of Texas M.D. Anderson Cancer Center, The University of Texas Health Center at Tyler, Texas A&M University System Health Science Center, The Texas Tech Health Sciences Center, and The University of North Texas Health Science Center are deemed financially indigent. Financially indigent services include both noncovered services and contractual allowances for patients eligible for the Medicaid program and for the Children with Special Health Care Needs (formerly known as CIDC) program, services provided under the Maternal and Infant Health Improvement Act (MIHIA), services provided under county indigent care contracts (Sec. 25), and services provided under other state or local government programs with eligibility indexed to the federal poverty level.

2. **Medically Indigent.** Un-sponsored charity care shall include unreimbursed services to the medically indigent. Medically indigent shall mean patients who are responsible for their living expenses, but whose medical and hospital bills, after payment by third-party payers, where applicable, exceed: (a) a specified percentage of the patient's annual gross income (i.e., catastrophic medical expenses) in accordance with a teaching hospital or clinic's formal eligibility system in such instances where payment would require liquidation of assets critical to living or earning a living; or (b) the criteria for determining a patient's inability to pay as established by the public health-related institutions listed in Sec. 22, 1. Financially Indigent.
3. **Charity Care Determination.** The determination that a patient is financially or medically indigent shall occur within 120 days of the patient's discharge from the hospital or clinic setting or within 120 days of the third party payor settlement.
4. **Contractual Adjustments.** The contractual adjustments to commercial contracts, managed care contracts, and Medicare for the public health-related institutions listed in Sec. 22, 1. Financially Indigent, shall not be counted as un-sponsored charity care.
5. **Bad Debt.** Bad debts shall not be counted as un-sponsored charity costs. Bad debts shall include the uncollected billed charges for services rendered to patients who do not qualify under the definition of un-sponsored charity care.

Sec. 23. Un-sponsored Charity Care Reporting Requirement. The public health-related institutions listed in Sec. 22, 1. Financially Indigent, shall include in their biennial legislative appropriations request information including the actual amount of un-sponsored charity care provided through each institution's respective physician practice plan, and if applicable, hospital or clinic using the definition of un-sponsored charity care set forth in the section called "Elements of Un-sponsored Charity Care."

Sec. 24. Patient Income Eligibility Guidelines. The University of Texas Medical Branch at Galveston, The University of Texas M.D. Anderson Cancer Center, and The University of Texas Health Center at Tyler shall use the federal poverty level indexed at an agreed-upon level as the guideline for determining indigent patient status, and those institutions' eligibility guidelines regarding copayment by patients deemed financially or medically indigent shall be the same.

The University of Texas Southwestern Medical Center at Dallas, The University of Texas Health Science Center at Houston, The University of Texas Health Science Center at San Antonio, Texas A&M University System Health Science Center, The Texas Tech Health Sciences Center, and The University of North Texas Health Science Center may use as a basis for reporting indigent care

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statistical samples derived from indigent care determinations made by their affiliated teaching hospitals and designed to estimate the amounts of charity care provided using the definitions established by The University of Texas hospitals noted above.

Sec. 25. County Indigent Care Contracts.

1. **Contracts Required.** It is the intent of the Legislature that all institutions of higher education providing indigent health care contract with relevant counties in their service area to recover the costs associated with treating those counties' indigent patients.
2. **County Indigent Care Contracts Reporting.** The University of Texas Medical Branch at Galveston, The University of Texas M.D. Anderson Cancer Center, and The University of Texas Health Center at Tyler shall submit to the Legislative Budget Board and the Governor at the end of each fiscal year a list of counties whose indigent residents have been served by each institution; the total amount of reimbursement received by each institution from each county pursuant to the Indigent Health Care and Treatment Act; and the total cost, by county, of services provided by each institution for which counties are liable pursuant to the Indigent Health Care and Treatment Act. In addition, each institution shall report annually to the Legislative Budget Board and Governor on the status of contract agreements or negotiations with each county whose indigent residents have been served by the institution.

Sec. 26. Ethics Policy.

1. None of the funds appropriated by this Act may be expended by an institution of higher education until its governing board has filed with the Texas Higher Education Coordinating Board an ethics policy which has been adopted by the board of regents. The ethics policy shall apply to the board of regents and its staff, the administration, staff, and faculty of the institutions under the board's governance.
2. The ethics policy adopted by each board of regents shall include specific provisions regarding sexual harassment.

Sec. 27. Driscoll Children's Hospital. No funds appropriated to a health-related institution of higher education shall be used to replace or duplicate the Driscoll Children's Hospital in caring for children with special health-care needs, including pediatric cardiovascular diseases or in assuming the direct care of those children. It is legislative intent that this rider language not restrict the traditional referral patterns, utilized by physicians to refer patients to health-related institutions.

Sec. 28. Participation in Drug Development Research Projects. A public university may not expend funds appropriated by this Act, including appropriations of grants or gifts, to conduct a drug development research protocol involving a person who is receiving mental health services under a protective custody order, pursuant to Chapter 574, Health and Safety Code. This rider is not intended to limit or prohibit provisions for treatment established under § 576.022, Health and Safety Code.

Sec. 29. Post Tenure Review. None of the funds appropriated by this Act may be expended by an institution of higher education until its governing board has filed with the Texas Higher Education Coordinating Board policies and procedures regarding post tenure review which have been adopted by the board of regents. Post tenure policies shall include review procedures to determine that a tenured faculty member is performing consistently at an acceptable, professional level and a mechanism whereby a faculty member is informed of any deficiencies and provided opportunities to effectively improve his or her performance.

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Sec. 30. General Academic Funding. Funding for general academic institutions will consist of four formulas and supplemental items.

1. **Instruction and Operations Formula.** The Instruction and Operations Formula shall provide funding for faculty salaries, including nursing, departmental operating expense, library, instructional administration, research enhancement, student services, and institutional support. These funds are distributed on a weighted semester credit hour basis. The rate per weighted semester credit hour for the 2004-05 biennium is \$51.25.

Weighting is determined by the following matrix:

	Lower Division	Upper Division	Masters	Doctoral	Special Professional
Liberal Arts	1.00	1.96	3.94	12.04	
Science	1.53	3.00	7.17	19.29	
Fine Arts	1.85	3.11	6.51	17.47	
Teacher Ed	1.28	1.96	3.23	9.95	
Agriculture	2.05	2.54	6.64	16.37	
Engineering	3.01	3.46	8.20	21.40	
Home Economics	1.58	2.12	4.34	10.79	
Law					3.22
Social Services	1.64	1.84	5.80	11.92	
Library Science	1.45	1.52	4.22	12.26	
Vocational Training	1.45	2.59			
Physical Training	1.36	1.36			
Health Services	2.87	3.46	6.47	15.98	
Pharmacy	4.00	4.64	9.00	19.11	9.00
Business Admin	1.41	1.59	4.59	13.91	
Optometry			5.46	19.12	7.00
Teacher Ed Practice	2.43	2.57			
Technology	1.99	2.56	6.61		
Nursing	4.91	5.32	6.49	16.32	
Developmental Ed	1.00				
Veterinary Medicine					16.72

**SPECIAL PROVISIONS RELATING ONLY TO STATE AGENCIES
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(Continued)

2. **Teaching Experience Supplement.** For the 2004-05 biennium, an additional weight of 10 percent is added to lower division and upper division semester credit hours taught by tenured and tenure-track faculty. Furthermore, it is the intent of the Legislature that the weight shall increase by 10 percent per biennium, up to 50 percent.
3. **Infrastructure Support.** Funding associated with plant-related formulas and utilities shall be distributed by the infrastructure support formula which is driven by the predicted square feet for universities' educational and general activities produced by the Space Projection Model developed by the Coordinating Board. The portion of the formula related to utilities is adjusted to reflect differences in unit costs for purchased utilities, including electricity, natural gas, water and wastewater and thermal energy. The average rate per square foot is \$5.95.
4. **Supplemental Non-formula Items.** Institutions shall receive a direct reimbursement as applicable for staff group insurance (other educational and general income portion), workers' compensation insurance, unemployment compensation insurance, public education grants, 50 percent of indirect research costs recovered on grants, organized activities, scholarships, tuition revenue bond payments, Skiles Act bond payments, and facility lease charges. Institutions may receive an appropriation for special items. Revenue derived from board authorized tuition would still be appropriated to the institutions levying the additional charges.

These formulas and supplemental items shall be reviewed and updated by study committees appointed by the Higher Education Coordinating Board and recommended changes forwarded to the Legislature, Legislative Budget Board, and Governor by June 1, 2004.

Sec. 31. Health Related Institutions Funding. Funding for health related institutions shall consist of three formulas plus supplemental non-formula items.

1. **Instruction and Operations Support Formula.** The Instruction and Operations Support Formula shall provide funding on a per student or full time equivalent basis. Funding for each instructional program is based on the following funding weights per student, with a base value per weighted student of \$9,934:

<u>Program</u>	<u>Weight Per Student</u>
Allied Health	1.000
Biomedical Science	1.018
Nursing	1.138
Pharmacy	1.670
Public Health	1.721
Dental	4.601
Medical	4.753

Instructional programs with enrollments of less than 200 students at individual campuses shall receive additional funding to compensate for the diseconomies of scale. The minimum formula shall generate additional funding per student, on a sliding scale, with programs with small enrollments receiving more additional funding per student.

2. **Infrastructure Support Formula.** Funding to the health-related institutions for plant support and utilities shall be distributed by the infrastructure support formula which is driven by the predicted square feet for the health related institutions produced by the Space Projection Model developed by the Texas Higher Education Coordinating Board. The rate per square foot is \$9.43 for all health related institutions, excluding The University of Texas M. D. Anderson Cancer Center and The University of Texas Health Center at Tyler. For these two institutions, the per square foot rate is \$9.31.

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(Continued)

Because the Space Projection Model does not account for hospital space, separate infrastructure funding for hospital space at The University of Texas Medical Branch at Galveston, The University of Texas M. D. Anderson Cancer Center, and The University of Texas Health Center at Tyler shall be included in the total funding for hospital and patient care activities.

3. **Research Funding.** The health-related institutions shall retain 100 percent of indirect research costs recovered on grants. Each institution also receives research enhancement funding of \$1,412,500 plus 2.15 percent of its research expenditures as reported to the Texas Higher Education Coordinating Board.
4. **Supplemental Non-formula Items.** Institutions shall receive a direct reimbursement as applicable for staff group insurance, workers' compensation insurance, unemployment insurance, public education grants, medical loans, tuition revenue bond payments, and facility lease charges. Institutions may receive an appropriation for special items. Hospital and clinic operations shall be funded through a combination of hospital and clinic revenue and general revenue.
5. **Formula Study Committees.** These formulas shall be reviewed and updated by study committees appointed by the Texas Higher Education Coordinating Board and recommended changes forwarded to the Legislature, Legislative Budget Board, and Governor by June 1, 2004.
6. **Mission Specific Support.** The University of Texas M.D. Anderson Cancer Center and the University of Texas Health Center at Tyler do not provide formal medical education which qualifies for instruction support under subsection 1 above. Therefore, funding allocated to these institutions shall be based on the following criteria:
 - a. The University of Texas M.D. Anderson Cancer Center has a statutory mission to eliminate cancer through patient care, research, education, and prevention. General Revenue funds appropriated to The University of Texas M.D. Anderson Cancer Center in Strategy B.1.3, Science Park Operations, and Strategy D.1.1, Patient Care Activities, shall be based on the number of new cancer cases each year based upon population estimate projections of the state produced by the Texas State Data Center and California State Center Registry incidence rates used as a methodological source by cancer epidemiologists in Texas and throughout the country. General Revenue appropriations for fiscal year 2004 shall be based on the number of new cancer cases reported in 2001, and General Revenue appropriations for fiscal year 2005 shall be based on the number of new cancer cases reported in 2002. The rate per new cancer case shall be \$59.31 in fiscal year 2004 and \$58.21 in fiscal year 2005 for Strategy B.1.3, Science Park Operations; and \$263.29 in fiscal year 2004 and \$268.16 in fiscal year 2005 for Strategy D.1.1, Patient Care Activities.
 - b. The University of Texas Health Center at Tyler has a statutory mission to conduct research, develop diagnostic and treatment techniques, provide training and teaching programs, and provide diagnosis and treatment of inpatients and outpatients with respiratory diseases. General Revenue funds appropriated to The University of Texas Health Center at Tyler in Strategy A.1.1, Medical Education and Research Items, shall be based on the number of new primary chest disease diagnoses each year in Texas as reported by participating Texas hospitals in the Texas Hospital Association Patient Data System program. General Revenue appropriations for fiscal year 2004 shall be based on the number of new primary chest disease diagnoses reported in 2000, and General Revenue appropriations for fiscal year 2005 shall be based on the number of new primary chest disease diagnoses reported in 2001. The rate per primary chest diagnosis shall be \$7.56 for fiscal year 2004 and \$7.27 for fiscal year 2005.

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- c. The University of Texas M.D. Anderson Cancer Center and The University of Texas Health Center at Tyler shall submit to the Legislative Budget Board, Governor, and Texas Higher Education Coordinating Board a copy of the appropriate reports discussed above and supporting documentation which provides the necessary information to calculate the formula allocations in subsections (a) and (b) above.

Sec. 32. Optional Retirement Program Differential. Included in the appropriation to institutions of higher education in this act are general revenue amounts to offset local funds used for the optional retirement program employer contributions between 6 percent and 7.31 percent of salaries for employees who were on the state payroll or who were employed by a Public Community or Junior College as of August 31, 1995. These general revenue amounts are included in the funding formulas for general academic institutions and two-year institutions and in the base funding for other institutions of higher education.

Sec. 33. Indirect Cost Recovery Earned by Texas A&M Services. The Texas A&M University System Service agencies shall report to the Legislative Budget Board in their Legislative Appropriations Requests for 2006-07 all indirect cost recovery revenue earned on research grants and contracts including amounts collected by the Research Foundation.

Sec. 34. Fire Safety Projects at Institutions of Higher Education. Because of the urgent nature of these projects, it is the intent of the Legislature that institutions of higher education that have major fire safety projects, identified by the State Fire Marshal's Office as not meeting the requirements of the National Fire Protection Association, *Life Safety Code*, 1994 Edition, remedy the fire safety issues and complete any related construction and renovation projects as soon as practical. Institutions shall consult with the State Fire Marshal's Office and develop a time line for completion of the projects. Institutions shall implement the interim safety precautions recommended by the State Fire Marshal's Office. The State Fire Marshal shall submit periodic reports to the House Appropriations Committee and Senate Finance Committee on the progress of institutions in remedying the fire safety issues.

Institutions of higher education shall notify parents of students living in dormitories identified by the State Fire Marshal's Office. The notice shall contain information about the actions needed to rectify noncompliance and the time frame in which the institution plans to make improvements in order to comply.

Sec. 35. Special Items. It is the intent of the Legislature that actions taken to consolidate certain special items under the Institutional Enhancement strategy shall not in any way be construed to preclude actions to add special item funding for a statewide or broadly based initiative identified by the Legislature to address significant unmet needs.

Sec. 36. Funding for Physical Education Courses. No funds appropriated under this act shall be used for contact hours or semester credit hours for students who are registered solely for physical education, weight lifting, group exercises, aerobics, or related courses; have registered for the same such course more than once; and are not seeking a degree plan or certificate of completion of a course of study.

Sec. 37. Faculty Salary Increase Report. The Texas Higher Education Coordinating Board shall report the average salary increase provided to faculty at each general academic institution to the Legislative Budget Board and Governor by January 31 of each fiscal year on a form prescribed by the Texas Higher Education Coordinating Board.

Sec. 38. Endowed Chairs. Out of funds appropriated to the Texas Higher Education Coordinating Board for Baylor College of Medicine, Houston; University of Texas Health Science Center at Houston; University of Texas Medical Branch at Galveston, each may expend up to \$1,000,000 out of

**SPECIAL PROVISIONS RELATING ONLY TO STATE AGENCIES
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(Continued)

funds appropriated in this Act to fund one endowed chair or professorship for spinal cord injury research. It is the intent of the Legislature that each institution pursue an equal amount of matching funds from the Institute of Rehabilitation and Research for each institution.

Sec. 39. Status of Endowed Chairs at General Academic Institutions. Each general academic institution that accepts donations for endowed chairs shall do the following: for each endowed chair that remains unfilled for a period of three consecutive years, provide a report to the donor disclosing the vacant status of the chair, in accordance with the donor agreement.

Sec. 40. A&M Service Agencies' Infrastructure. Except for amounts identified in subsection (1), funds identified as Infrastructure Support for Texas Agricultural Experiment Station, Texas Cooperative Extension, Texas Forest Service, Texas Engineering Experiment Station, Texas Transportation Institute, and Texas Engineering Extension Service are to be applied to each agency's infrastructure needs in Brazos County under the Texas Higher Education Coordinating Board's recommended formula for the A&M service agencies' infrastructure.

1. Each agency shall continue to work with the Texas Higher Education Coordinating Board as part of the ongoing formula advisory committee review process. Included in the Infrastructure Support strategy are funds formerly classified as Capital Equity and Excellence Funding.
2. Included in the appropriations for the A&M Service Agencies, the following biennial amounts shall be used for infrastructure support needs for facilities located outside of Brazos County: \$3,488,802 for the Texas Agricultural Experiment Station, \$660,044 for the Texas Cooperative Extension, \$700,000 for the Texas Forest Service, and \$577,401 for the Texas Veterinary Medical Diagnostic Laboratory.

Sec. 41. Nursing School Enrollment. The Legislature encourages institutions of higher education not to reduce the number of student full-time equivalents enrolled in programs preparing students for licensure as registered nurses in state fiscal years ending August 31, 2004 and August 31, 2005 below the number of student full-time equivalents enrolled for the state fiscal year ending August 31, 2003. This provision shall not be construed as requiring any school to accept an unqualified applicant to its professional nursing program. In the event that a school falls below the required number of students enrolled in professional nursing program by more than 5% for the state fiscal year ending August 31, 2004 and the state fiscal year ending August 31, 2005, the school shall report to the Legislative Budget Board and the Texas Higher Education Coordinating Board the reasons for failing to meet the required enrollment.

Sec. 42. Donations for Scholarships. For the first five years after receiving a donation which creates or endows a scholarship, a state university that fails to award a scholarship created or endowed by a donor shall annually notify the donor in accordance with the donor agreement.

Sec. 43. Endowed Programs. A state university that, within five years of receiving a donation, diminishes its financial support from local funds for a program created or endowed by the donor, shall notify the donor in accordance with the donor agreement. If the agreement so provides, then upon application by the donor, the university shall return the donation or endowment.

Sec. 44. Student Travel Policy. Each governing board of an institution of higher-education shall adopt a policy regulating travel that is undertaken by one or more students presently enrolled at the institution to reach an activity or event that is located more than 25 miles from the institution that is organized and sponsored by the institution and that is funded by the institution, and the travel is undertaken using a vehicle owned or leased by the institution or required by a student organization registered at the institution.

**SPECIAL PROVISIONS RELATING ONLY TO STATE AGENCIES
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(Continued)

Sec. 45. Special Item Support. Any appropriations made to special item support strategies throughout this article are intended to supplement existing programs and may not be used to supplant funds.

Sec. 46. Informational Listing - Permanent Funds and Endowments. The following is an informational list of the amounts used to capitalize Permanent Funds and Endowments created by House Bills 1676 and 1945, Seventy-sixth Legislature, and does not make appropriations.

Permanent Health Fund for Higher Education	\$ 350,000,000
The University of Texas Health Science Center at San Antonio Endowment	\$ 200,000,000
The University of Texas M.D. Anderson Cancer Center Endowment	\$ 100,000,000
Texas Tech University Health Sciences Center Endowment (El Paso)	\$ 25,000,000
The University of Texas Southwestern Medical Center at Dallas Endowment	\$ 50,000,000
Texas Tech University Health Sciences Center Endowment (Other Than El Paso)	\$ 25,000,000
The University of Texas Medical Branch at Galveston Endowment	\$ 25,000,000
The University of Texas Health Science Center at Houston Endowment	\$ 25,000,000
The University of Texas Health Center at Tyler Endowment	\$ 25,000,000
Texas A&M University System Health Science Center Endowment	\$ 25,000,000
University of North Texas Health Science Center at Fort Worth Endowment	\$ 25,000,000
Lower Rio Grande Valley Regional Academic Health Center Endowment	\$ 20,000,000
The University of Texas at El Paso Endowment	\$ 25,000,000
Baylor College of Medicine	\$ 25,000,000
Permanent Fund For Higher Education Nursing, Allied Health and Other Health Related Programs	\$ 45,000,000
Permanent Fund for Minority Health Research and Education	\$ 25,000,000

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(Continued)

Sec. 47. License Plate Scholarship Program. In addition to educational and general funds amounts appropriated by this Act, available balances and the portion of fees deposited in the state treasury during the biennium ending August 31, 2003 in the amount of \$450,000 in fiscal year 2004 and \$450,000 in fiscal year 2005, is to the credit of the general academic institutions as provided by VTCA, Transportation Code § 502.270, is appropriated for that period to the general academic teaching institution for which it was credited for the purpose of providing scholarships for students who demonstrate a need for financial assistance.

Sec. 48. Appropriation of Funds from the Permanent Health Fund for Higher Education. Included in the amounts appropriated to health related institutions of higher education, is an estimated appropriation based on the institution's allocation of the estimated earnings out of the Permanent Health Fund for Higher Education for each fiscal year of the biennium. Amounts available for distribution from this fund are estimated to be \$15,750,000 each fiscal year of the biennium. The funds appropriated out of the Permanent Health Fund for Higher Education shall be distributed to the institutions of higher education in accordance with Education Code § 63.003 for the purpose of medical research, health education, or treatment programs.

Sec. 49. Tobacco Settlement Receipts – Baylor College of Medicine. In addition to amounts appropriated elsewhere in this Act, Baylor College of Medicine is appropriated the institution's allocation of amounts, under Section 63.003, Education Code, available for distribution out of the Permanent Health Fund for Higher Education, estimated to be \$1,915,830 in each year of the 2004-05 biennium. These funds are to be used only for purposes specified in Education Code, §§ 63.002 (c), (d), and (f).

Amounts available for distribution or investment returns in excess of the amounts estimated above are also appropriated. In the event that amounts available for distribution or investment returns are less than the amounts estimated above, the Act may not be construed as appropriating funds to make up the difference.

All balances of estimated appropriations from the institution's allocation from the amounts available for distribution out of the Permanent Health Fund for Higher Education, except for any General Revenue, at the close of the fiscal year ending August 31, 2003, and the income to said fund during the fiscal years beginning September 1, 2003, are hereby appropriated. Any unexpended appropriations made above as of August 31, 2004, are hereby appropriated for the same purposes for fiscal year 2005.

Sec. 50. Limitation on Formula Funding Contact and Semester Credit Hours. It is the intent of the Legislature to control costs and limit General Revenue formula appropriations by excluding contact hours or semester credit hours related to a course for which a student is generating formula funding for the third time from being counted in the hours reported by the Higher Education Coordinating Board to the Legislative Budget Board for formula funding.

Sec. 51. Debt Service Related to Tuition Revenue Bonds. For tuition revenue bonds issued after March 31, 2003, it is the intent of the Legislature that General Revenue appropriations for the 2004-05 biennium to institutions of higher education be used only for the payment interest related to these bonds. It is the intent of the legislature that General Revenue funding for these tuition revenue bonds could be used to pay principal and interest payments made during the 2006-07 biennium.

Sec. 52. Report on Real Property. Institutions of higher education shall submit to the Asset Manager Division in the General Land Office the following information, as the General Land Office may require, in accordance with general law:

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(Continued)**

1. a description of each item of property by reference to a volume number and page or image number or numbers of the official public records of real property in a particular county, or if not applicable, by a legal description;
2. the date of purchase of the property, if applicable;
3. the purchase price of the property, if applicable;
4. the name of the institution holding title to the property for the state;
5. a description of the current uses of the property and of the projected future uses of the property during the next 15 years; and
6. a description of each building or other improvement located on the property.

If the description of real property required by this section is excessively voluminous, as in the case of parkland, the division may direct the institution in possession of the real property to furnish the description only in summary form, as agreed to by the division and the institution involved.

In addition, if the institution of higher education has done an appraisal on the property, the date of the appraisal and the value broken out by land and improvements.

Sec. 53. Limitation on Use of Funds.

1. State agencies and institutions of higher education that are appropriated funds from the receipts collected pursuant to the Comprehensive Tobacco Settlement Agreement and Release in this Article, shall submit a budget by November 1 of each year of the biennium to the Legislative Budget Board and the Governor. This budget shall describe the purposes and amounts for which such funds will be expended by the state agency or institution of higher education. No funds described in this budget may be expended by the state agency or institution of higher education until the Legislative Budget Board and the Governor receive the budget.
2. Authorized managers of permanent funds and endowments whose earnings are appropriated in this article shall provide a copy of year end financial reports to the Legislative Budget Board and the Governor by November 1 of each year of the biennium. These reports should include, at a minimum, an income statement and balance sheet for each fund, and a summary of the investment return of the fund during the preceding fiscal year.

Sec. 54. Financial Information Reporting Requirement. In addition to the financial information required to be reported in accordance with § 2101.011, Government Code, each university system, general academic institution, community, technical or state college, and health-related institution shall continue to provide to the Higher Education Coordinating Board, financial data related to the operation of each system office and institution as was reported in the 2001 annual financial report. Each system office and institution of higher education shall provide the report no later than January 1st of each year using the specific content and format prescribed by the Coordinating Board.

Sec. 55. Maintenance, Construction, and Policing of Campus Roads and Streets. Out of Fund 006, \$26 million in each year of the biennium is appropriated to the Higher Education Coordinating Board to replace general revenue appropriations to state general academic teaching institutions used for maintenance, construction and policing of roads and streets on university campuses. The Texas Department of Transportation and the Higher Education Coordinating Board shall execute a Memorandum of Understanding regarding the prioritization of projects funded by Fund 006. The \$26 million per year in general revenue formerly allocated for these purposes is appropriated to the Higher Education Coordinating Board to distribute through the General Academic Instruction and Operations

**SPECIAL PROVISIONS RELATING ONLY TO STATE AGENCIES
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(Continued)**

Formula to all state general academic institutions to enhance teaching and general operations of the universities. The Higher Education Coordinating Board and Comptroller of Public Accounts shall jointly implement this provision.

Sec. 56. Health-Related Institutions of Higher Education.

1. The Comptroller shall reduce general revenue appropriations made elsewhere in this Act to the agencies and institutions listed in this subsection by a total of \$8.5 million in fiscal year 2004 and a total of \$8.5 million in fiscal year 2005. The Comptroller shall make these reductions by reducing general revenue appropriations at each entity in each category listed below by a percent of general revenue appropriations to achieve a \$8.5 million reduction in appropriations for each year of the biennium.
 - a. General Academic Institutions, as defined in Special Provisions Relating only to State Agencies of Higher Education in this Act (except that reductions may not be made to items as part of the Texas Commitment-OCR Priority Plan and border initiatives as identified by the Legislative Budget Board);
 - b. Public community/junior colleges;
 - c. Texas State Technical College System and Components;
 - d. Institution of higher education system offices;
 - e. Higher Education Employees Group Insurance Contributions;
 - f. Texas A&M Service Agencies (not including the Texas Food and Fibers Commission); and
 - g. Texas Higher Education Coordinating Board (except that reductions may not be made to strategies B.1.11, TEXAS Grant Program, and D.1.1. Baylor College of Medicine).
2.
 - a. Targeted Level of Appropriations. It is the intent of the Legislature that the targeted additional general revenue appropriations to the health-related institutions of higher education for the biennium beginning September 1, 2003, is as follows:
 - (1) University of Texas Southwestern Medical Center at Dallas: \$15,785,230;
 - (2) University of Texas Medical Branch at Galveston: \$33,955,230;
 - (3) University of Texas Health Science Center at Houston: \$11,207,796;
 - (4) University of Texas Health Science Center at San Antonio: \$15,028,752;
 - (5) University of Texas M.D. Anderson Cancer Center: \$18,322,113;
 - (6) University of Texas Health Center at Tyler: \$6,160,513;
 - (7) Texas A&M Health Science Center: \$10,253,876;
 - (8) North Texas Health Science Center at Fort Worth: \$7,307,841;
 - (9) Texas Tech University Health Science Center: \$27,152,829; and
 - (10) Texas Higher Education Coordinating Board - Baylor College of Medicine: \$2,342,809.
 - b. General Revenue Appropriations for Fiscal Year 2004. The following amounts are appropriated from general revenue for the fiscal year beginning September 1, 2003 to the health-related institutions listed below:
 - (1) University of Texas Southwestern Medical Center at Dallas: \$9,177,857;
 - (2) University of Texas Medical Branch at Galveston: \$15,077,464;
 - (3) University of Texas Health Science Center at Houston: \$2,080,032;
 - (4) University of Texas Health Science Center at San Antonio: \$5,532,222;
 - (5) University of Texas M.D. Anderson Cancer Center: \$10,039,631;
 - (6) University of Texas Health Center at Tyler: \$3,839,088;
 - (7) Texas A&M Health Science Center: \$6,285,543;
 - (8) North Texas Health Science Center at Fort Worth: \$4,409,585; and
 - (9) Texas Tech University Health Science Center: \$18,703,475.

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(Continued)

- c. **General Revenue Appropriations for Fiscal Year 2005.** The following amounts are appropriated from general revenue for the fiscal year beginning September 1, 2004 to the health-related institutions listed below:
- (1) University of Texas Southwestern Medical Center at Dallas: \$2,104,072;
 - (2) University of Texas Medical Branch at Galveston: \$5,657,148;
 - (3) University of Texas Health Science Center at Houston: \$2,874,871;
 - (4) University of Texas Health Science Center at San Antonio: \$2,254,806;
 - (5) University of Texas M.D. Anderson Cancer Center: \$2,637,499;
 - (6) University of Texas Health Center at Tyler: \$739,242;
 - (7) Texas A&M Health Science Center: \$1,263,688;
 - (8) North Texas Health Science Center at Fort Worth: \$922,930; and
 - (9) Texas Tech University Health Science Center: \$2,690,638.
- d. **State Fiscal Relief Funds.** It is a priority of the Legislature that the state fiscal relief funds shall be allocated by the plan of transfers provided for elsewhere in this Act to the Health-Related Institutions of Higher Education appropriated funds by this Act in an amount necessary to achieve the additional targeted biennial appropriation levels listed in this section, taking into consideration general revenue appropriations made in subsection (b).

Sec. 57. Additional Tuition Revenue Bonds. It is the intent of the legislature that any institution that the Seventy-eighth Legislature authorizes to issue new tuition revenue bonds, other than bonds authorized to respond to damages caused by Tropical Storm Allison, would not be eligible for any new tuition revenue bond authorization by the Seventh-ninth Legislature.

Sec. 58. Program to Encourage Certification to Teach Bilingual Education, English as a Second Language, or Spanish. Of the funds appropriated by this Act to the Texas Higher Education Coordinating Board, the Coordinating Board may use an amount that is not less than \$150,000 for each year of the 2004-05 biennium to develop and operate a program at the University of North Texas System Center at Dallas, in consultation with the university, to provide financial incentives, such as tuition assistance and loan forgiveness, to encourage students who enroll in an educator preparation program at the university to become certified to teach bilingual education, English as a Second Language, or Spanish.

**RECAPITULATION - ARTICLE III
AGENCIES OF EDUCATION
(General Revenue)**

	<u>For the Years Ending</u> <u>August 31,</u> <u>2004</u>	<u>August 31,</u> <u>2005</u>
Texas Education Agency	\$ 11,055,907,821	\$ 9,669,903,734
Contingency Appropriations	<u>8,000,000</u>	<u>10,000,000</u>
Total	<u>11,063,907,821</u>	<u>9,679,903,734</u>
State Board for Educator Certification	16,775,359	17,174,670
School for the Blind and Visually Impaired	11,887,149	11,793,450
School for the Deaf	14,994,531	14,995,114
Teacher Retirement System	2,053,389,678	1,897,667,057
Optional Retirement Program	94,866,022	95,395,130
Higher Education Employees Group Insurance Contributions	398,750,309	398,750,311
Higher Education Coordinating Board Rider Appropriations	358,571,233	326,071,236
Contingency Appropriations	137,304	0
Total	<u>469,692</u>	<u>493,177</u>
	<u>359,178,229</u>	<u>326,564,413</u>
Higher Education Fund	175,000,000	175,000,000
Texas Excellence Fund	10,894,765	11,633,294
University Research Fund	10,894,765	11,633,294
The University of Texas System Administration	6,313,226	6,312,672
The University of Texas at Arlington	79,827,603	80,015,927
The University of Texas at Austin	241,957,725	242,693,303
The University of Texas at Dallas	54,978,173	54,994,434
The University of Texas at El Paso	57,522,984	58,206,037
The University of Texas - Pan American	49,576,027	49,726,789
The University of Texas at Brownsville	18,694,298	18,913,210
The University of Texas of the Permian Basin	13,275,735	13,300,212
The University of Texas at San Antonio	66,888,362	67,216,343
The University of Texas at Tyler	22,127,593	21,543,801
Texas A&M University System Administrative and General Offices	2,747,300	557,806
Texas A&M University	208,479,371	208,871,167
Texas A&M University at Galveston	10,435,197	10,450,597
Prairie View A&M University	48,489,472	43,266,850
Tarleton State University	27,561,360	27,657,832
Texas A&M University - Corpus Christi	40,696,393	40,815,280
Texas A&M University - Kingsville	33,820,912	32,485,875
Texas A&M International University	31,453,001	31,496,641
West Texas A&M University	24,942,093	25,106,400
Texas A&M University - Commerce	29,847,235	30,163,510
Texas A&M University - Texarkana	9,133,705	9,207,203
University of Houston System Administration	3,504,669	3,508,335
University of Houston	129,705,973	129,877,770
University of Houston - Clear Lake	26,225,668	26,278,782
University of Houston - Downtown	20,880,465	20,936,911
University of Houston - Victoria	11,423,441	11,443,610
Midwestern State University	17,175,434	17,274,721
University of North Texas System Administration	4,568,248	4,568,248
University of North Texas	91,844,223	92,135,001
Stephen F. Austin State University	37,973,397	38,126,088
Texas Southern University	46,313,840	46,324,127
Texas Tech University System Administration	437,500	437,500
Texas Tech University	111,613,919	111,896,246
Texas Woman's University	44,994,633	45,147,925

**RECAPITULATION - ARTICLE III
AGENCIES OF EDUCATION
(General Revenue)
(Continued)**

Board of Regents, Texas State University System		
Central Office	1,195,093	1,196,902
Angelo State University	23,912,929	24,087,123
Lamar University - Beaumont	31,484,595	31,642,312
Lamar University Institute of Technology	7,837,805	8,167,446
Lamar University - Orange	5,428,998	5,573,524
Lamar University - Port Arthur	7,769,608	8,270,307
Sam Houston State University	36,303,272	36,309,231
Southwest Texas State University	69,656,741	69,956,301
Sul Ross State University	14,578,746	14,605,650
Sul Ross State University Rio Grande College	5,153,421	5,163,890
The University of Texas Southwestern Medical Center at Dallas	91,973,839	94,180,111
The University of Texas Medical Branch at Galveston	197,213,542	196,983,690
The University of Texas Health Science Center at Houston	114,542,077	114,594,497
The University of Texas Health Science Center at San Antonio	107,074,125	106,408,852
The University of Texas M.D. Anderson Cancer Center	124,581,655	125,379,935
The University of Texas Health Center at Tyler	29,226,124	29,207,669
Texas A&M University System Health Science Center	52,199,843	50,832,040
University of North Texas Health Science Center at Fort Worth	38,682,853	38,619,071
Texas Tech University Health Sciences Center	79,566,289	79,474,347
Public Community/Junior Colleges	755,529,791	755,529,814
Texas State Technical College System Administration	2,931,339	2,931,340
Texas State Technical College - Harlingen	15,429,577	15,429,579
Texas State Technical College - West Texas	10,275,146	10,275,147
Texas State Technical College - Marshall	3,844,134	3,844,135
Texas State Technical College - Waco	23,102,290	23,102,291
Texas Agricultural Experiment Station	50,530,605	50,530,606
Texas Cooperative Extension	41,496,035	41,496,035
Texas Engineering Experiment Station	11,645,170	11,645,171
Texas Engineering Extension Service	5,908,112	5,908,113
Texas Forest Service	14,597,317	14,597,318
Texas Wildlife Damage Management Service	3,278,256	3,278,255
Texas Veterinary Medical Diagnostic Laboratory	4,759,374	4,759,375
Texas Food and Fibers Commission	<u>1,349,101</u>	<u>1,349,102</u>
 Subtotal, Agencies of Education	 <u>\$ 17,819,025,605</u>	 <u>\$ 16,246,796,799</u>

**RECAPITULATION - ARTICLE III
AGENCIES OF EDUCATION
(General Revenue)
(Continued)**

Retirement and Group Insurance	17,375,538	17,679,367
Social Security and Benefit Replacement Pay	<u>167,930,179</u>	<u>169,266,905</u>
Subtotal, Employee Benefits	\$ 185,305,717	\$ 186,946,272
Bond Debt Service Payments	555,093	555,360
Lease Payments	<u>8,252,533</u>	<u>8,258,547</u>
Subtotal, Debt Service	\$ 8,807,626	\$ 8,813,907
Article III, Special Provisions, Rider Appropriations	66,644,897	12,644,894
TOTAL, ARTICLE III - AGENCIES OF EDUCATION	<u>\$ 18,079,783,845</u>	<u>\$ 16,455,201,872</u>

**RECAPITULATION - ARTICLE III
AGENCIES OF EDUCATION
(General Revenue - Dedicated)**

	For the Years Ending	
	August 31, <u>2004</u>	August 31, <u>2005</u>
Texas Education Agency	\$ 119,742,960	\$ 121,842,960
Telecommunications Infrastructure Fund Board	2,086,025	0
Teacher Retirement System	54,895,592	57,640,371
Optional Retirement Program	20,974,880	22,023,624
Higher Education Coordinating Board	5,707,708	5,707,708
Contingency Appropriations	<u>9,962,209</u>	<u>19,926,148</u>
Total	<u>15,669,917</u>	<u>25,633,856</u>
The University of Texas at Arlington	38,532,162	39,667,912
The University of Texas at Austin	135,628,865	138,304,422
The University of Texas at Dallas	28,976,992	29,505,754
The University of Texas at El Paso	25,050,902	25,893,392
The University of Texas - Pan American	18,080,664	18,780,196
The University of Texas at Brownsville	3,755,206	3,876,356
The University of Texas of the Permian Basin	3,422,463	3,556,539
The University of Texas at San Antonio	28,983,501	30,031,679
The University of Texas at Tyler	4,189,407	4,361,990
Texas A&M University System Administrative and General Offices	3,072,000	3,072,000
Texas A&M University	84,400,644	86,538,402
Texas A&M University at Galveston	3,632,382	3,724,043
Prairie View A&M University	12,630,427	14,139,409
Tarleton State University	10,880,181	11,238,014
Texas A&M University - Corpus Christi	9,700,337	10,038,981
Texas A&M University - Kingsville	9,479,522	9,767,717
Texas A&M International University	4,405,077	4,554,651
West Texas A&M University	8,733,661	9,049,567
Texas A&M University - Commerce	10,851,302	11,196,595
Texas A&M University - Texarkana	1,428,971	1,480,895
University of Houston	61,767,562	63,100,635
University of Houston - Clear Lake	10,109,865	10,389,904
University of Houston - Downtown	12,659,003	13,109,267
University of Houston - Victoria	2,065,697	2,139,653
Midwestern State University	7,542,495	7,838,909
University of North Texas	42,898,826	44,186,892
Stephen F. Austin State University	15,031,664	15,616,898
Texas Southern University	18,761,314	19,152,769
Texas Tech University	47,343,504	48,652,505
Texas Woman's University	12,418,479	12,818,264
Board of Regents, Texas State University System Central Office	10,000	10,000
Angelo State University	7,515,235	7,801,982
Lamar University - Beaumont	11,395,876	11,786,106
Lamar University Institute of Technology	2,293,014	2,378,167
Lamar University - Orange	1,632,542	1,683,474
Lamar University - Port Arthur	2,608,930	2,718,360
Sam Houston State University	22,599,585	24,216,877
Southwest Texas State University	31,748,863	32,935,604
Sul Ross State University	2,350,774	2,438,074
Sul Ross State University Rio Grande College	954,726	995,009
The University of Texas Southwestern Medical Center at Dallas	51,474,428	52,759,399
The University of Texas Medical Branch at Galveston	23,673,766	23,749,432

**RECAPITULATION - ARTICLE III
AGENCIES OF EDUCATION
(General Revenue - Dedicated)
(Continued)**

The University of Texas Health Science Center at Houston	29,800,962	30,821,375
The University of Texas Health Science Center at San Antonio	21,542,848	21,620,447
The University of Texas M.D. Anderson Cancer Center	59,902,868	64,854,789
The University of Texas Health Center at Tyler	815,867	831,242
Texas A&M University System Health Science Center	5,925,462	5,925,462
University of North Texas Health Science Center at Fort Worth	5,826,357	5,903,548
Texas Tech University Health Sciences Center	8,323,045	8,435,282
Texas State Technical College System Administration	412,584	420,115
Texas State Technical College - Harlingen	3,599,675	3,742,857
Texas State Technical College - West Texas	2,166,924	2,249,084
Texas State Technical College - Marshall	763,738	763,076
Texas State Technical College - Waco	4,825,328	5,025,107
Texas Agricultural Experiment Station	890,000	890,000
Texas Cooperative Extension	115,000	115,000
Texas Engineering Experiment Station	3,777,406	3,780,601
Texas Transportation Institute	1,465,592	1,511,970
Texas Engineering Extension Service	4,246,027	4,353,973
Texas Forest Service	<u>15,434,000</u>	<u>15,434,000</u>
 Subtotal, Agencies of Education	 <u>\$ 1,217,893,871</u>	 <u>\$ 1,263,075,433</u>
 Retirement and Group Insurance	 115,271	 115,435
Social Security and Benefit Replacement Pay	<u>39,504,455</u>	<u>42,235,173</u>
 Subtotal, Employee Benefits	 <u>\$ 39,619,726</u>	 <u>\$ 42,350,608</u>
 Article III, Special Provisions, Rider Appropriations	 450,000	 450,000
 TOTAL, ARTICLE III - AGENCIES OF EDUCATION	 <u>\$ 1,257,963,597</u>	 <u>\$ 1,305,876,041</u>

**RECAPITULATION - ARTICLE III
AGENCIES OF EDUCATION
(Federal Funds)**

	For the Years Ending	
	August 31, <u>2004</u>	August 31, <u>2005</u>
Texas Education Agency	\$ 3,454,422,052	\$ 3,480,204,678
School for the Blind and Visually Impaired	2,432,949	2,295,849
School for the Deaf	1,020,250	992,893
Higher Education Coordinating Board	56,229,015	56,229,015
Texas Agricultural Experiment Station	6,455,093	6,455,093
Texas Cooperative Extension	9,982,462	9,982,462
Texas Engineering Experiment Station	33,694,179	33,694,179
Texas Transportation Institute	3,198,073	3,279,359
Texas Engineering Extension Service	18,457,096	18,842,904
Texas Forest Service	3,536,199	3,536,199
Texas Food and Fibers Commission	<u>465,500</u>	<u>465,500</u>
 Subtotal, Agencies of Education	 <u>\$ 3,589,892,868</u>	 <u>\$ 3,615,978,131</u>
Retirement and Group Insurance	2,917,678	2,945,557
Social Security and Benefit Replacement Pay	<u>1,334,593</u>	<u>1,337,459</u>
 Subtotal, Employee Benefits	 <u>\$ 4,252,271</u>	 <u>\$ 4,283,016</u>
 TOTAL, ARTICLE III - AGENCIES OF EDUCATION	 <u>\$ 3,594,145,139</u>	 <u>\$ 3,620,261,147</u>

**RECAPITULATION - ARTICLE III
AGENCIES OF EDUCATION
(Other Funds)**

	For the Years Ending	
	August 31, 2004	August 31, 2005
Texas Education Agency	\$ 999,800,000	\$ 1,141,200,000
School for the Blind and Visually Impaired	936,377	936,377
School for the Deaf	2,749,036	2,776,393
Teacher Retirement System	45,753,943	44,923,155
Higher Education Employees Group Insurance Contributions	348,857	348,857
Higher Education Coordinating Board	24,468,441	24,264,441
Contingency Appropriations	750,000	1,500,000
Total	25,218,441	25,764,441
The University of Texas System Administration	900,000	900,000
Available University Fund	363,849,946	350,086,651
The University of Texas at El Paso	1,125,000	1,125,000
The University of Texas - Pan American	321,001	321,001
Texas A&M University	2,225,000	2,150,000
Texas A&M International University	193,525	193,525
The University of Texas Southwestern Medical Center at Dallas	4,329,000	4,329,000
The University of Texas Medical Branch at Galveston	273,820,257	273,820,257
The University of Texas Health Science Center at Houston	5,785,054	5,792,858
The University of Texas Health Science Center at San Antonio	11,454,792	11,453,712
The University of Texas M.D. Anderson Cancer Center	906,361,362	1,011,437,850
The University of Texas Health Center at Tyler	50,846,020	51,761,068
Texas A&M University System Health Science Center	4,979,398	5,014,365
University of North Texas Health Science Center at Fort Worth	2,280,420	2,280,420
Texas Tech University Health Sciences Center	3,648,600	3,648,600
Texas Agricultural Experiment Station	4,738,927	4,738,927
Texas Cooperative Extension	7,497,689	7,497,689
Texas Engineering Experiment Station	18,700,000	18,700,000
Texas Transportation Institute	29,703,030	30,290,435
Texas Engineering Extension Service	30,677,373	31,472,627
Texas Forest Service	1,761,250	1,761,250
Texas Veterinary Medical Diagnostic Laboratory	5,654,115	5,654,115
Texas Food and Fibers Commission	2,744,595	2,744,595
Subtotal, Agencies of Education	\$ 2,808,403,008	\$ 3,043,123,168

**RECAPITULATION - ARTICLE III
AGENCIES OF EDUCATION
(Other Funds)
(Continued)**

Social Security and Benefit Replacement Pay	<u>6,369,810</u>	<u>6,466,576</u>
Subtotal, Employee Benefits	<u>\$ 6,369,810</u>	<u>\$ 6,466,576</u>
Article III, Special Provisions, Rider Appropriations	1,915,830	1,915,830
Less Interagency Contracts	<u>\$ 44,143,896</u>	<u>\$ 44,469,728</u>
TOTAL, ARTICLE III - AGENCIES OF EDUCATION	<u>\$ 2,772,544,752</u>	<u>\$ 3,007,035,846</u>

**RECAPITULATION - ARTICLE III
AGENCIES OF EDUCATION
(All Funds)**

	For the Years Ending	
	August 31, 2004	August 31, 2005
Texas Education Agency	\$ 15,629,872.833	\$ 14,413,151.372
Contingency Appropriations	<u>8,000,000</u>	<u>10,000,000</u>
Total	<u>15,637,872.833</u>	<u>14,423,151.372</u>
State Board for Educator Certification	16,775,359	17,174,670
School for the Blind and Visually Impaired	15,256,475	15,025,676
School for the Deaf	18,763,817	18,764,400
Telecommunications Infrastructure Fund Board	2,086,025	0
Teacher Retirement System	2,154,039,213	2,000,230,583
Optional Retirement Program	115,840,902	117,418,754
Higher Education Employees Group Insurance Contributions	399,099,166	399,099,168
Higher Education Coordinating Board	444,976,397	412,272,400
Rider Appropriations	137,304	0
Contingency Appropriations	<u>11,181,901</u>	<u>21,919,325</u>
Total	<u>456,295,602</u>	<u>434,191,725</u>
Higher Education Fund	175,000,000	175,000,000
Texas Excellence Fund	10,894,765	11,633,294
University Research Fund	10,894,765	11,633,294
The University of Texas System Administration	7,213,226	7,212,672
Available University Fund	363,849,946	350,086,651
The University of Texas at Arlington	118,359,765	119,683,839
The University of Texas at Austin	377,586,590	380,997,725
The University of Texas at Dallas	83,955,165	84,500,188
The University of Texas at El Paso	83,698,886	85,224,429
The University of Texas - Pan American	67,977,692	68,827,986
The University of Texas at Brownsville	22,449,504	22,789,566
The University of Texas of the Permian Basin	16,698,198	16,856,751
The University of Texas at San Antonio	95,871,863	97,248,022
The University of Texas at Tyler	26,317,000	25,905,791
Texas A&M University System Administrative and General Offices	5,819,300	3,629,806
Texas A&M University	295,105,015	297,559,569
Texas A&M University at Galveston	14,067,579	14,174,640
Prairie View A&M University	61,119,899	57,406,259
Tarleton State University	38,441,541	38,895,846
Texas A&M University - Corpus Christi	50,396,730	50,854,261
Texas A&M University - Kingsville	43,300,434	42,253,592
Texas A&M International University	36,051,603	36,244,817
West Texas A&M University	33,675,754	34,155,967
Texas A&M University - Commerce	40,698,537	41,360,105
Texas A&M University - Texarkana	10,562,676	10,688,098
University of Houston System Administration	3,504,669	3,508,335
University of Houston	191,473,535	192,978,405
University of Houston - Clear Lake	36,335,533	36,668,686
University of Houston - Downtown	33,539,468	34,046,178
University of Houston - Victoria	13,489,138	13,583,263
Midwestern State University	24,717,929	25,113,630
University of North Texas System Administration	4,568,248	4,568,248
University of North Texas	134,743,049	136,321,893
Stephen F. Austin State University	53,005,061	53,742,986
Texas Southern University	65,075,154	65,476,896
Texas Tech University System Administration	437,500	437,500

**RECAPITULATION - ARTICLE III
AGENCIES OF EDUCATION
(All Funds)
(Continued)**

Texas Tech University	158,957,423	160,548,751
Texas Woman's University	57,413,112	57,966,189
Board of Regents, Texas State University System Central Office	1,205,093	1,206,902
Angelo State University	31,428,164	31,889,105
Lamar University - Beaumont	42,880,471	43,428,418
Lamar University Institute of Technology	10,130,819	10,545,613
Lamar University - Orange	7,061,540	7,256,998
Lamar University - Port Arthur	10,378,538	10,988,667
Sam Houston State University	58,902,857	60,526,108
Southwest Texas State University	101,405,604	102,891,905
Sul Ross State University	16,929,520	17,043,724
Sul Ross State University Rio Grande College	6,108,147	6,158,899
The University of Texas Southwestern Medical Center at Dallas	147,777,267	151,268,510
The University of Texas Medical Branch at Galveston	494,707,565	494,553,379
The University of Texas Health Science Center at Houston	150,128,093	151,208,730
The University of Texas Health Science Center at San Antonio	140,071,765	139,483,011
The University of Texas M.D. Anderson Cancer Center	1,090,845,885	1,201,672,574
The University of Texas Health Center at Tyler	80,888,011	81,799,979
Texas A&M University System Health Science Center	63,104,703	61,771,867
University of North Texas Health Science Center at Fort Worth	46,789,630	46,803,039
Texas Tech University Health Sciences Center	91,537,934	91,558,229
Public Community/Junior Colleges	755,529,791	755,529,814
Texas State Technical College System Administration	3,343,923	3,351,455
Texas State Technical College - Harlingen	19,029,252	19,172,436
Texas State Technical College - West Texas	12,442,070	12,524,231
Texas State Technical College - Marshall	4,607,872	4,607,211
Texas State Technical College - Waco	27,927,618	28,127,398
Texas Agricultural Experiment Station	62,614,625	62,614,626
Texas Cooperative Extension	59,091,186	59,091,186
Texas Engineering Experiment Station	67,816,755	67,819,951
Texas Transportation Institute	34,366,695	35,081,764
Texas Engineering Extension Service	59,288,608	60,577,617
Texas Forest Service	35,328,766	35,328,767
Texas Wildlife Damage Management Service	3,278,256	3,278,255
Texas Veterinary Medical Diagnostic Laboratory	10,413,489	10,413,490
Texas Food and Fibers Commission	4,559,196	4,559,197
Subtotal, Agencies of Education	<u>\$ 25,435,215,352</u>	<u>\$ 24,168,973,531</u>

**RECAPITULATION - ARTICLE III
AGENCIES OF EDUCATION
(All Funds)
(Continued)**

Retirement and Group Insurance	20,408,487	20,740,359
Social Security and Benefit Replacement Pay	<u>215,139,037</u>	<u>219,306,113</u>
Subtotal, Employee Benefits	<u>\$ 235,547,524</u>	<u>\$ 240,046,472</u>
Bond Debt Service Payments	555,093	555,360
Lease Payments	<u>8,252,533</u>	<u>8,258,547</u>
Subtotal, Debt Service	<u>\$ 8,807,626</u>	<u>\$ 8,813,907</u>
Article III, Special Provisions, Rider Appropriations	69,010,727	15,010,724
Less Interagency Contracts	<u>\$ 44,143,896</u>	<u>\$ 44,469,728</u>
TOTAL, ARTICLE III - AGENCIES OF EDUCATION	<u>\$ 25,704,437,333</u>	<u>\$ 24,388,174,906</u>
Number of Full-Time-Equivalent Positions (FTE)- Appropriated Funds	81,726.4	82,132.1

ARTICLE IV
THE JUDICIARY

Sec. 1. The several sums of money herein specified, or so much thereby as may be necessary, are appropriated out of any funds in the State Treasury not otherwise appropriated, or out of special funds as indicated, for the support, maintenance, or improvement of the judiciary and other judicial service units of the state.

SUPREME COURT OF TEXAS

	For the Years Ending	
	August 31, 2004	August 31, 2005
A. Goal: APPELLATE COURT OPERATIONS		
Outcome (Results/Impact):		
Disposition Rate	105%	105%
A.1.1. Strategy: APPELLATE COURT OPERATIONS	\$ 3,859,758	\$ 3,859,759 & UB
Efficiencies:		
Average Number of Days since Filing of All Matters Pending in the Supreme Court	100	100
A.1.2. Strategy: BASIC CIVIL LEGAL SERVICES	\$ 6,950,000	\$ 3,250,000 & UB
Total, Goal A: APPELLATE COURT OPERATIONS	<u>\$ 10,809,758</u>	<u>\$ 7,109,759</u>
Grand Total, SUPREME COURT OF TEXAS	<u>\$ 10,809,758</u>	<u>\$ 7,109,759</u>
Method of Financing:		
General Revenue Fund	\$ 3,859,758	\$ 3,859,759
Judicial Fund No. 573	<u>6,950,000</u>	<u>3,250,000</u>
Total, Method of Financing	<u>\$ 10,809,758</u>	<u>\$ 7,109,759</u>
Number of Full-Time-Equivalent Positions (FTE):	63.5	63.5
Schedule of Exempt Positions:		
Chief Justice	\$115,000	\$115,000
Justice	(8) 113,000	(8) 113,000
Supplemental Appropriations Made in Riders:	\$ 3,000,000	\$ 0
Object-of-Expense Informational Listing:		
Salaries and Wages	\$ 3,537,518	\$ 3,537,519
Other Personnel Costs	64,280	64,280
Consumable Supplies	45,000	45,000
Travel	10,000	10,000
Rent - Machine and Other	65,000	65,000
Other Operating Expense	137,960	137,960
Grants	<u>9,950,000</u>	<u>3,250,000</u>
Total, Object-of-Expense Informational Listing	<u>\$ 13,809,758</u>	<u>\$ 7,109,759</u>

1. **Appropriation: Basic Civil Legal Services.** All fees deposited into the Basic Civil Legal Services account of the Judicial Fund are appropriated above in Strategy A.1.2, Basic Civil Legal Services. Any fees deposited in excess of \$3,250,000 in fiscal year 2004 and \$3,250,000

SUPREME COURT OF TEXAS
(Continued)

in fiscal year 2005 are hereby appropriated to the Supreme Court for the same purpose (estimated to be \$0). Any unexpended balances in the Basic Civil Legal Services account at the end of fiscal year 2003 are hereby appropriated to the Supreme Court in fiscal year 2004 for the same purpose (estimated to be \$3,700,000 and included in amounts appropriated above).

The Supreme Court of Texas shall file a report with the Legislative Budget Board and the Governor within 90 days following February 28 and August 31 of each fiscal year showing disbursements from the Basic Civil Legal Services Account of Judicial Fund No. 573, the purpose for each disbursement, and compliance with grant conditions.

2. **Equalization.** It is the intent of the Legislature that the Supreme Court equalize the dockets of the fourteen courts of appeals. Equalization shall be considered achieved if the new cases filed each year per justice are equalized by 10 percent or less among all the courts of appeals.
3. **Baseline for Fiscal Years 2006-07.** It is the intent of the Legislature for the Supreme Court to use the balance of local funds collected under Government Code, § 51.006 for appellate court operations during fiscal years 2004-05 (estimated to be \$130,000, a balance held outside the state treasury). Use of these funds will reduce the license fund balance to the minimum required for continued operations authorized under Government Code, § 51.006. It is the intent of the Legislature for the Seventy-ninth Legislature to address this method of finance.
4. **Special Masters: State Commission on Judicial Conduct.** The appropriations to the State Commission on Judicial Conduct reflect the intent of the Legislature to encourage the Supreme Court of Texas to appoint active judges rather than retired judges as special masters in formal proceedings initiated by the State Commission on Judicial Conduct under Rule 10 of the *Procedural Rules for the Removal or Retirement of Judges*.
5. **Technology Advancement.** Notwithstanding any other provisions of this Act relating to the Telecommunications Infrastructure Board (TIFB), the cash and credits originally due to be received by the TIFB pursuant to the approved settlement of Cause No. 98-07-3003-E in the District Court of Cameron County, 357th Judicial District (estimated to be \$3,000,000 in fiscal year 2004), are appropriated to the Supreme Court of Texas. The availability of these funds is contingent upon the above-mentioned settlement funds becoming available for appropriation. These amounts are to be used for the purpose of administering grants to provide public access to legal information at public libraries, courthouse facilities, and community technology centers. The funds appropriated herein are a one-time appropriation.

COURT OF CRIMINAL APPEALS

	For the Years Ending	
	August 31, 2004	August 31, 2005
A. Goal: APPELLATE COURT OPERATIONS		
Outcome (Results/Impact):		
Disposition Rate for Petitions for Discretionary Review		
Which Are Granted	79%	79%
Disposition Rate for Death Penalty Cases	43%	43%
A.1.1. Strategy: APPELLATE COURT OPERATIONS	\$ 4,091,766	\$ 4,091,766 & UB
Efficiencies:		
Average Time (in Days) from the Time Petitions for Discretionary Review Are Granted until Disposition	282	282
Average Time from Time Filed to Disposition in Death Penalty Cases	638	638

COURT OF CRIMINAL APPEALS
(Continued)

B. Goal: JUDICIAL EDUCATION		
B.1.1. Strategy: JUDICIAL EDUCATION	\$ 9,257,955	\$ 9,032,955 & UB
Grand Total, COURT OF CRIMINAL APPEALS	<u>\$ 13,349,721</u>	<u>\$ 13,124,721</u>
Method of Financing:		
General Revenue Fund	\$ 4,091,766	\$ 4,091,766
Judicial and Court Personnel Training Fund No. 540	<u>9,257,955</u>	<u>9,032,955</u>
Total, Method of Financing	<u>\$ 13,349,721</u>	<u>\$ 13,124,721</u>
Number of Full-Time-Equivalent Positions (FTE):	68.0	68.0
Schedule of Exempt Positions:		
Presiding Judge	\$115,000	\$115,000
Judge	(8) 113,000	(8) 113,000
Object-of-Expense Informational Listing:		
Salaries and Wages	\$ 3,951,469	\$ 3,951,469
Other Personnel Costs	45,660	45,660
Operating Costs	172,996	172,996
Grants	<u>9,179,596</u>	<u>8,954,596</u>
Total, Object-of-Expense Informational Listing	<u>\$ 13,349,721</u>	<u>\$ 13,124,721</u>

1. Judicial Education.

- a. The Court of Criminal Appeals may assign to the Office of Court Administration or to any other agency of the Judicial Branch the necessary administrative and accounting functions for the Judicial and Court Personnel Training Fund appropriation included in this Act to be performed under the direction of the Court of Criminal Appeals in compliance with Government Code § 56. To implement this provision, the Comptroller is authorized to transfer the appropriation from the Court of Criminal Appeals to the Office of Court Administration, or to any other agency of the Judicial Branch, as directed by order of the Court of Criminal Appeals. Of the amount appropriated for Strategy B.1.1, Judicial Education, \$475,000 in fiscal year 2004 and \$475,000 and unexpended balances in fiscal year 2005 shall be expended for the continuing legal education of judges of county courts performing judicial functions.
- b. None of the funds appropriated above in Strategy B.1.1, Judicial Education, in excess of 3 percent of the appropriated amount in any fiscal year shall be expended for the administration of the judicial education function. For the purposes of this provision, the term administration shall include, but not be limited to, administrative oversight functions, accounting and auditing functions, management studies, performance audits, and other studies initiated by the Court of Criminal Appeals or the Office of Court Administration.
- c. Funds expended by either the Court of Criminal Appeals or the Office of Court Administration, out of the appropriation made above out of the Judicial and Court Personnel Training Fund, for the purpose of conducting management studies, performance audits, or other studies, shall be expended only in accordance with a competitive bidding process.

2. **Limitation, Judicial and Court Personnel Training.** Out of the funds appropriated above in Strategy B.1.1, Judicial Education, \$1,000,000 in the first year of the biennium and \$1,000,000 and unexpended balances in the second year of the biennium may be expended only to provide

COURT OF CRIMINAL APPEALS
(Continued)

for the training and continuing legal education of the clerks and other court personnel of the appellate courts, district courts, county courts at law, county courts, justice courts, and municipal courts of this State in accordance with Government Code § 74.025.

3. **Continuing Education and Technical Assistance for Prosecutors and Criminal Defense Attorneys.**
 - a. The Court of Criminal Appeals is authorized to contract with a statewide professional association of prosecuting attorneys and other entities whose purposes include providing continuing legal education courses, programs and technical assistance projects for prosecutors and prosecutor office personnel, provided, however, that such contract shall not exceed \$1,400,000 in fiscal year 2004 and \$1,400,000 and unexpended balances in fiscal year 2005.
 - b. The Court of Criminal Appeals is authorized to contract with a statewide professional association of criminal defense attorneys and other entities whose purposes include providing continuing legal education courses, programs and technical assistance projects for criminal defense attorneys who regularly represent indigent defendants in criminal matters, provided, however, that such contract shall not exceed \$1,250,000 in fiscal year 2004 and \$1,250,000 and unexpended balances in fiscal year 2005.
 - c. Funds may be expended pursuant to this provision only out of the appropriation made above out of the Judicial and Court Personnel Training Fund No. 540.
4. **Judicial Education: Reimbursement for Travel Expenses.** Funds appropriated above in Strategy B.1.1, Judicial Education, for the purposes established in § 56.003(b) of the Government Code, may be granted only pursuant to a grant contract which provides for the reimbursement of expenses of judges pursuant to the provisions of § 74.062 of the Government Code. This provision shall not apply to funds granted for the purpose of providing continuing legal education for judges of county courts performing judicial functions.
5. **Judicial and Court Personnel Training Report.** The Court of Criminal Appeals shall file a report with the Legislative Budget Board and the Governor within 90 days following February 28 and August 31 of each fiscal year showing disbursements from Judicial and Court Personnel Training Fund No. 540, the purpose for each disbursement, and compliance with grant conditions.
6. **Appropriation: Refunds of Unexpended Balances from Training Entities.** The Court of Criminal Appeals shall maintain procedures to ensure that the state is refunded all unexpended and unencumbered balances of state funds held at the close of the 2002-03 biennium and at the close of fiscal year 2004 by entities receiving appropriations to conduct judicial and court personnel training. All fiscal year 2002-03 refunds received by the Court of Criminal Appeals are appropriated to Strategy B.1.1, Judicial Education, in fiscal year 2004 (estimated to be \$225,000 and included in amounts appropriated above). Further, all fiscal year 2004 refunds received by the Court of Criminal Appeals are appropriated to Strategy B.1.1, Judicial Education, in fiscal year 2005.
7. **Judicial Ethics Education, Programs, and Assistance.** Out of the amounts appropriated above in Strategy B.1.1, Judicial Education, \$121,700 in fiscal year 2004 and \$121,700 in fiscal year 2005 shall be expended in the form of interagency contracts with the State Commission on Judicial Conduct for providing judges with judicial ethics education, programs, and assistance.

FIRST COURT OF APPEALS DISTRICT, HOUSTON

	For the Years Ending	
	August 31, 2004	August 31, 2005
Out of the General Revenue Fund:		
A. Goal: APPELLATE COURT OPERATIONS		
Outcome (Results/Impact):		
Clearance Rate	98%	98%
Average Percent of Cases under Submission for More than 12 Months	3.5%	3.5%
Average Percent of Cases Filed but Not Yet Disposed for More than 24 Months	3.5%	3.5%
A.1.1. Strategy: APPELLATE COURT OPERATIONS	\$ 2,638,400	\$ 2,638,400 & UB
Grand Total, FIRST COURT OF APPEALS DISTRICT, HOUSTON	\$ 2,638,400	\$ 2,638,400
Number of Full-Time-Equivalent Positions (FTE):	41.5	41.5
Schedule of Exempt Positions:		
Chief Justice	\$107,850	\$107,850
Justice	(8) 107,350	(8) 107,350
Object-of-Expense Informational Listing:		
Salaries and Wages	\$ 2,520,512	\$ 2,520,512
Other Personnel Costs	31,600	31,600
Consumable Supplies	11,000	11,000
Travel	8,000	8,000
Rent - Machine and Other	14,000	14,000
Other Operating Expense	53,288	53,288
Total, Object-of-Expense Informational Listing	\$ 2,638,400	\$ 2,638,400

SECOND COURT OF APPEALS DISTRICT, FORT WORTH

	For the Years Ending	
	August 31, 2004	August 31, 2005
Out of the General Revenue Fund:		
A. Goal: APPELLATE COURT OPERATIONS		
Outcome (Results/Impact):		
Clearance Rate	98%	98%
Average Percent of Cases under Submission for More than 12 Months	2.5%	2.5%
Average Percent of Cases Filed but Not Yet Disposed for More than 24 Months	1.5%	1.5%
A.1.1. Strategy: APPELLATE COURT OPERATIONS	\$ 2,126,557	\$ 2,126,557 & UB
Grand Total, SECOND COURT OF APPEALS DISTRICT, FORT WORTH	\$ 2,126,557	\$ 2,126,557
Number of Full-Time-Equivalent Positions (FTE):	36.5	36.5

SECOND COURT OF APPEALS DISTRICT, FORT WORTH
(Continued)

Schedule of Exempt Positions:

Chief Justice	\$107,850	\$107,850
Justice	(6) 107,350	(6) 107,350

Object-of-Expense Informational Listing:

Salaries and Wages	\$ 1,988,110	\$ 1,988,110
Other Personnel Costs	14,000	14,000
Consumable Supplies	12,526	12,526
Travel	15,000	15,000
Rent - Building	14	14
Rent - Machine and Other	928	928
Other Operating Expense	78,979	78,979
Capital Expenditures	<u>17,000</u>	<u>17,000</u>

Total, Object-of-Expense Informational Listing	\$ <u>2,126,557</u>	\$ <u>2,126,557</u>
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THIRD COURT OF APPEALS DISTRICT, AUSTIN

	For the Years Ending	
	August 31,	August 31,
	<u>2004</u>	<u>2005</u>

Out of the General Revenue Fund:

A. Goal: APPELLATE COURT OPERATIONS

Outcome (Results/Impact):

Clearance Rate	98%	98%
Average Percent of Cases under Submission for More than 12 Months	1%	1%
Average Percent of Cases Filed but Not Yet Disposed for More than 24 Months	1%	1%

A.1.1. Strategy: APPELLATE COURT OPERATIONS

\$ 1,909,607	\$ 1,909,607
	& UB

Grand Total, THIRD COURT OF APPEALS DISTRICT, AUSTIN

\$ <u>1,909,607</u>	\$ <u>1,909,607</u>
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Number of Full-Time-Equivalent Positions (FTE):	31.5	31.5
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Schedule of Exempt Positions:

Chief Justice	\$107,850	\$107,850
Justice	(5) 107,350	(5) 107,350

Object-of-Expense Informational Listing:

Salaries and Wages	\$ 1,799,517	\$ 1,799,517
Other Personnel Costs	14,550	14,550
Consumable Supplies	7,900	7,900
Travel	6,000	6,000
Rent - Machine and Other	8,640	8,640
Other Operating Expense	41,000	41,000
Capital Expenditures	<u>32,000</u>	<u>32,000</u>

Total, Object-of-Expense Informational Listing	\$ <u>1,909,607</u>	\$ <u>1,909,607</u>
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FOURTH COURT OF APPEALS DISTRICT, SAN ANTONIO

	For the Years Ending	
	<u>August 31,</u> <u>2004</u>	<u>August 31,</u> <u>2005</u>
Out of the General Revenue Fund:		
A. Goal: APPELLATE COURT OPERATIONS		
Outcome (Results/Impact):		
Clearance Rate	98%	98%
Average Percent of Cases under Submission for More than 12 Months	2%	2%
Average Percent of Cases Filed but Not Yet Disposed for More than 24 Months	1%	1%
A.1.1. Strategy: APPELLATE COURT OPERATIONS	\$ 2,075,118	\$ 2,075,118 & UB
Grand Total, FOURTH COURT OF APPEALS DISTRICT, SAN ANTONIO	\$ 2,075,118	\$ 2,075,118
Number of Full-Time-Equivalent Positions (FTE):	34.5	34.5
Schedule of Exempt Positions:		
Chief Justice	\$107,850	\$107,850
Justice	(6) 107,350	(6) 107,350
Object-of-Expense Informational Listing:		
Salaries and Wages	\$ 1,988,031	\$ 2,016,047
Other Personnel Costs	12,076	8,071
Operating Costs	68,000	50,000
Capital Expenditures	<u>7,011</u>	<u>1,000</u>
Total, Object-of-Expense Informational Listing	\$ 2,075,118	\$ 2,075,118

FIFTH COURT OF APPEALS DISTRICT, DALLAS

	For the Years Ending -	
	<u>August 31,</u> <u>2004</u>	<u>August 31,</u> <u>2005</u>
Out of the General Revenue Fund:		
A. Goal: APPELLATE COURT OPERATIONS		
Outcome (Results/Impact):		
Clearance Rate	98%	98%
Average Percent of Cases under Submission for More than 12 Months	4.25%	4.25%
Average Percent of Cases Filed but Not Yet Disposed for More than 24 Months	2%	2%
A.1.1. Strategy: APPELLATE COURT OPERATIONS	\$ 3,597,569	\$ 3,597,572 & UB
Grand Total, FIFTH COURT OF APPEALS DISTRICT, DALLAS	\$ 3,597,569	\$ 3,597,572
Number of Full-Time-Equivalent Positions (FTE):	52.5	52.5

FIFTH COURT OF APPEALS DISTRICT, DALLAS
(Continued)

Schedule of Exempt Positions:

Chief Justice	\$107,850	\$107,850
Justice	(12) 107,350	(12) 107,350

Object-of-Expense Informational Listing:

Salaries and Wages	\$ 3,436,616	\$ 3,436,619
Other Personnel Costs	24,000	24,000
Operating Costs	<u>136,953</u>	<u>136,953</u>

Total, Object-of-Expense Informational Listing	\$ <u>3,597,569</u>	\$ <u>3,597,572</u>
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SIXTH COURT OF APPEALS DISTRICT, TEXARKANA

	For the Years Ending	
	August 31,	August 31,
	<u>2004</u>	<u>2005</u>

Out of the General Revenue Fund:

A. Goal: APPELLATE COURT OPERATIONS

Outcome (Results/Impact):

Clearance Rate	98%	98%
Average Percent of Cases under Submission for More than 12 Months	1%	1%
Average Percent of Cases Filed but Not Yet Disposed for More than 24 Months	1%	1%

A.1.1. Strategy: APPELLATE COURT OPERATIONS

\$ 1,028,048	\$ 1,028,049
	& UB

Grand Total, SIXTH COURT OF APPEALS DISTRICT, TEXARKANA

\$ <u>1,028,048</u>	\$ <u>1,028,049</u>
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Number of Full-Time-Equivalent Positions (FTE):

16.5	16.5
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Schedule of Exempt Positions:

Chief Justice	\$107,850	\$107,850
Justice	(2) 107,350	(2) 107,350

Object-of-Expense Informational Listing:

Salaries and Wages	\$ 966,059	\$ 966,059
Other Personnel Costs	6,180	7,400
Consumable Supplies	6,000	6,000
Utilities	8,000	8,000
Travel	11,000	11,000
Rent - Building	2,400	2,400
Rent - Machine and Other	1,200	1,200
Other Operating Expense	<u>27,209</u>	<u>25,990</u>

Total, Object-of-Expense Informational Listing	\$ <u>1,028,048</u>	\$ <u>1,028,049</u>
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SEVENTH COURT OF APPEALS DISTRICT, AMARILLO

	For the Years Ending	
	August 31, 2004	August 31, 2005
Out of the General Revenue Fund:		
A. Goal: APPELLATE COURT OPERATIONS		
Outcome (Results/Impact):		
Clearance Rate	98%	98%
Average Percent of Cases under Submission for More than 12 Months	2%	2%
Average Percent of Cases Filed but Not Yet Disposed for More than 24 Months	1%	1%
A.1.1. Strategy: APPELLATE COURT OPERATIONS	\$ 1,406,698	\$ 1,406,699 & UB
Grand Total, SEVENTH COURT OF APPEALS DISTRICT, AMARILLO	<u>\$ 1,406,698</u>	<u>\$ 1,406,699</u>
Number of Full-Time-Equivalent Positions (FTE):	21.0	21.0
Schedule of Exempt Positions:		
Chief Justice	\$107,850	\$107,850
Justice	(3) 107,350	(3) 107,350
Object-of-Expense Informational Listing:		
Salaries and Wages	\$ 1,311,082	\$ 1,311,082
Other Personnel Costs	10,000	10,000
Consumable Supplies	12,500	12,500
Utilities	4,500	4,500
Travel	10,500	10,500
Rent - Machine and Other	500	500
Other Operating Expense	<u>57,616</u>	<u>57,617</u>
Total, Object-of-Expense Informational Listing	<u>\$ 1,406,698</u>	<u>\$ 1,406,699</u>

EIGHTH COURT OF APPEALS DISTRICT, EL PASO

	For the Years Ending	
	August 31, 2004	August 31, 2005
Out of the General Revenue Fund:		
A. Goal: APPELLATE COURT OPERATIONS		
Outcome (Results/Impact):		
Clearance Rate	98%	98%
Average Percent of Cases under Submission for More than 12 Months	1%	1%
Average Percent of Cases Filed but Not Yet Disposed for More than 24 Months	1%	1%
A.1.1. Strategy: APPELLATE COURT OPERATIONS	\$ 1,328,754	\$ 1,328,755 & UB
Grand Total, EIGHTH COURT OF APPEALS DISTRICT, EL PASO	<u>\$ 1,328,754</u>	<u>\$ 1,328,755</u>
Number of Full-Time-Equivalent Positions (FTE):	21.0	21.0

EIGHTH COURT OF APPEALS DISTRICT, EL PASO
(Continued)

Schedule of Exempt Positions:		
Chief Justice	\$107,850	\$107,850
Justice	(3) 107,350	(3) 107,350
Object-of-Expense Informational Listing:		
Salaries and Wages	\$ 1,259,968	\$ 1,259,969
Other Personnel Costs	11,000	12,000
Operating Costs	<u>57,786</u>	<u>56,786</u>
Total, Object-of-Expense Informational Listing	\$ <u>1,328,754</u>	\$ <u>1,328,755</u>

NINTH COURT OF APPEALS DISTRICT, BEAUMONT

	For the Years Ending	
	August 31, <u>2004</u>	August 31, <u>2005</u>
Out of the General Revenue Fund:		
A. Goal: APPELLATE COURT OPERATIONS		
Outcome (Results/Impact):		
Clearance Rate	98%	98%
Average Percent of Cases under Submission for More than 12 Months	1%	1%
Average Percent of Cases Filed but Not Yet Disposed for More than 24 Months	1%	1%
A.1.1. Strategy: APPELLATE COURT OPERATIONS	\$ 1,083,963	\$ 1,083,963 & UB
Grand Total, NINTH COURT OF APPEALS DISTRICT, BEAUMONT	\$ <u>1,083,963</u>	\$ <u>1,083,963</u>
Number of Full-Time-Equivalent Positions (FTE):	16.5	16.5
Schedule of Exempt Positions:		
Chief Justice	\$107,850	\$107,850
Justice	(2) 107,350	(2) 107,350
Object-of-Expense Informational Listing:		
Salaries and Wages	\$ 1,054,083	\$ 1,054,083
Other Personnel Costs	10,360	11,700
Consumable Supplies	4,000	4,000
Travel	6,000	6,000
Other Operating Expense	<u>9,520</u>	<u>8,180</u>
Total, Object-of-Expense Informational Listing	\$ <u>1,083,963</u>	\$ <u>1,083,963</u>

TENTH COURT OF APPEALS DISTRICT, WACO

	For the Years Ending	
	August 31, <u>2004</u>	August 31, <u>2005</u>
Out of the General Revenue Fund:		
A. Goal: APPELLATE COURT OPERATIONS		
Outcomes (Results/Impact):		
Clearance Rate	98%	98%
Average Percent of Cases under Submission for More than 12 Months	1%	1%
Average Percent of Cases Filed but Not Yet Disposed for More than 24 Months	1%	1%
A.1.1. Strategy: APPELLATE COURT OPERATIONS	\$ 1,064,878	\$ 1,064,879 & UB
Grand Total, TENTH COURT OF APPEALS DISTRICT, WACO	\$ <u>1,064,878</u>	\$ <u>1,064,879</u>
Number of Full-Time-Equivalent Positions (FTE):	16.5	16.5
Schedule of Exempt Positions:		
Chief Justice	\$107,850	\$107,850
Justice	(2) 107,350	(2) 107,350
Object-of-Expense Informational Listing:		
Salaries and Wages	\$ 922,268	\$ 922,269
Other Personnel Costs	5,000	5,000
Consumable Supplies	12,000	12,000
Utilities	3,500	3,500
Travel	12,000	12,000
Rent - Building	1,620	1,620
Rent - Machine and Other	1,180	1,180
Other Operating Expense	102,310	102,310
Capital Expenditures	<u>5,000</u>	<u>5,000</u>
Total, Object-of-Expense Informational Listing	\$ <u>1,064,878</u>	\$ <u>1,064,879</u>

ELEVENTH COURT OF APPEALS DISTRICT, EASTLAND

	For the Years Ending	
	August 31, <u>2004</u>	August 31, <u>2005</u>
Out of the General Revenue Fund:		
A. Goal: APPELLATE COURT OPERATIONS		
Outcomes (Results/Impact):		
Clearance Rate	98%	98%
Average Percent of Cases under Submission for More than 12 Months	1%	1%
Average Percent of Cases Filed but Not Yet Disposed for More than 24 Months	1%	1%
A.1.1. Strategy: APPELLATE COURT OPERATIONS	\$ 1,063,290	\$ 1,063,291 & UB
Grand Total, ELEVENTH COURT OF APPEALS DISTRICT, EASTLAND	\$ <u>1,063,290</u>	\$ <u>1,063,291</u>

ELEVENTH COURT OF APPEALS DISTRICT, EASTLAND
(Continued)

Number of Full-Time-Equivalent Positions (FTE):	17.0	17.0
Schedule of Exempt Positions:		
Chief Justice	\$107,850	\$107,850
Justice	(2) 107,350	(2) 107,350
Object-of-Expense Informational Listing:		
Salaries and Wages	\$ 1,063,290	\$ 1,063,291
Total, Object-of-Expense Informational Listing	\$ 1,063,290	\$ 1,063,291

TWELFTH COURT OF APPEALS DISTRICT, TYLER

	For the Years Ending	
	August 31, 2004	August 31, 2005
Out of the General Revenue Fund:		
A. Goal: APPELLATE COURT OPERATIONS		
Outcome (Results/Impact):		
Clearance Rate	98%	98%
Average Percent of Cases under Submission for More than 12 Months	1%	1%
Average Percent of Cases Filed but Not Yet Disposed for More than 24 Months	1%	1%
A.1.1. Strategy: APPELLATE COURT OPERATIONS	\$ 1,072,727	\$ 1,072,728 & UB
Grand Total, TWELFTH COURT OF APPEALS DISTRICT, TYLER	\$ 1,072,727	\$ 1,072,728
Number of Full-Time-Equivalent Positions (FTE):	16.0	16.0
Schedule of Exempt Positions:		
Chief Justice	\$107,850	\$107,850
Justice	(2) 107,350	(2) 107,350
Object-of-Expense Informational Listing:		
Salaries and Wages	\$ 1,010,636	\$ 1,010,638
Other Personnel Costs	5,520	5,520
Operating Costs	23,518	23,518
Consumable Supplies	6,800	6,800
Travel	5,500	5,500
Rent - Machine and Other	6,853	6,853
Other Operating Expense	5,102	5,102
Capital Expenditures	8,798	8,797
Total, Object-of-Expense Informational Listing	\$ 1,072,727	\$ 1,072,728

THIRTEENTH COURT OF APPEALS DISTRICT, CORPUS CHRISTI

	For the Years Ending	
	August 31, 2004	August 31, 2005
Out of the General Revenue Fund:		
A. Goal: APPELLATE COURT OPERATIONS		
Outcome (Results/Impact):		
Clearance Rate	98%	98%
Average Percent of Cases under Submission for More than 12 Months	4.25%	4.25%
Average Percent of Cases Filed but Not Yet Disposed for More than 24 Months	5%	5%
A.1.1. Strategy: APPELLATE COURT OPERATIONS	\$ 1,898,598	\$ 1,898,598
		& UB
 Grand Total, THIRTEENTH COURT OF APPEALS DISTRICT, CORPUS CHRISTI	 <u>\$ 1,898,598</u>	 <u>\$ 1,898,598</u>
 Number of Full-Time-Equivalent Positions (FTE):	 32.0	 32.0
Schedule of Exempt Positions:		
Chief Justice	\$107,850	\$107,850
Justice	(5) 107,350	(5) 107,350
Object-of-Expense Informational Listing:		
Salaries and Wages	\$ 1,809,109	\$ 1,809,108
Other Personnel Costs	10,560	10,560
Operating Costs	41,500	41,500
Consumable Supplies	4,149	4,150
Utilities	16,800	16,800
Travel	15,000	15,000
Rent - Machine and Other	<u>1,480</u>	<u>1,480</u>
Total, Object-of-Expense Informational Listing	<u>\$ 1,898,598</u>	<u>\$ 1,898,598</u>

FOURTEENTH COURT OF APPEALS DISTRICT, HOUSTON

	For the Years Ending	
	August 31, 2004	August 31, 2005
Out of the General Revenue Fund:		
A. Goal: APPELLATE COURT OPERATIONS		
Outcome (Results/Impact):		
Clearance Rate	98%	98%
Average Percent of Cases under Submission for More than 12 Months	4%	4%
Average Percent of Cases Filed but Not Yet Disposed for More than 24 Months	4%	4%
A.1.1. Strategy: APPELLATE COURT OPERATIONS	\$ 2,638,400	\$ 2,638,400
		& UB
 Grand Total, FOURTEENTH COURT OF APPEALS DISTRICT, HOUSTON	 <u>\$ 2,638,400</u>	 <u>\$ 2,638,400</u>
 Number of Full-Time-Equivalent Positions (FTE):	 41.0	 41.0

FOURTEENTH COURT OF APPEALS DISTRICT, HOUSTON
(Continued)

Schedule of Exempt Positions:		
Chief Justice	\$107,850	\$107,850
Justice	(8) 107,350	(8) 107,350
Object-of-Expense Informational Listing:		
Salaries and Wages	\$ 2,436,067	\$ 2,436,067
Other Personnel Costs	16,210	16,210
Operating Costs	155,410	155,410
Capital Expenditures	<u>30,713</u>	<u>30,713</u>
Total, Object-of-Expense Informational Listing	\$ <u>2,638,400</u>	\$ <u>2,638,400</u>

OFFICE OF COURT ADMINISTRATION, TEXAS JUDICIAL COUNCIL

	For the Years Ending	
	August 31, 2004	August 31, 2005
A. Goal: PROCESSES AND INFORMATION		
Improve processes and report information.		
Outcome (Results/Impact):		
Number of New Collections Programs Implemented or Existing Programs Expanded	12	12
Percent of Entities Reporting Case Statistics Electronically	25%	38%
Percent of Counties Receiving State Funds for Indigent Defense	94%	94%
A.1.1. Strategy: COURT ADMINISTRATION	\$ 2,075,694	\$ 2,076,964
A.1.2. Strategy: INFORMATION TECHNOLOGY	\$ 3,064,516	\$ 2,213,316
A.1.3. Strategy: DOCKET EQUALIZATION	\$ 25,000	\$ 25,000
		& UB
Equalization of the courts of appeals dockets.		
A.1.4. Strategy: ASSIST ADMIN JUDICIAL REGIONS	\$ 179,390	\$ 179,470
Assistance to the administrative judicial regions.		
A.1.5. Strategy: INDIGENT DEFENSE	\$ 12,226,545	\$ 11,956,912
		& UB
Indigent defense standards and services.		
Total, Goal A: PROCESSES AND INFORMATION	\$ <u>17,571,145</u>	\$ <u>16,451,662</u>
B. Goal: SPECIALIZED COURT PROGRAMS		
Complete specialized court program cases.		
Outcome (Results/Impact):		
Title IV-D Case Disposition Rate	100%	100%
B.1.1. Strategy: TITLE IV-D MASTERS/ASSISTANTS PROG	\$ 5,661,596	\$ 5,754,132
Title IV-D Masters and Assistants Program.		
B.1.2. Strategy: FOSTER CARE COURTS PROGRAM	\$ <u>1,968,498</u>	\$ <u>1,864,702</u>
Output (Volume):		
Number of Children Who Have Received a Final Order	1,440	1,440
Total, Goal B: SPECIALIZED COURT PROGRAMS	\$ <u>7,630,094</u>	\$ <u>7,618,834</u>
Grand Total, OFFICE OF COURT ADMINISTRATION, TEXAS JUDICIAL COUNCIL	\$ <u>25,201,239</u>	\$ <u>24,070,496</u>

OFFICE OF COURT ADMINISTRATION, TEXAS JUDICIAL COUNCIL
(Continued)

Method of Financing:		
General Revenue Fund	\$ 5,851,557	\$ 4,948,539
General Revenue Fund - Dedicated		
Compensation to Victims of Crime Account No. 469	1,124,651	1,072,753
Fair Defense Account No. 5073	12,226,545	11,956,912
Subtotal, General Revenue Fund - Dedicated	<u>\$ 13,351,196</u>	<u>\$ 13,029,665</u>
Other Funds		
Interagency Contracts	5,819,576	5,913,382
Criminal Justice Grants	178,910	178,910
Subtotal, Other Funds	<u>\$ 5,998,486</u>	<u>\$ 6,092,292</u>
Total, Method of Financing	<u>\$ 25,201,239</u>	<u>\$ 24,070,496</u>
Other Direct and Indirect Costs Appropriated Elsewhere in this Act	\$ 7,366	\$ 7,473
Number of Full-Time-Equivalent Positions (FTE):	182.0	182.0
Schedule of Exempt Positions:		
Administrative Director, Group 4	\$98,000	\$98,000
Object-of-Expense Informational Listing:		
Salaries and Wages	\$ 9,999,113	\$ 10,088,470
Other Personnel Costs	136,854	140,114
Operating Costs	998,330	931,407
Professional Fees and Services	435,673	433,272
Consumable Supplies	85,585	85,585
Utilities	4,834	4,834
Travel	219,182	219,074
Rent - Building	100	100
Rent - Machine and Other	10,900	10,900
Other Operating Expense	1,543,308	697,513
Grants	11,719,954	11,450,321
Capital Expenditures	<u>47,406</u>	<u>8,906</u>
Total, Object-of-Expense Informational Listing	<u>\$ 25,201,239</u>	<u>\$ 24,070,496</u>

1. **Capital Budget.** None of the funds appropriated above may be expended for capital budget items except as listed below. The amounts shown below shall be expended only for the purposes shown and are not available for expenditure for other purposes. Amounts appropriated above and identified in this provision as appropriations either for "Lease Payments to the Master Lease Purchase Program" or for items with an "(MLPP)" notation shall be expended only for the purpose of making lease-purchase payments to the Texas Public Finance Authority pursuant to the provisions of Government Code § 1232.103.

	<u>2004</u>	<u>2005</u>
a. Acquisition of Information Resource Technologies		
(1) Computer Equipment and Software	\$ 677,205	\$ UB
(2) Trial Court Interface Development	200,858	200,858
(3) Trial Court County Infrastructure Project	141,610	141,610
Total, Capital Budget	<u>\$ 1,019,673</u>	<u>\$ 342,468</u>

OFFICE OF COURT ADMINISTRATION, TEXAS JUDICIAL COUNCIL
(Continued)

Method of Financing (Capital Budget):

General Revenue Fund	\$	1,001,925	\$	342,468
GR Dedicated - Compensation to Victims of Crime Account No. 469		17,748		0
Total, Method of Financing	\$	1,019,673	\$	342,468

2. **Restriction, Assistance to the Administrative Judicial Regions.** Funds appropriated in A.1.4. Strategy, Assistance to Administrative Judicial Regions, may be used only for the payment of salaries of administrative assistants employed by the presiding judges of the Administrative Judicial Regions pursuant to Government Code § 74.050, as amended. The salaries paid the administrative assistants may be supplemented from sources other than appropriations provided by this Act.

3. **Information Regarding Allocation of Full-Time-Equivalent Positions.** The following data regarding allocation of the "Number of Full-Time-Equivalent Positions (FTE)" is provided for informational purposes only, and should not be construed as a cap on the number of FTEs in any one strategy: A.1.1. Strategy, Court Administration (29.0 FTEs); A.1.2. Strategy, Information Technology (21.5 FTEs); A.1.4. Strategy, Assistance to Administrative Judicial Regions (9.0 FTEs); A.1.5. Strategy, Indigent Defense (6.0 FTEs); B.1.1. Strategy, Title IV-D Masters and Assistants Program (88.5 FTEs); and B.1.2. Strategy, Foster Care Courts Program (28.0 FTEs).

4. **Disaster Recovery, Data Operations, Seat Management, and Information Services at the Appellate Courts.** It is the intent of the Legislature that contract services for disaster recovery and data operations services, including seat management, at the appellate courts must be performed by the State Data Center (SDC). Further, employees at appellate courts that perform on-site disaster recovery and data operations services, including seat management, must provide the same level of service available from SDC and may not be reimbursed by the Office of Court Administration from the A.1.2. Strategy, Information Technology, in an amount that would exceed the cost of a contract with SDC. It is the intent of the Legislature that the appellate courts may not employ contractors or employees that provide services that duplicate the information services provided by the Office of Court Administration.

5. **Information Services for the Trial Courts.** Out of funds appropriated above in Strategy A.1.2, Information Technology, no less than \$1,600,000 shall be dedicated to providing information services for the Trial Courts.

6. **Information Technology Equipment and Services.** It is the intent of the Legislature that the Office of Court Administration provide staff and information technology equipment and services for the Judicial Committee on Information Technology and information technology equipment and services for the State Law Library, Office of the State Prosecuting Attorney, and Court Reporters Certification Board subject to funds available within amounts appropriated above for Information Technology (A.1.2). The State Law Library will continue to submit a biennial operating plan for internal support of subscription services to online legal research tools and daily library functions.

7. **District Court Performance Measures.** It is the intent of the Legislature that the Office of Court Administration report data for the district courts on a countywide basis and that the data measure countywide clearance rates for criminal, civil, and juvenile cases and measure age of cases disposed and the backlog index for criminal and civil cases. Further, the Office of Court Administration should revise its reporting system for the trial courts to simplify reporting, improve data collection and compliance, and streamline its annual report of the Texas judicial system.

OFFICE OF COURT ADMINISTRATION, TEXAS JUDICIAL COUNCIL
(Continued)

8. **Appellate Court Performance Measures.** It is the intent of the Legislature that the current performance measures for the appellate courts continue to be used for caseload management by each court in accordance with uniform data reporting standards approved by the courts of appeals. Further, the appellate courts should continuously find ways to operate efficiently without sacrificing the quality of justice while remaining true to the rule of law. Finally, the Office of Court Administration should continue to study whether the statistical data currently reported is presented in a clear, understandable format and what, if any, additional data should be collected.
9. **Assistance to Presiding Judges of the Nine Administrative Judicial Regions.** The Office of Court Administration shall assist the presiding judges of the nine administrative judicial regions in seeking alternative funding, including federal funding, for payments to visiting judges serving in the nine administrative judicial regions.
10. **Interagency Contract for Assigned Judges for Foster Care Courts.** Out of funds appropriated above to Strategy B.1.2, Foster Care Courts Program, the Office of Court Administration may enter into a contract with the Office of the Comptroller for fiscal years 2004 and 2005, for the purpose of reimbursing the Comptroller for amounts expended for judges assigned under Chapter 74, Government Code to hear cases of the Foster Care Courts established pursuant to Subchapter C, Chapter 201, Family Code. It is the intent of the Legislature that any amounts reimbursed under this contract for judges assigned to the Foster Care Courts are in addition to amounts appropriated for the use of assigned judges in Strategies A.1.2, Visiting Former Judges - Regions or A.1.4, Visiting Retired Judges - Regions in the Judiciary Section, Comptroller's Department.
11. **Appellate Court Transfers.** It is the intent of the Legislature that upon the request of the Chief Justice of the Supreme Court of Texas, the Presiding Judge of the Court of Criminal Appeals, or the Chair of the Council of Chief Justices, the Office of Court Administration shall assist the appellate courts in transferring funds between courts through interagency contract provisions.
12. **Contingency Appropriation to Increase Fine Collections and Provide Computer Security.** Included in the amounts appropriated above in Strategy A.1.1, Court Administration, the Office of Court Administration is appropriated the amounts of \$223,000 in fiscal year 2004 and \$223,000 in fiscal year 2005 from General Revenue contingent upon the Office of Court Administration implementing six model fines collections programs in fiscal year 2004 and six model fines collections programs in fiscal year 2005. Also contingent on the Office of Court Administration meeting the above collections target, the "Number of Full-Time-Equivalent Positions (FTE)" indicated above includes 3.0 FTEs each fiscal year of the biennium.

The appropriation amounts in this provision and the amount identified above in the informational item "Other Direct and Indirect Costs Appropriated Elsewhere in this Act" are also contingent on the Comptroller of Public Accounts issuing a finding of fact, based on sufficient information being provided by the Office of Court Administration to the Comptroller, that increased collections in excess of amounts in the Comptroller's Biennial Revenue Estimate are estimated to be available to fund the increased appropriations and related benefits for increases in FTEs pursuant to this section.
13. **Indigent Defense.** All court costs deposited into the Fair Defense Account (General Revenue - Dedicated Account) are appropriated in Strategy A.1.5, Indigent Defense. Any court costs deposited in excess of \$11,956,913 in fiscal year 2004 and \$11,956,912 in fiscal year 2005 are hereby appropriated to the Office of Court Administration, Texas Judicial Council for the same purpose. Any unexpended balances in the Fair Defense Account at the end of fiscal year 2003 are hereby appropriated for fiscal year 2004 to the Office of Court Administration, Texas Judicial Council for the same purpose (estimated to be \$269,632 and included in amounts appropriated above). Any unexpended balances in the Fair Defense Account at the end of fiscal

OFFICE OF COURT ADMINISTRATION, TEXAS JUDICIAL COUNCIL
(Continued)

year 2004 are hereby appropriated for fiscal year 2005 to the Office of Court Administration, Texas Judicial Council for the same purpose. Included above in Strategy A.1.5, Indigent Defense, is \$685,500 in fiscal year 2004 and \$685,500 in fiscal year 2005 for the administration of the Task Force on Indigent Defense. The Task Force on Indigent Defense shall have authority to make grants to counties from the Fair Defense Account, with funds being disbursed by the Comptroller. In no event shall the appropriation made by this section be used to offset the Office of Court Administration's administrative support provided to the Task Force on Indigent Defense.

14. **Unexpended Balances: Information Technology.** Any unexpended balances appropriated above for Information Technology (A.1.2.) in fiscal year 2004 are hereby appropriated to the Office of Court Administration for fiscal year 2005 for the same purposes.
15. **Unexpended Balances: Equalization of the Dockets.** Any unexpended balances appropriated above for Equalization of the Courts of Appeals Dockets (A.1.3.) in fiscal year 2004 are hereby appropriated to the Office of Court Administration for fiscal year 2005 for the same purpose.

OFFICE OF THE STATE PROSECUTING ATTORNEY

	For the Years Ending	
	August 31, 2004	August 31, 2005
	<u> </u>	<u> </u>
Out of the General Revenue Fund:		
A. Goal: REPRESENTATION BEFORE CCA		
Representation of the State before the Court of Criminal Appeals.		
Outcome (Results/Impact):		
Petitions for Discretionary Review Granted by the Court of Criminal Appeals		
A.1.1. Strategy: REPRESENTATION BEFORE CCA	\$ 307,607	\$ 307,608 & UB
Representation of the State before the Court of Criminal Appeals.		-
Grand Total, OFFICE OF THE STATE PROSECUTING ATTORNEY	\$ <u>307,607</u>	\$ <u>307,608</u>
Number of Full-Time-Equivalent Positions (FTE):	5.0	5.0
Schedule of Exempt Positions:		
State Prosecuting Attorney	\$101,700	\$101,700
Object-of-Expense Informational Listing:		
Salaries and Wages	\$ 290,106	\$ 290,106
Other Personnel Costs	3,220	3,680
Operating Costs	13,081	12,622
Capital Expenditures	<u>1,200</u>	<u>1,200</u>
Total, Object-of-Expense Informational Listing	\$ <u>307,607</u>	\$ <u>307,608</u>

OFFICE OF THE STATE PROSECUTING ATTORNEY
(Continued)

1. **Contingency Appropriation.** All appropriations made under this provision are contingent on the Comptroller providing notice to the Legislative Budget Board regarding a finding of fact by the Comptroller (at the time of certification of this Act or after certification of this Act) that sufficient revenue is estimated to be available from the General Revenue Fund. The Comptroller shall transfer and release funds under this provision to the Office of the State Prosecuting Attorney, subject to the prior approval of the Legislative Budget Board, for the purpose of restoring agency salaries at the fiscal year 2002 levels for all employees in the agency, in the amount of \$28,563 in fiscal year 2004 and \$28,563 in fiscal year 2005.

STATE LAW LIBRARY

	For the Years Ending	
	August 31, 2004	August 31, 2005
A. Goal: ADMINISTRATION AND OPERATIONS		
Outcome (Results/Impact):		
Percentage of Positive Evaluations of Library Service by Library Users		
A.1.1. Strategy: ADMINISTRATION AND OPERATIONS	\$ 845,392	\$ 845,392
	88%	88%
Grand Total, STATE LAW LIBRARY	\$ 845,392	\$ 845,392
Method of Financing:		
General Revenue Fund	\$ 804,292	\$ 804,292
Appropriated Receipts	35,300	35,300
Interagency Contracts	5,800	5,800
Total, Method of Financing	\$ 845,392	\$ 845,392
Number of Full-Time-Equivalent Positions (FTE):	11.0	11.0
Schedule of Exempt Positions:		
Director, Group I	\$58,000	\$58,000
Object-of-Expense Informational Listing:		
Salaries and Wages	\$ 408,456	\$ 408,456
Other Personnel Costs	7,020	7,440
Consumable Supplies	5,000	5,000
Utilities	240	240
Rent - Building	240	240
Rent - Machine and Other	14,400	14,400
Other Operating Expense	276,896	276,476
Capital Expenditures	133,140	133,140
Total, Object-of-Expense Informational Listing	\$ 845,392	\$ 845,392

1. **Appropriation of Receipts: Fees and Service Charges.** Appropriations above in Strategy A.1.1, Administration and Operations, include \$35,300 in fiscal year 2004 and \$35,300 in fiscal year 2005 from collection of fees and service charges. All receipts collected by the State Law Library as fees and service charges, as authorized pursuant to Government Code § 91.011, in excess of such amounts appropriated above, are hereby appropriated to the State Law Library for the biennium beginning September , 2003.

STATE LAW LIBRARY
(Continued)

2. **Computer-based Legal Research Services.** The State Law Library is hereby authorized to enter into interagency contracts with other state agencies and the courts for providing a computer-based legal research service. Appropriations above in Strategy A.1.1, Administration and Operations, include \$5,800 in fiscal year 2004 and \$5,800 in fiscal year 2005 in interagency contracts for computer-based legal research services. The State Law Library shall charge an amount for this service equal to the cost to the library for providing this service.
3. **Fee Schedule, Duplication Services.** The State Law Library shall set a fee schedule for duplication services to the inmates of the Texas Department of Criminal Justice at the same amount per page as charged to the general public.
4. **Unexpended Balances.** Any unexpended and unobligated balances remaining in Strategy A.1.1, Administration and Operations, as of August 31, 2004, are hereby appropriated, in an amount not to exceed \$50,000, to the State Law Library for the purpose of acquiring legal reference materials.

COURT REPORTERS CERTIFICATION BOARD

	For the Years Ending	
	August 31, 2004	August 31, 2005
Out of the General Revenue Fund:		
A. Goal: EXAM AND CERTIFICATION		
Examination and certification.		
Outcome (Results/Impact):		
Percentage of Complaints Resulting in Disciplinary Action	18%	18%
Percentage of Licensees with No Recent Violations	99%	99%
Percent of Licensees Who Renew Online	10%	15%
Percent of New Individual Licenses Issued Online	0%	10%
A.1.1. Strategy: EXAM AND CERTIFICATION		
Examination and certification.	\$ 163,475	\$ 166,802
Output (Volume):		
Number of New Licenses Issued to Individuals	85	85
Grand Total, COURT REPORTERS CERTIFICATION BOARD	\$ 163,475	\$ 166,802
Other Direct and Indirect Costs Appropriated Elsewhere in this Act	\$ 55,750	\$ 55,697
Number of Full-Time-Equivalent Positions (FTE):	3.0	3.0
Schedule of Exempt Positions:		
Executive Director, Group 1	\$52,000	\$52,000
Object-of-Expense Informational Listing:		
Salaries and Wages	\$ 107,212	\$ 107,212
Other Personnel Costs	4,180	4,400
Professional Fees and Services	9,200	9,200
Consumable Supplies	2,000	2,000
Utilities	2,200	2,200
Travel	11,765	11,765

COURT REPORTERS CERTIFICATION BOARD
(Continued)

Rent - Machine and Other	5,902	5,902
Other Operating Expense	<u>21,016</u>	<u>24,123</u>
Total, Object-of-Expense Informational Listing	\$ <u>163,475</u>	\$ <u>166,802</u>

1. **Appropriations Limited to Revenue Collections.** It is the intent of the Legislature that fees, fines and other miscellaneous revenues as authorized and generated by the agency cover, at a minimum, the cost of the appropriations made above as well as an amount equal to the amount identified above in the informational item "Other Direct and Indirect Costs Appropriated Elsewhere in this Act." In the event that actual and/or projected revenue collections are insufficient to offset the costs identified by this provision, the Legislative Budget Board may direct that the Comptroller of Public Accounts reduce the appropriation authority provided above to be within the amount of revenue expected to be available.
2. **Sunset Contingency.** Funds appropriated above for fiscal year 2005 for the Court Reporters Certification Board are made contingent on the continuation of the Court Reporters Certification Board by the Seventy-eighth Legislature. In the event that the agency is not continued, the funds appropriated for fiscal year 2004 or as much thereof as may be necessary are to be used to provide for the phase out of agency operations.

STATE COMMISSION ON JUDICIAL CONDUCT

	For the Years Ending	
	August 31, <u>2004</u>	August 31, <u>2005</u>
A. Goal: ADMINISTRATION AND ENFORCEMENT		
Outcome (Results/Impact):		
Percentage of Cases Disposed	100%	100%
A.1.1. Strategy: ADMINISTRATION AND ENFORCEMENT	\$ 1,011,575	\$ 1,011,574
Grand Total, STATE COMMISSION ON JUDICIAL CONDUCT	\$ <u>1,011,575</u>	\$ <u>1,011,574</u>
Method of Financing:		
General Revenue Fund	\$ 889,875	\$ 889,874
Interagency Contracts	<u>121,700</u>	<u>121,700</u>
Total, Method of Financing	\$ <u>1,011,575</u>	\$ <u>1,011,574</u>
Number of Full-Time-Equivalent Positions (FTE):	17.0	17.0
Schedule of Exempt Positions:		
Executive Director, Group 4	\$100,000	\$100,000
Object-of-Expense Informational Listing:		
Salaries and Wages	\$ 842,495	\$ 842,495
Other Personnel Costs	12,080	12,080
Professional Fees and Services	28,700	28,700
Consumable Supplies	9,550	9,549
Utilities	11,000	11,000
Travel	78,800	78,800

STATE COMMISSION ON JUDICIAL CONDUCT
(Continued)

Rent - Machine and Other	3,500	3,500
Other Operating Expense	25,450	25,450
Total, Object-of-Expense Informational Listing	\$ 1,011,575	\$ 1,011,574

1. **Unexpended Balances.** The State Commission on Judicial Conduct is hereby authorized to carry forward unexpended balances from fiscal year 2004 into fiscal year 2005 in an amount not to exceed \$85,000.

2. **Formal Proceedings.** Out of the amounts appropriated above in Strategy A.1.1, Administration and Enforcement, \$75,000 in fiscal year 2004 and \$75,000 in fiscal year 2005 are authorized for the expenses of formal proceedings initiated under the *Procedural Rules for the Removal or Retirement of Judges* promulgated under Texas Constitution, Article V, Section 1-a, notwithstanding other funds expended by the Commission for that purpose. Unexpended balances of funds authorized under this provision in fiscal year 2004 and fiscal year 2005 are not appropriated to the Commission.

3. **Appropriation Source: Judicial Ethics Education, Programs, and Assistance.**
 - a. Out of the amounts appropriated above in Strategy A.1.1, Administration and Enforcement, \$114,000 in fiscal year 2004 and \$114,000 in fiscal year 2005 from interagency contracts with the Court of Criminal Appeals shall be for the purpose of providing judges with judicial ethics education and assistance.
 - b. Additionally, out of the amounts appropriated above in Strategy A.1.1, Administration and Enforcement, \$7,700 in fiscal year 2004 and \$7,700 in fiscal year 2005 from interagency contracts with the Court of Criminal Appeals shall be allocated to judicial misconduct prevention programs.

4. **Performance Measure Target.** In keeping with a recommendation of the State Auditor's Office (*A Financial Review of the State Commission on Judicial Conduct*, SAO Report No. 03-002), it is the intent of the Legislature that the Commission improve the agency's ability to attain or exceed the target for the agency's key performance measure, *Percentage of Cases Disposed*, by addressing the issue of employee turnover.

JUDICIARY SECTION, COMPTROLLER'S DEPARTMENT

	For the Years Ending	
	August 31, 2004	August 31, 2005
A. Goal: JUDICIAL SALARIES AND PAYMENTS		
To administer salaries and payments to district and visiting judges.		
A.1.1. Strategy: DISTRICT JUDGES	\$ 42,510,600	\$ 42,510,600
Salaries for district judges and criminal district judges per Section 1, Article V, Texas Constitution. Estimated.		
A.1.2. Strategy: VISITING FORMER JUDGES - REGIONS	\$ 602,891	\$ 602,891
Payment of former judges called to duty as visiting judges per Government Code § 74.061(d)(i); salaries of retired district judges assigned to special juvenile courts or		

JUDICIARY SECTION, COMPTROLLER'S DEPARTMENT
(Continued)

domestic relations courts per Government Code § 24.006(f); and special judges salaries per Government Code § 32.302.		
A.1.3. Strategy: VISITING FORMER JUDGES - APPELLATE	\$ 62,782	\$ 62,783
Payment of former appellate judges called to duty as visiting judges per Government Code § 74.061(d).		
A.1.4. Strategy: VISITING RETIRED JUDGES - REGIONS	\$ 2,759,458	\$ 2,759,458
Payment of retired judges called to duty as visiting judges per Government Code § 74.061(c)(h).		
A.1.5. Strategy: VISITING RETIRED JUDGES-APPELLATE	\$ 236,181	\$ 236,182
Payment of retired appellate judges called to duty as visiting judges per Government Code § 74.061(c).		
A.1.6. Strategy: LOCAL ADMIN. JUDGE SUPPLEMENT	\$ 45,000	\$ 45,000
Provide \$5,000 salary supplement to local administrative judges who serve in counties with more than six district courts per Government Code § 659.0125. Estimated.		
A.1.7. Strategy: DISTRICT JUDGES: TRAVEL	\$ 478,500	\$ 478,500
Expenses of district judges while engaged in the actual performance of their duties whose judicial district is composed of more than one county per Government Code § 24.019, not to exceed \$1,500 per county.		
A.1.8. Strategy: JUDICIAL SALARY PER DIEM	\$ 302,000	\$ 302,000
Per diem for active, retired, and former district judges and statutory county court of law judges serving on assignment and the per diem and expenses for active and retired justices and judges of the Supreme Court, Court of Criminal Appeals, or of a Court of Appeals, when holding court out of their district or county when assigned per Government Code, Chapter 74. Estimated.		
Total, Goal A: JUDICIAL SALARIES AND PAYMENTS	<u>\$ 46,997,412</u>	<u>\$ 46,997,414</u>
B. Goal: PROSECUTOR SALARIES AND PAYMENTS		
To administer payments to District Attorneys, Criminal District Attorneys, and County Attorneys with Felony Prosecution Authority; salary supplements to two Travis County Assistant District Attorneys; and office apportionment expenses of state prosecutors.		
B.1.1. Strategy: DISTRICT ATTORNEYS: SALARIES	\$ 1,057,680	\$ 1,057,680
Salaries of district attorneys compensated per Government Code, Chapter 41.013.		
B.1.2. Strategy: PROFESSIONAL PROSECUTORS: SALARIES	\$ 14,034,600	\$ 14,034,600
Salaries of district attorneys, criminal district attorneys and county attorneys performing the duties of a district attorney that are prohibited from the private practice of law and compensated per Government Code § 46.002 and § 46.003.		
B.1.3. Strategy: FELONY PROSECUTORS: SALARIES	\$ 215,580	\$ 215,580
Salaries of one criminal district attorney per Government Code § 44.220 (Jackson); one county attorney performing the duties of a district		

JUDICIARY SECTION, COMPTROLLER'S DEPARTMENT
(Continued)

attorney per Government Code § 45.175 (Fayette); and one county attorney performing the duties of a district attorney per Government Code § 45.280 (Oldham).			
B.1.4. Strategy: PROSECUTORS: SUBCHAPTER C	\$	112,728	\$ 112,728
Apportionment payable to County Officers Salary Fund in counties where there is a district attorney per Government Code § 43.180 (Harris), not receiving a state salary, per Government Code § 41.201. Estimated.			
B.1.5. Strategy: FELONY PROSECUTORS: TRAVEL	\$	280,000	\$ 280,000
Expenses of felony prosecutors while engaged in the actual performance of their duties whose prosecutorial district is composed of more than one county per Government Code § 43.004, not to exceed \$1,750 per county.			
B.1.6. Strategy: PROSECUTORS: EXPENSES	\$	5,110,988	\$ 5,110,988
For the payment of salaries of assistant district attorneys, investigators and/or secretarial help and expenses, including travel for these personnel as determined by the prosecutors designated in Strategies B.1.1, B.1.2, B.1.3, and B.1.4. Reimbursement shall be limited to expenses for supplies or items which would normally be consumed or utilized within the fiscal year for which the funds in this item are designated. Payments shall not exceed \$34,450 per district per year in multicounty districts and \$17,050 per district per year in single-county districts and \$34,450 for both multicounty and single-county districts for those district attorneys, criminal district attorneys and county attorneys performing the duties of a district attorney prohibited from the private practice of law per Government Code, Chapter 46; and shall be made available in three equal installments issued on the first day of September, January and May of each fiscal year. These payments shall be made directly to the district attorney, criminal district attorney, or county attorney for the purposes of disbursement as required by the attorney. The attorney receiving these payments shall be responsible to the Comptroller for accounting for all expenditures of these funds.			
B.1.7. Strategy: TRAVIS CO. ASST. DA SALARY SUPPS	\$	5,616	\$ 5,616
Salary supplementation for assistant district attorneys of the Fifty-third Judicial District (Travis County) per Government Code § 43.132.			
Total, Goal B: PROSECUTOR SALARIES AND PAYMENTS	\$	<u>20,817,192</u>	\$ <u>20,817,192</u>
C. Goal: CO.-LEVEL JUDGES SALARY SUPPLEMENTS			
To administer payments of salary supplements to constitutional, statutory, and probate county judges.			
C.1.1. Strategy: CONST. CO. JUDGE GR SUPPLEMENT	\$	1,080,000	\$ 1,080,000
Provide \$5,000 salary supplement to constitutional county judges whose functions are at least 40 percent judicial per Government Code § 26.006 and § 26.007. Estimated.			

JUDICIARY SECTION, COMPTROLLER'S DEPARTMENT
(Continued)

C.1.2. Strategy: CONST. CO. JUDGE 573 SUPPLEMENT	\$	1,216,665	\$	1,216,665
Provide salary supplement from appropriated receipts (Fund 573) to constitutional county judges per Government Code § 26.006. Appropriation of all receipts remitted to the state per Government Code § 51.703(d). Estimated.				
C.1.3. Strategy: STATUTORY CO. JUDGE GR SUPPLEMENT	\$	740,000	\$	740,000
Provide \$5,000 salary supplement to statutory county judges per Government Code § 25.0015. Estimated.				
C.1.4. Strategy: STATUTORY CO. JUDGE 573 SUPPLEMENT	\$	4,974,851	\$	4,974,851
Provide salary supplement from appropriated receipts (Fund 573) to statutory county judges per Government Code § 25.0015. Appropriation of all receipts remitted to the state per Government Code § 51.702(d). Estimated.				
C.1.5. Strategy: STATUTORY PROBATE JUDGE SUPPLEMENT	\$	<u>923,311</u>	\$	<u>923,311</u>
Provide salary supplement from appropriated receipts (Fund 573) to statutory probate county judges per Government Code § 25.00211. Appropriation of all receipts remitted to the state per Government Code § 51.704(c). Estimated.				
Total, Goal C: CO.-LEVEL JUDGES SALARY SUPPLEMENTS	\$	<u>8,934,827</u>	\$	<u>8,934,827</u>
D. Goal: SPECIAL PROGRAMS				
To administer payments authorized by statute for programs within the Judiciary Section, Comptroller's Department appropriation.				
D.1.1. Strategy: COUNTY ATTORNEY SUPPLEMENT	\$	4,279,875	\$	4,279,875
Provide salary supplement to county attorneys and county prosecutors per Government Code § 46.0031. Estimated.				
D.1.2. Strategy: WITNESS EXPENSES	\$	600,000	\$	600,000
Expenses of witnesses called in criminal proceedings who reside outside of the county where the trial is held per Code of Criminal Procedure, Articles 24.28 and 35.27.				
D.1.3. Strategy: PUBLIC INTEGRITY UNIT	\$	3,078,733	\$	3,078,733 & UB
Apportionment to fund the operation of the Public Integrity Unit in the District Attorney's Office of the Fifty-third Judicial District (Travis County) for the payment of salaries and other necessary expenses for the operation of the Public Integrity Unit to be used for the investigation and prosecution of motor fuel tax fraud cases; insurance fraud cases; offenses involving an elected or appointed official of state government or an officer or employee of an agency of the state; and offenses relating to state government with respect to which prosecution, jurisdiction and venue, by law, lie in Travis County.				
D.1.4. Strategy: SPECIAL PROSECUTION UNIT	\$	2,082,178	\$	2,082,178
Funds for the operation of the Special Prosecution Unit in the District Attorney's				

JUDICIARY SECTION, COMPTROLLER'S DEPARTMENT
(Continued)

Office of the 12 th and 278 th Judicial Districts (Walker County) per Code of Criminal Procedure, Article 104.003 and Section 21, Article V, Texas Constitution.		
D.1.5. Strategy: DEATH PENALTY REPRESENTATION	\$ 500,000	\$ 500,000 & UB
Compensation for counsel representing death row inmates per Code of Criminal Procedure, Article 11.071.		
D.1.6. Strategy: NATIONAL CENTER FOR STATE COURTS	\$ 266,910	\$ UB
Membership assessment on behalf of the Texas judiciary for the National Center for State Courts. Estimated.		
 Total, Goal D: SPECIAL PROGRAMS	 \$ 10,807,696	 \$ 10,540,786
 Grand Total, JUDICIARY SECTION, COMPTROLLER'S DEPARTMENT	 \$ 87,557,127	 \$ 87,290,219
 Method of Financing:		
<u>General Revenue Fund</u>		
General Revenue Fund, estimated	\$ 64,925,702	\$ 64,658,794
Insurance Companies Maintenance Tax and Insurance Department Fees	1,092,388	1,092,388
Subtotal, General Revenue Fund	<u>\$ 66,018,090</u>	<u>\$ 65,751,182</u>
<u>Other Funds</u>		
State Highway Fund No. 006	896,759	896,759
Criminal Justice Grants	1,527,451	1,527,451
Judicial Fund No. 573	19,114,827	19,114,827
Subtotal, Other Funds	<u>\$ 21,539,037</u>	<u>\$ 21,539,037</u>
 Total, Method of Financing	 \$ 87,557,127	 \$ 87,290,219
 Number of Full-Time-Equivalent Positions (FTE):	 574.0	 574.0
Schedule of Exempt Positions:		
District Judges and Criminal District Judges (Strategy A.1.1.)	(418) \$101,700	(418) \$101,700
District Attorneys, Criminal District Attorneys and County Attorneys (Strategies B.1.1. and B.1.3.)	(15) 81,360	(15) 81,360
District Attorneys, Criminal District Attorneys and County Attorneys (Strategy B.1.3.)	52,860	52,860
District Attorneys, Criminal District Attorneys and County Attorneys (Strategy B.1.2.)	(138) 101,700	(138) 101,700
Assistant District Attorneys, Fifty-third Judicial District (Strategy B.1.7.)	(2) 2,808	(2) 2,808
Object-of-Expense Informational Listing:		
Salaries and Wages	\$ 64,764,197	\$ 64,764,199
Other Personnel Costs	966,827	966,827
Operating Costs	266,910	0
Professional Fees and Services	48,000	48,000
Fuels and Lubricants	2,600	2,600
Consumable Supplies	35,267	35,267

JUDICIARY SECTION, COMPTROLLER'S DEPARTMENT
(Continued)

Utilities	43,950	43,950
Travel	992,538	992,538
Rent - Building	318,753	318,753
Rent - Machine and Other	29,026	29,026
Other Operating Expense	994,721	1,009,721
Grants	19,074,338	19,074,338
Capital Expenditures	<u>20,000</u>	<u>5,000</u>
Total, Object-of-Expense Informational Listing	\$ <u>87,557,127</u>	\$ <u>87,290,219</u>

1. **Appropriation Source.** Pursuant to Government Code § 21.006, all revenues to, and fund balances in, the Judicial Fund No. 573, which are not deposited into the Basic Civil Legal Services account, are hereby appropriated to the Judiciary Section, Comptroller's Department. In the event that revenues into Fund No. 573 during a fiscal year exceed the amount identified in the Method of Financing as being appropriated out of Fund No. 573 in this Act for that fiscal year the difference shall be appropriated to the Judiciary Section, Comptroller's Department and the General Revenue Fund appropriation for that fiscal year shall be reduced by a like amount (estimated to be \$0).
2. **Salary Limitation, District Judges.** Funds appropriated above in Strategy A.1.1. shall be expended for the payment of the state salary for each district judge. However, in no event shall the aggregate, excluding any county supplement, of the state paid salary and any service retirement annuity paid pursuant to Government Code, Chapter 834 exceed the base salary for any district court judge during any twelve month period. If a district judge draws a salary as a district judge and a retirement annuity pursuant to Government Code, Chapter 834, and the combined amounts exceed the annual base salary for a district judge, the amount expended out of Strategy A.1.1. for the state salary of that district judge shall be reduced by an amount which will bring the total amount received by the judge to the base salary paid a district judge for a 12 month period. This provision does not apply to either retired or former judges or justices called to duty as visiting judges pursuant to Government Code, Chapters 74 and 75 and § 24.604 of the Government Code.
3. **Trial Court Measures.** Each district court judge shall provide an annual report no later than September 20, to the Office of Court Administration, indicating the Clearance Rate during the previous year. A Clearance Rate is calculated by dividing the total number of cases disposed by the total number of cases added to the docket.
4. **Public Integrity Unit: Appropriation Source, Unexpended Balances, and Performance Reporting.** Out of the funds appropriated above in Strategy D.1.3. the following amounts are appropriated specifically to the Public Integrity Unit for the following purposes:

	For the Years Ending	
	<u>August 31, 2004</u>	<u>August 31, 2005</u>
Motor Fuel Tax Fraud Investigations Method of Financing, State Highway Fund No. 006	\$ 896,759	\$ 896,759 & UB
Insurance Fraud Investigations Method of Financing, General Revenue Fund – Insurance Companies Maintenance Tax and Insurance Department Fees	1,092,388	1,092,388 & UB

JUDICIARY SECTION, COMPTROLLER'S DEPARTMENT
(Continued)

General State Government Investigations	1,089,586	1,089,586
Method of Financing, General Revenue Fund		& UB
Total, Method of Financing	\$ 3,078,733	\$ 3,078,733
		& UB

In no event shall the funds granted to the Public Integrity Unit exceed the amounts specified. In no event shall any funds appropriated above out of Judicial Fund No. 573 be allocated to the Public Integrity Unit. Any unexpended balances from appropriations made to the Public Integrity Unit for fiscal year 2004 are appropriated to the Public Integrity Unit for fiscal year 2005 for the same purposes.

The Public Integrity Unit shall submit a report each January 1 to the Legislative Budget Board and the Governor for the preceding fiscal year ending August 31. The report must be in a format prescribed by the Legislative Budget Board and the Governor and must include annual statistical information on fraud investigations of the Public Integrity Unit.

5. **Special Prosecution Unit: Appropriation Source, Unexpended Balances, and Performance Reporting.** Out of the funds appropriated above in Strategy D.1.4. and under the authority of Article 104.003, Code of Criminal Procedure, and Article V, § 21 of the Texas Constitution, Walker County is allocated an amount not to exceed \$1,527,451 in criminal justice grants and \$554,727 from general revenue in 2004; and \$1,527,451 in criminal justice grants and \$554,727 from general revenue in 2005, through the Judiciary Section, Comptroller's Department, for the payment of salaries and other necessary expenses for the operation of the Special Prosecution Unit. The funds are to be used for the investigation and prosecution of felony offenses committed by prisoners of the Texas Department of Criminal Justice; for the investigation and prosecution of other felonies and misdemeanors committed by agency employees and others when criminal conduct affects the operation of the agency in the various counties of the State where Texas Department of Criminal Justice facilities are located; and for the civil commitment of sexually violent predators program.

The funds appropriated above in Strategy D.1.4. shall be used to employ the services of legal and support staff plus the payment of their necessary capital and operating expenses in carrying out the purposes of the Special Prosecution Unit as established by its Board of Directors which is made up of those elected prosecutors who have Texas Department of Criminal Justice facilities within their respective counties.

Walker County is the designated agency to administer the funds provided for the support of the Special Prosecution Unit. Walker County shall submit a voucher containing an itemized statement of expenses to include salaries, fringe benefits and authorized expenses incurred to the Judiciary Section, Comptroller's Department each month of the fiscal year. Such vouchers shall be reviewed by the Walker County Auditor's Office to ensure compliance with applicable state and county regulations concerning the expenditures of public funds. Upon receipt of said vouchers, the Judiciary Section, Comptroller's Department shall issue warrants each month to reimburse Walker County. The total reimbursement each year shall not exceed the amount appropriated.

Any unexpended balances from appropriations made to the Special Prosecution Unit, Civil Division for fiscal year 2004 are appropriated to the Special Prosecution Unit, Civil Division for fiscal year 2005 for the same purposes.

The Special Prosecution Unit shall submit a report each January 1 to the Legislative Budget Board and the Governor for the preceding fiscal year ending August 31. The report must be in a format prescribed by the Legislative Budget Board and the Governor and must include annual statistical information on activities of the Special Prosecution Unit.

JUDICIARY SECTION, COMPTROLLER'S DEPARTMENT
(Continued)

6. **Witness Expenses.** The appropriation made above to the Judiciary Section, Comptroller's Department for the payment of witness expenses under the Code of Criminal Procedure is based on legislative intent that such expenses are not paid at rates that exceed the maximum rates provided by law for state employees.
7. **Visiting Judges.** The appropriations made above to the Judiciary Section, Comptroller's Department for the use of visiting judges are determined on the assumption that each appellate judge or justice and each district judge will receive an average of three weeks annual leave and three days sick leave. Out of the amounts appropriated above for visiting judges in the nine administrative judicial regions, no less than \$ 39,000 for the biennium has been provided for the purpose of visiting judge payments in cases for civil commitment of sexually violent predators. Additionally, out of the amounts appropriated above for visiting judges in the nine administrative judicial regions, no less than \$1,266,261 for the biennium has been provided for the purpose of visiting judge payments in multidistrict civil cases, capital cases, specialty criminal, civil, and family law cases, and other specialty cases as determined by the presiding judges of the nine administrative judicial regions.
8. **Transfers for Visiting Judges.**
 - a. Amounts appropriated above in Strategies A.1.2, Visiting Former Judges - Regions, and A.1.4, Visiting Retired Judges - Regions, may be transferred between each other without limitation as to the amount of such transfers. The Judiciary Section, Comptroller's Department is authorized to initiate transfers under this provision only upon the joint request of the presiding judges of the nine administrative judicial regions.
 - b. Amounts appropriated above in Strategies A.1.3, Visiting Former Judges - Appellate, and A.1.5, Visiting Retired Judges - Appellate, may be transferred between each other without limitation as to the amount of such transfers. The Judiciary Section, Comptroller's Department is authorized to initiate transfers under this provision only upon the request of the Chief Justice of the Supreme Court.

RETIREMENT AND GROUP INSURANCE

	For the Years Ending	
	August 31, <u>2004</u>	August 31, <u>2005</u>
A. Goal: EMPLOYEES RETIREMENT SYSTEM		
A.1.1. Strategy: RETIREMENT CONTRIBUTIONS		
Provide an actuarially sound level of funding as defined by state law. Estimated.	\$ 2,753,654	\$ 2,781,191
A.1.2. Strategy: GROUP INSURANCE		
Provide a basic health care and life insurance program for general state employees. Estimated.	\$ 8,862,644	\$ 8,998,507
A.1.3. Strategy: JUDICIAL RETIREMENT SYSTEM - PLAN 2		
Maintain an actuarially sound retirement program for state judicial officers. Estimated.	\$ 8,472,474	\$ 8,797,681

RETIREMENT AND GROUP INSURANCE
(Continued)

A.1.4. Strategy: JUDICIAL RETIREMENT SYSTEM - PLAN 1		
Provide for the payment of JRS-1 benefits and refunds as required by law. Estimated.	\$ 22,638,168	\$ 22,998,459
Total, Goal A: EMPLOYEES RETIREMENT SYSTEM	\$ 42,726,940	\$ 43,575,838
Grand Total, RETIREMENT AND GROUP INSURANCE	\$ 42,726,940	\$ 43,575,838
Method of Financing:		
General Revenue Fund, estimated	\$ 40,848,069	\$ 41,696,755
General Revenue Dedicated Accounts, estimated	27,976	28,107
Federal Funds, estimated	829	833
Other Special State Funds, estimated	<u>1,850,066</u>	<u>1,850,143</u>
Total, Method of Financing	\$ 42,726,940	\$ 43,575,838

SOCIAL SECURITY AND BENEFIT REPLACEMENT PAY

	For the Years Ending	
	August 31, 2004	August 31, 2005
A. Goal: SOCIAL SECURITY/BENEFIT REPLACEMENT		
To provide funding to the Comptroller of Public Accounts for Social Security Contributions and Benefit Replacement Pay.		
A.1.1. Strategy: STATE MATCH - EMPLOYER		
Provide an employer match for Social Security contributions. Estimated.	\$ 7,363,327	\$ 7,436,960
A.1.2. Strategy: BENEFIT REPLACEMENT PAY		
Provide Benefit Replacement Pay to eligible employees. Estimated.	\$ 764,636	\$ 725,640
Total, Goal A: SOCIAL SECURITY/BENEFIT REPLACEMENT	\$ 8,127,963	\$ 8,162,600
Grand Total, SOCIAL SECURITY AND BENEFIT REPLACEMENT PAY	\$ 8,127,963	\$ 8,162,600
Method of Financing:		
General Revenue Fund, estimated	\$ 7,540,794	\$ 7,570,882
General Revenue Dedicated Accounts, estimated	17,266	17,383
Federal Funds, estimated	497	502
Other Special State Funds, estimated	<u>569,406</u>	<u>573,833</u>
Total, Method of Financing	\$ 8,127,963	\$ 8,162,600

LEASE PAYMENTS

	For the Years Ending	
	<u>August 31,</u> <u>2004</u>	<u>August 31,</u> <u>2005</u>
Out of the General Revenue Fund:		
A. Goal: FINANCE CAPITAL PROJECTS		
To provide funding to the Building and Procurement Commission for payment to the Texas Public Finance Authority for the payment of revenue bond debt service requirements.		
A.1.1. Strategy: LEASE PAYMENTS	\$ 2,449,031	\$ 2,450,906 & UB
Make lease payments to the Texas Public Finance Authority on facilities financed through the Texas Public Finance Authority.		
Grand Total, LEASE PAYMENTS	<u>\$ 2,449,031</u>	<u>\$ 2,450,906</u>

SPECIAL PROVISIONS - JUDICIARY

Sec. 2. Judicial Salary Enforcement. Each District Court Judge and Justice of the Courts of Appeals shall file a sworn statement with the Comptroller of Public Accounts setting forth the yearly amounts to be received from state and county as salary payments during the ensuing fiscal year. Amended statements shall be filed setting forth any change in the salary rate which occurs during a fiscal year.

For the purpose of salary payments by the state, the Comptroller of Public Accounts shall determine from the filed statements that the required salary differential set out in Government Code § 659.012 is maintained. In the event a salary is in excess of the differential provided by law, the Comptroller is directed to reduce the state's portion of that salary by the amount of excess.

The appropriations for salaries of District Court Judges and Justices of Courts of Appeals are made contingent upon strict compliance with the provisions of this section and the Comptroller shall have no authority to issue a warrant for salaries which violate these provisions.

Sec. 3. Public Integrity Unit. In Strategy D.1.3, Public Integrity Unit, Judiciary Section, Comptroller's Department, warrants shall be drawn as necessary to reimburse the District Attorney of the 53rd Judicial District for salary and expenses previously incurred. The District Attorney shall submit a voucher containing an itemized statement of expenses to substantiate each claim. This appropriation shall be allocated in three equal installments over the fiscal year. Any unencumbered, unexpended balance existing in a previous allocation period may be used in a subsequent period provided that period occurs within the same biennium.

Sec. 4. Restriction, New District Courts. No new district court may be funded until it has been approved by the commissioner's court of the county or a majority of the counties in that district.

Sec. 5. Transfer of Cases. The Chief Justices of the 14 courts of appeals are encouraged to cooperate with the Chief Justice of the Supreme Court to transfer cases between appellate courts which are in neighboring jurisdictions in order to equalize the disparity between the workloads of the various courts of appeals.

Sec. 6. Voice Recording. It is the intent of the Legislature that the Supreme Court and Court of Criminal Appeals will promulgate rules authorizing the use of voice or video recording technology, including CD ROM, to make a record of court proceedings. The Legislature does not intend that the recording be a substitute for the written transcript.

Sec. 7. Systems Compatibility. No funds shall be utilized to purchase information technology unless it interfaces with other courts and with the Office of Court Administration and complies with the plans filed with the Legislative Budget Board.

Sec. 8. Judicial Internship Program. It is the intent of the Legislature that the Judicial Branch cooperate with law schools to establish a judicial internship program for Texas appellate and trial courts. The Judicial Branch is encouraged to work with the Texas Judicial Council in the development of the judicial internship program.

Sec. 9. Appellate Court Exemptions. The following provisions of Article IX of this Act do not apply to the appellate courts:

- a. Article IX, § 5.09, Limitation on Travel Expenditures
- b. Article IX, § 6.14, Limitation on State Employment Levels
- c. Article IX, § 6.17, Limit on Expenditures—Capital Budget
- d. Article IX, § 6.28, Performance Rewards and Penalties

Sec. 10. TexasOnline Authority Appropriation. Each Article IV licensing agency participating in the TexasOnline Authority is authorized in accordance with § 2054.252 of the Government Code to increase the occupational license renewal fees imposed on the licensing entity's licensees by an amount sufficient to cover the cost of the subscription fee charged by the TexasOnline Authority.

SPECIAL PROVISIONS - JUDICIARY
(Continued)

- a. Each licensing agency participating in the TexasOnline Authority is hereby appropriated any additional fee revenue generated in excess of the amounts listed below for the purpose of paying the TexasOnline Authority subscription fee.

	<u>FY 2004</u>	<u>FY 2005</u>
Court Reporters Certification Board	\$ 11,040	\$ 14,480
Total	\$ 11,040	\$ 14,480

- b. In the event that actual and/or projected revenue collections from fee increases to cover the cost of TexasOnline subscription fees are insufficient to offset the costs identified above, the Comptroller is hereby directed to reduce the appropriation authority provided by this Act to agencies participating in TexasOnline to be within the amount of fee revenue expected to be available.

Sec. 11. Appropriation: Unexpended Balances Between Fiscal Years within the Biennium. Any unexpended balances from appropriations made to the appellate courts for fiscal year 2004 are hereby appropriated to the same court for fiscal year 2005 for the same purposes.

Sec. 12. Intermediate Appellate Court Local Funding Information. The Office of Court Administration shall assist the appellate courts in the submission of a report for local funding information each January 1 to the Legislative Budget Board and the Governor for the preceding fiscal year ending August 31. The report must be in a format prescribed by the Legislative Budget Board and the Governor.

Sec. 13. Appellate Court Salary Limits. It is the intent of the Legislature that no intermediate appellate court may pay more than one chief staff attorney promoted or hired after September 1, 2001, more than \$76,000 annually under this provision. Further, it is the intent of the Legislature that no intermediate appellate court may pay other permanent legal staff hired or promoted after September 1, 2001, more than \$65,000 annually. This provision does not apply to law clerk positions at any appellate court.

**RECAPITULATION - ARTICLE IV
THE JUDICIARY
(General Revenue)**

	For the Years Ending	
	August 31, 2004	August 31, 2005
	<u> </u>	<u> </u>
Supreme Court of Texas	\$ 3,859,758	\$ 3,859,759
Contingency Appropriations	3,000,000	0
Total	<u>6,859,758</u>	<u>3,859,759</u>
Court of Criminal Appeals	4,091,766	4,091,766
First Court of Appeals District, Houston	2,638,400	2,638,400
Second Court of Appeals District, Fort Worth	2,126,557	2,126,557
Third Court of Appeals District, Austin	1,909,607	1,909,607
Fourth Court of Appeals District, San Antonio	2,075,118	2,075,118
Fifth Court of Appeals District, Dallas	3,597,569	3,597,572
Sixth Court of Appeals District, Texarkana	1,028,048	1,028,049
Seventh Court of Appeals District, Amarillo	1,406,698	1,406,699
Eighth Court of Appeals District, El Paso	1,328,754	1,328,755
Ninth Court of Appeals District, Beaumont	1,083,963	1,083,963
Tenth Court of Appeals District, Waco	1,064,878	1,064,879
Eleventh Court of Appeals District, Eastland	1,063,290	1,063,291
Twelfth Court of Appeals District, Tyler	1,072,727	1,072,728
Thirteenth Court of Appeals District, Corpus Christi	1,898,598	1,898,598
Fourteenth Court of Appeals District, Houston	2,638,400	2,638,400
Office of Court Administration, Texas Judicial Council	5,851,557	4,948,539
Office of the State Prosecuting Attorney	307,607	307,608
State Law Library	804,292	804,292
Court Reporters Certification Board	163,475	166,802
State Commission on Judicial Conduct	889,875	889,874
Judiciary Section, Comptroller's Department	<u>66,018,090</u>	<u>65,751,182</u>
Subtotal, Judiciary	<u>\$ 109,919,027</u>	<u>\$ 105,752,438</u>
Retirement and Group Insurance	40,848,069	41,696,755
Social Security and Benefit Replacement Pay	<u>7,540,794</u>	<u>7,570,882</u>
Subtotal, Employee Benefits	<u>\$ 48,388,863</u>	<u>\$ 49,267,637</u>
Lease Payments	2,449,031	2,450,906
TOTAL, ARTICLE IV - THE JUDICIARY	<u>\$ 160,756,921</u>	<u>\$ 157,470,981</u>

**RECAPITULATION - ARTICLE IV
THE JUDICIARY
(General Revenue - Dedicated)**

	For the Years Ending	
	August 31, <u>2004</u>	August 31, <u>2005</u>
Office of Court Administration, Texas Judicial Council	\$ <u>13,351,196</u>	\$ <u>13,029,665</u>
Subtotal, Judiciary	\$ <u>13,351,196</u>	\$ <u>13,029,665</u>
Retirement and Group Insurance	27,976	28,107
Social Security and Benefit Replacement Pay	<u>17,266</u>	<u>17,383</u>
Subtotal, Employee Benefits	\$ <u>45,242</u>	\$ <u>45,490</u>
TOTAL, ARTICLE IV - THE JUDICIARY	\$ <u>13,396,438</u>	\$ <u>13,075,155</u>

**RECAPITULATION - ARTICLE IV
THE JUDICIARY
(Federal Funds)**

	For the Years Ending	
	August 31, 2004	August 31, 2005
Retirement and Group Insurance	\$ 829	\$ 833
Social Security and Benefit Replacement Pay	<u>497</u>	<u>502</u>
Subtotal, Employee Benefits	<u>\$ 1,326</u>	<u>\$ 1,335</u>
TOTAL, ARTICLE IV - THE JUDICIARY	<u>\$ 1,326</u>	<u>\$ 1,335</u>

**RECAPITULATION - ARTICLE IV
THE JUDICIARY
(Other Funds)**

	For the Years Ending	
	August 31, <u>2004</u>	August 31, <u>2005</u>
Supreme Court of Texas	\$ 6,950,000	\$ 3,250,000
Court of Criminal Appeals	9,257,955	9,032,955
Office of Court Administration, Texas Judicial Council	5,998,486	6,092,292
State Law Library	41,100	41,100
State Commission on Judicial Conduct	121,700	121,700
Judiciary Section, Comptroller's Department	<u>21,539,037</u>	<u>21,539,037</u>
Subtotal, Judiciary	<u>\$ 43,908,278</u>	<u>\$ 40,077,084</u>
Retirement and Group Insurance	1,850,066	1,850,143
Social Security and Benefit Replacement Pay	<u>569,406</u>	<u>573,833</u>
Subtotal, Employee Benefits	<u>\$ 2,419,472</u>	<u>\$ 2,423,976</u>
Less Interagency Contracts	<u>\$ 5,947,076</u>	<u>\$ 6,040,882</u>
TOTAL, ARTICLE IV - THE JUDICIARY	<u>\$ 40,380,674</u>	<u>\$ 36,460,178</u>

**RECAPITULATION - ARTICLE IV
THE JUDICIARY
(All Funds)**

	For the Years Ending	
	August 31, 2004	August 31, 2005
Supreme Court of Texas	\$ 10,809,758	\$ 7,109,759
Contingency Appropriations	<u>3,000,000</u>	<u>0</u>
Total	13,809,758	7,109,759
Court of Criminal Appeals	13,349,721	13,124,721
First Court of Appeals District, Houston	2,638,400	2,638,400
Second Court of Appeals District, Fort Worth	2,126,557	2,126,557
Third Court of Appeals District, Austin	1,909,607	1,909,607
Fourth Court of Appeals District, San Antonio	2,075,118	2,075,118
Fifth Court of Appeals District, Dallas	3,597,569	3,597,572
Sixth Court of Appeals District, Texarkana	1,028,048	1,028,049
Seventh Court of Appeals District, Amarillo	1,406,698	1,406,699
Eighth Court of Appeals District, El Paso	1,328,754	1,328,755
Ninth Court of Appeals District, Beaumont	1,083,963	1,083,963
Tenth Court of Appeals District, Waco	1,064,878	1,064,879
Eleventh Court of Appeals District, Eastland	1,063,290	1,063,291
Twelfth Court of Appeals District, Tyler	1,072,727	1,072,728
Thirteenth Court of Appeals District, Corpus Christi	1,898,598	1,898,598
Fourteenth Court of Appeals District, Houston	2,638,400	2,638,400
Office of Court Administration, Texas Judicial Council	25,201,239	24,070,496
Office of the State Prosecuting Attorney	307,607	307,608
State Law Library	845,392	845,392
Court Reporters Certification Board	163,475	166,802
State Commission on Judicial Conduct	1,011,575	1,011,574
Judiciary Section, Comptroller's Department	<u>87,557,127</u>	<u>87,290,219</u>
Subtotal, Judiciary	<u>\$ 167,178,501</u>	<u>\$ 158,859,187</u>
Retirement and Group Insurance	42,726,940	43,575,838
Social Security and Benefit Replacement Pay	<u>8,127,963</u>	<u>8,162,600</u>
Subtotal, Employee Benefits	<u>\$ 50,854,903</u>	<u>\$ 51,738,438</u>
Lease Payments	2,449,031	2,450,906
Less Interagency Contracts	<u>\$ 5,947,076</u>	<u>\$ 6,040,882</u>
TOTAL, ARTICLE IV - THE JUDICIARY	<u>\$ 214,535,359</u>	<u>\$ 207,007,649</u>
Number of Full-Time-Equivalent Positions (FTE)	1,317.5	1,317.5

ARTICLE V

PUBLIC SAFETY AND CRIMINAL JUSTICE

Sec. 1. The several sums of money herein specified, or so much thereby as may be necessary, are appropriated out of any funds in the State Treasury not otherwise appropriated, or out of special funds as indicated, for the support, maintenance, or improvement of the designated public safety and criminal justice agencies.

ADJUTANT GENERAL'S DEPARTMENT

	For the Years Ending	
	<u>August 31,</u> <u>2004</u>	<u>August 31,</u> <u>2005</u>
A. Goal: PROVIDE CAPABLE RESPONSE		
To provide a professional, fully-trained force capable of responding to federal and state requirements.		
A.1.1. Strategy: MANAGEMENT, OPERATIONS AND TRAINING		
Execute an effective personnel management, operations and training program to ensure accomplishment of federal and state disaster relief missions.	\$ 1,553,750	\$ 1,553,750
Explanatory:		
Percent of Eligible TXNG Personnel Retained Authorized Military Strength	68	68
	21,521	21,521
A.2.1. Strategy: FACILITIES/EQUIPMENT MODERNIZATION		
Pursue effective facilities and equipment modernization and maintenance programs while sustaining a security program for selected facilities.	\$ 11,969,721	\$ 10,469,721
Efficiencies:		
Average Maintenance Cost per Square Foot of All Buildings (Less Texas Military Facilities Commission State-owned Armories)	2.38	2.38
A.2.2. Strategy: DEBT SERVICE		
Support the Texas Military Facilities Commission in the construction and maintenance of new armories by paying rent (includes debt service on outstanding revenue bonds, insurance, and administrative fees).	\$ 3,193,031	\$ 3,704,358
A.2.3. Strategy: UTILITIES		
Pay for the cost of the department's utilities and sustain a comprehensive and effective utilities conservation program throughout the department, including Texas Military Facilities Commission state-owned armories.	\$ 4,741,000	\$ 4,756,000
Efficiencies:		
Utilities Cost Per Square Foot, All Buildings	.64	.64
Total, Goal A: PROVIDE CAPABLE RESPONSE	\$ 21,457,502	\$ 20,483,829
B. Goal: COMMUNITY SUPPORT		
Expand and maintain individual and department involvement that supports and adds value to our communities and tells the Guard story.		
B.1.1. Strategy: COMMUNITY SUPPORT		
Expand the department's community support program to include all department personnel.	\$ 3,177,400	\$ 3,177,400

ADJUTANT GENERAL'S DEPARTMENT
(Continued)

Output (Volume):		
Number of Missions Performed Supporting Federal, State, and Local Drug Law Enforcement Agencies	680	680
C. Goal: PURSUE CLEANER ENVIRONMENT		
Aggressively pursue a cleaner environment through the identification and correction of deficiencies and implementation of environmental protection measures.		
C.1.1. Strategy: ENVIRONMENTAL CLEAN-UP		
Conduct environmental remediation/restoration, compliance and conservation/prevention projects throughout the department.	\$ 2,701,050	\$ 2,701,050
D. Goal: INDIRECT ADMINISTRATION		
D.1.1. Strategy: INDIRECT ADM & SUPP COSTS		
Indirect administration.	\$ 9,135,640	\$ 9,135,640
Grand Total, ADJUTANT GENERAL'S DEPARTMENT	\$ 36,471,592	\$ 35,497,919
Method of Financing:		
General Revenue Fund	\$ 12,436,271	\$ 11,952,598
Adjutant General Federal Fund No. 449	23,114,900	23,124,900
<u>Other Funds</u>		
Appropriated Receipts	245,421	245,421
Bond Proceeds - General Obligation Bonds	500,000	UB
Interagency Contracts - Transfer from Foundation School Fund No. 193	175,000	175,000
Subtotal, Other Funds	\$ 920,421	\$ 420,421
Total, Method of Financing	\$ 36,471,592	\$ 35,497,919
Number of Full-Time-Equivalent Positions (FTE):	490.0	490.0
Schedule of Exempt Positions:		
Adjutant General, Group 3	\$94,832	\$94,832
Object-of-Expense Informational Listing:		
Salaries and Wages	\$ 15,121,230	\$ 15,121,230
Other Personnel Costs	243,510	243,510
Operating Costs	4,741,875	4,756,875
Professional Fees and Services	1,354,200	1,194,200
Fuels and Lubricants	15,000	15,000
Consumable Supplies	114,000	114,000
Utilities	1,820,300	1,820,300
Travel	239,325	239,325
Rent - Building	3,239,031	3,750,358
Rent - Machine and Other	507,000	507,000
Other Operating Expense	3,541,121	3,541,121
Client Services	1,220,000	1,220,000
Capital Expenditures	4,315,000	2,975,000
Total, Object-of-Expense Informational Listing	\$ 36,471,592	\$ 35,497,919

1. **Capital Budget.** None of the general revenue funds appropriated above may be expended for capital budget items except as listed below. The amounts shown below shall be expended only for the purposes shown and are not available for expenditure for other purposes. Amounts appropriated above and identified in this provision as appropriations either for "Lease Payments to the Master Lease Purchase Program" or for items with an "(MLPP)" notation shall be

ADJUTANT GENERAL'S DEPARTMENT
(Continued)

expended only for the purpose of making lease-purchase payments to the Texas Public Finance Authority pursuant to the provisions of Government Code § 1232.103. This rider does not limit the use of federal funds obtained by the department.

	<u>2004</u>	<u>2005</u>
a. Repair or Rehabilitation of Buildings and Facilities	\$ 1,700,000	\$ UB
b. Acquisition of Information Resource Technologies	74,000	110,000
Total, Capital Budget	\$ <u>1,774,000</u>	\$ <u>110,000</u>

Method of Financing (Capital Budget):

General Revenue Fund	\$ 1,024,420	\$ 24,800
Adjutant General Federal Fund No. 449	249,580	85,200
Bond Proceeds - General Obligation Bonds	<u>500,000</u>	<u>UB</u>
Total, Method of Financing	\$ <u>1,774,000</u>	\$ <u>110,000</u>

2. **Support and Maintenance Expenditures.** It is hereby provided that all monies currently appropriated to the Adjutant General's Department for support and maintenance of the Texas National Guard are authorized for like expenditures for the support and maintenance, including organization, of units of the Texas State Guard supplementing the Texas National Guard or replacing National Guard units inducted into federal service.
3. **Transferability.** The Adjutant General's Department is hereby authorized to transfer such amounts as may be necessary from one strategy to another strategy. No transfers shall be made into Strategy A.2.2, Debt Service. No transfer of federal reimbursements for state active duty shall be made out of Strategy A.1.1, Management, Operations, and Training.
4. **Travel Limitations.** Subject to the travel limitations set out in the General Provisions of this Act, the Adjutant General's Department shall pay the travel expenses of members of the National Guard when said members are acting as official representatives of the Adjutant General's Department on behalf of the Texas National Guard.
5. **Payment of Travel - Limitation.** None of the funds appropriated above may be expended for the payment of travel of any officer or employee, except the Adjutant General of the State of Texas, Assistant Adjutant General-Army, Assistant Adjutant General-Air, and State Judge Advocate or the Adjutant General's designee for any one of these officers, to meetings of the National Guard Association of the United States.
6. **Armory Closure.** It is the intent of the Legislature that the Adjutant General's Department not close any armories due solely to insufficient funds to pay for utilities.
7. **Armory Utilities.** The Adjutant General's Department shall study each armory to ensure utility costs are kept to a minimum and the Adjutant General's Department shall charge rental fees for armories that are comparable to fees charged for similar facilities in the area where the armory is located. In any case, the rent charged must be adequate to recover any additional utility costs associated with the rental of the armory.
8. **Federally Funded Projects.** Federal funds for any 100 percent federally funded project are hereby appropriated, and related additional federally funded personnel and additional travel expenditures are authorized.

ADJUTANT GENERAL'S DEPARTMENT
(Continued)

9. **Road Construction and Maintenance at Camp Mabry Facilities.** The Texas Department of Transportation shall construct, repair, and maintain roads in and providing access to and from Camp Mabry facilities.
10. **Quarters and Utilities Allowance.** The Adjutant General, Assistant Adjutant General-Air, and the Assistant Adjutant General-Army are authorized to live in state-owned housing and are exempt from paying housing costs. The Adjutant General's Department may also allocate existing department housing to other department employees with a demonstrated need based on location and job description at a rate in accordance with Article IX, § 11.09 of this Act. Fees for employee housing are hereby appropriated to be used for maintaining employee housing.
11. **Appropriation - Billet Receipts.** Any billet receipts in excess of \$200,475 in fiscal year 2004 and \$200,475 in fiscal year 2005 (included in Appropriated Receipts) are hereby appropriated for use in Strategy A.2.1, Facilities/Equipment Modernization (estimated to be \$0).
12. **Unexpended Balances, Payments to National Guard for State Active Duty.** Any unexpended balances as of August 31, 2004, in Strategy A.1.1, Management, Operations and Training, for payments to the National Guard for State Active Duty, are hereby appropriated for the same purpose for the fiscal year beginning September 1, 2004.
13. **Cash Flow Contingency.** Contingent upon the receipt of federal funds, the Adjutant General's Department may temporarily utilize additional general revenue funds, pending receipt of federal reimbursement, in an amount not to exceed \$3 million in each year of the biennium. The general revenue amounts utilized above the department's general revenue method of finance must be repaid upon receipt of federal reimbursement and shall be utilized only for the purpose of temporary cash flow needs. At the end of each fiscal year, the \$3 million must be repaid by November 30 of the following fiscal year. These transfers and repayments shall be credited to the fiscal year being reimbursed and shall be in accordance with procedures established by the Comptroller of Public Accounts. All transfers of the method of finance shall be reported by the department to the Governor and the Legislative Budget Board.
14. **Travel Limitations - State Guard.** Subject to the travel limitations set out in the General Provisions of this Act, the Adjutant General's Department may pay the travel expenses of members of the Texas State Guard when said members are acting as official representatives of the Adjutant General's Department on behalf of the Texas State Guard.
15. **Seaborn/ChalleNGe Youth Education Program.** Out of funds appropriated above in Strategy B.1.1, Community Support, \$175,000 is appropriated from the Foundation School Program Fund for each year of the biennium. In the event the available amount is greater than \$175,000 in each year, general revenue funds equal to the difference between the Foundation School Program funds and \$175,000 shall lapse to the unobligated portion of the General Revenue Fund.
16. **ChalleNGe Youth Program.** It is the intent of the Legislature that the Adjutant General's Department coordinate with the Texas Youth Commission and the Texas Juvenile Probation Commission to ensure no duplication of services and to maximize the efficiency of the services offered by the ChalleNGe Youth Education Program.
17. **Unexpended Balances, General Obligation Bonds.** Any unexpended balances as of August 31, 2003, in the general obligation bonds appropriated by the 77th Legislature, Regular Session, for Repair or Rehabilitation of Buildings and Facilities (estimated at \$500,000 and included in amounts above) are hereby appropriated for the same purposes for the biennium beginning September 1, 2003.

ADJUTANT GENERAL'S DEPARTMENT
(Continued)

18. **Construction of a New Armory in Midland-Odessa.** Out of funds appropriated above in Strategy A.2.2, Debt Service, \$734,148 shall be used for payment of debt service on revenue bonds to the Texas Military Facilities Commission for the construction of a new armory in Midland-Odessa.

ALCOHOLIC BEVERAGE COMMISSION

	For the Years Ending	
	August 31, <u>2004</u>	August 31, <u>2005</u>
A. Goal: REGULATE DISTRIBUTION		
To promote the health, safety and welfare of the public and to regulate the alcoholic beverage industry by taking positive steps to foster voluntary compliance with the law through a combination of enforcement and education.		
Outcome (Results/Impact):		
Percentage of Licensed Establishments Inspected Annually	78.5%	78.5%
A.1.1. Strategy: DETER/DETECT VIOLATIONS	\$ 15,848,684	\$ 15,824,776
Deter and detect violations of the Alcoholic Beverage Code by inspecting licensed establishments, by investigating complaints and by providing or sponsoring educational programs that promote voluntary compliance and increase the public's awareness of the state's alcoholic beverage laws.		
Output (Volume):		
Number of Inspections Made	106,000	106,000
Efficiencies:		
Average Cost Per Inspection	152.18	153.87
B. Goal: LICENSING		
To process and issue license and permit applications while ensuring compliance with the Alcoholic Beverage Code through investigations and other regulatory means.		
Outcome (Results/Impact):		
Percent of Original License/Permit Applications Processed within 14 Days	99%	99%
B.1.1. Strategy: ENSURE LAW COMPLIANCE	\$ 1,945,081	\$ 1,942,010
Issue licenses and permits while ensuring compliance with laws regarding ownership, performance, tax securities, and other regulatory requirements.		
Output (Volume):		
Number of Licenses/Permits Issued	98,162	99,144
Efficiencies:		
Average Cost Per License/Permit Processed	23.61	23.3
C. Goal: COLLECT FEES AND TAXES		
To ensure compliance with the Alcoholic Beverage Code in the manufacturing, importing, exporting, transporting, storing, selling, serving, and distributing of alcoholic beverages.		
Outcome (Results/Impact):		
Percent of Inspections, Analyses and Compliance Activities Resulting in Administrative or Compliance Actions	25.5%	25.5%
C.1.1. Strategy: COMPLIANCE MONITORING	\$ 5,041,312	\$ 4,544,827
Inspect, investigate and analyze all segments of the alcoholic beverage industry, verify the accuracy and timeliness of tax reporting payments, and initiate any necessary compliance		

ALCOHOLIC BEVERAGE COMMISSION
(Continued)

and/or administrative actions for failure to comply, while providing instruction to promote voluntary compliance.		
Output (Volume):		
Number of Inspections, Analyses and Compliance Activities	85,000	85,000
Efficiencies:		
Average Cost Per Inspection, Analysis, and Compliance Activity	31.76	31.82
C.2.1. Strategy: PORTS OF ENTRY	\$ 3,014,500	\$ 3,016,450
Identify high traffic loads and strategically place personnel or equipment at ports of entry to more effectively regulate the personal importation of alcoholic beverages and cigarettes. Nontransferable.		
Output (Volume):		
Number of Alcoholic Beverage Containers and Cigarette Packages Stamped	5,019,136	5,119,518
Total, Goal C: COLLECT FEES AND TAXES	\$ 8,055,812	\$ 7,561,277
D. Goal: INDIRECT ADMINISTRATION		
D.1.1. Strategy: CENTRAL ADMINISTRATION	\$ 1,517,459	\$ 1,546,645
D.1.2. Strategy: INFORMATION RESOURCES	\$ 2,378,229	\$ 2,159,091
D.1.3. Strategy: OTHER SUPPORT SERVICES	\$ 570,526	\$ 569,696
Total, Goal D: INDIRECT ADMINISTRATION	\$ 4,466,214	\$ 4,275,432
Grand Total, ALCOHOLIC BEVERAGE COMMISSION	\$ 30,315,791	\$ 29,603,495
Method of Financing:		
General Revenue Fund	\$ 29,750,828	\$ 29,038,533
Other Funds		
Interagency Contracts	362,464	362,464
Criminal Justice Grants	202,499	202,498
Subtotal, Other Funds	\$ 564,963	\$ 564,962
Total, Method of Financing	\$ 30,315,791	\$ 29,603,495
Other Direct and Indirect Costs Appropriated Elsewhere in this Act	\$ 5,208,124	\$ 5,211,357
Number of Full-Time-Equivalent Positions (FTE):	579.5	579.5
Number of FTEs in Riders:	0.0	8.0
Schedule of Exempt Positions:		
Administrator, Group 3	\$91,000	\$91,000
Supplemental Appropriations Made in Riders:	\$ 0	\$ 509,110
Object-of-Expense Informational Listing:		
Salaries and Wages	\$ 19,685,081	\$ 20,057,512
Other Personnel Costs	1,183,843	943,434
Operating Costs	3,048,975	3,280,515
Professional Fees and Services	917,500	910,000
Fuels and Lubricants	230,667	230,667
Consumable Supplies	225,162	225,162
Utilities	172,186	164,366
Travel	234,389	231,443

ALCOHOLIC BEVERAGE COMMISSION
(Continued)

Rent - Building	1,500,799	1,479,756
Rent - Machine and Other	642,163	642,163
Other Operating Expense	1,168,476	1,190,137
Capital Expenditures	<u>1,306,550</u>	<u>757,450</u>
Total, Object-of-Expense Informational Listing	<u>\$ 30,315,791</u>	<u>\$ 30,112,605</u>

1. **Capital Budget.** None of the funds appropriated above may be expended for capital budget items except as listed below. The amounts shown below shall be expended only for the purposes shown and are not available for expenditure for other purposes. Amounts appropriated above and identified in this provision as appropriations either for "Lease payments to the Master Lease Purchase Program" or for items with an "(MLPP)" notation shall be expended only for the purpose of making lease-purchase payments to the Texas Public Finance Authority pursuant to the provisions of Government Code § 1232.103.

	<u>2004</u>	<u>2005</u>
Out of the General Revenue Fund:		
a. Acquisition of Information Resource Technologies		
(1) Computer Equipment - Leased	\$ 269,550	\$ 329,424
(2) Mainframe Operations	291,411	291,411
(3) Modern Enterprise Environment	1,275,050	1,055,950
Total, Acquisition of Information Resource Technologies	<u>\$ 1,836,011</u>	<u>\$ 1,676,785</u>
b. Transportation Items		
(1) Fleet Acquisitions (68 Replacement Vehicles and 15 Additional Vehicles)	1,025,000	676,500
Total, Capital Budget	<u>\$ 2,861,011</u>	<u>\$ 2,353,285</u>

2. **Hazardous Duty Pay Authorized.** The Texas Alcoholic Beverage Commission is authorized to pay hazardous duty pay at a rate of \$7.00 per month for each year of state service up to and including the thirtieth year of service, to any commissioned law enforcement personnel as prescribed by law.

It is further provided that individuals who had received hazardous duty pay as of August 31, 1981, shall continue to receive hazardous duty pay for the biennium beginning with the effective date of this Act. Individuals hired after August 31, 1981, shall not receive hazardous duty pay unless so authorized by § 659.062, Government Code.

3. **Witness Expenses Authorized.** No other provisions of this Article shall prevent payment by the State of Texas of salaries and expenses incurred by representatives of the Texas Alcoholic Beverage Commission in attendance on state or federal grand jury proceedings, and who may be called as witnesses in the trial of criminal or civil cases in state or federal courts involving offenses complained of against state or federal liquor regulatory or revenue laws. It is further provided that any fees collected by such representatives in performing such duties shall be deposited in the State Treasury to the credit of the appropriations made above.
4. **Revolving Fund.** The revolving change fund created by prior legislatures in the amount of \$15,000 for use at the several International Bridges is hereby appropriated out of the funds above for the biennium beginning with the effective date of this Act for the same purposes.

ALCOHOLIC BEVERAGE COMMISSION
(Continued)

5. **State Police Agency.** For purposes of application to the federal government for licenses, permits, or other authorizations, including radio frequencies, or for law enforcement assistance grants, the Texas Alcoholic Beverage Commission shall be considered a state police agency in accordance with the Alcoholic Beverage Code and other applicable laws.
6. **Fleet of Motor Vehicles Authorized.** It is the intent of the Legislature that the agency purchase and maintain a fleet of vehicles. If these vehicles are unmarked for law enforcement purposes, these vehicles shall be utilized only by personnel who are commissioned peace officers or those persons responsible for the maintenance and repair of these vehicles. Vehicles which are properly marked pursuant to state requirements, may be utilized for other legitimate agency purposes as needed by personnel employed in the Enforcement and Compliance Divisions.
7. **Purchase of Evidence Authorized.** From the amounts authorized above, the Texas Alcoholic Beverage Commission is hereby authorized to establish a cash fund not to exceed \$50,000 for the purchase of evidence and/or information and surveillance expenses deemed necessary by the Commission.
8. **Appropriations Limited to Revenue Collections.** It is the intent of the Legislature that fees, fines and other miscellaneous revenues as authorized and generated by the agency cover, at a minimum, the cost of the appropriations made above as well as an amount equal to the amount identified above in the informational item "Other Direct and Indirect Costs Appropriated Elsewhere in this Act." In the event that actual and/or projected revenue collections are insufficient to offset the costs identified by this provision, the Legislative Budget Board may direct that the Comptroller of Public Accounts reduce the appropriation authority provided above to be within the amount of revenue expected to be available.
9. **Agent Training.** It is the intent of the Legislature that the Texas Alcoholic Beverage Commission, as part of its initial and ongoing training of its certified peace officers, emphasize the evidentiary threshold required in prosecution of criminal cases as it applies to minors in possession of alcoholic beverages.
10. **Clothing Provisions.**
 - a. A commissioned officer who received a \$1,200 clothing allowance pursuant to the General Appropriations Act during the 2002-03 biennium shall receive a \$1,200 clothing allowance in the 2004-05 biennium.
 - b. It is the intent of the Legislature that no person shall receive a \$1,200 clothing allowance unless eligible in subsection (a).
 - c. An individual who is newly hired or newly commissioned after September 1, 1997, is eligible to receive a \$500 cleaning allowance. No rank other than that of agent is entitled to a \$500 cleaning allowance.
 - d. The Texas Alcoholic Beverage Commission may purchase uniforms for Tax Collectors at International Bridges.
11. **Contingency Rider - Ports of Entry (Anzalduas Bridge).** Contingent upon the opening of Anzalduas Bridge, the Texas Alcoholic Beverage Commission is hereby appropriated \$132,685 for fiscal year 2005 out of the General Revenue Fund to Strategy C.2.1, Ports of Entry, for the purpose of regulating the personal importation of alcoholic beverages and cigarettes. Also contingent upon the opening of the bridge listed, the "Number of Full-Time-Equivalent Positions" listed above is increased by 4 for fiscal year 2005. This appropriation is also contingent upon the Texas Alcoholic Beverage Commission increasing fees and surcharges pursuant to § 5.50 of the Alcoholic Beverage Code, by \$132,685 and providing such

ALCOHOLIC BEVERAGE COMMISSION
(Continued)

information as may be deemed necessary by the Comptroller of Public Accounts to issue a finding of fact that the increased revenues are estimated to be available in excess of the Comptroller's Biennial Revenue Estimate, including supplemental estimates used in certifying this Act, to fund the increased appropriations and benefits. Funds appropriated by this provision may be expended for capital budget purposes notwithstanding limitations on capital budget expenditures elsewhere in this Act.

12. **Contingency Rider - Ports of Entry (Donna Bridge).** Contingent upon the opening of the Donna Bridge, the Texas Alcoholic Beverage Commission is hereby appropriated \$106,427 in fiscal year 2005 out of the General Revenue Fund to Strategy C.2.1, Ports of Entry, for the purpose of regulating the personal importation of alcoholic beverages and cigarettes. Also contingent upon the opening of the bridge listed, the "Number of Full-Time-Equivalent Positions" listed above is increased by 4 for fiscal year 2005. This appropriation is also contingent upon the Texas Alcoholic Beverage Commission increasing fees and surcharges pursuant to § 5.50 of the Alcoholic Beverage Code, by \$106,427 and providing such information as may be deemed necessary by the Comptroller of Public Accounts to issue a finding of fact that the increased revenue are estimated to be available in excess of the Comptroller's Biennial Revenue Estimate, including supplemental estimates used in certifying this Act, to fund the increased appropriations and benefits.

13. **Contingency Appropriation: Compliance Increase.** Contingent upon the Texas Alcoholic Beverage Commission not receiving criminal justice grant funding or federal funding for the continuation of the agency's compliance investigators for fiscal year 2005, the Texas Alcoholic Beverage Commission is hereby appropriated \$269,998 out of the General Revenue Fund in fiscal year 2005 for the purpose of maintaining the compliance officer funding. This appropriation is contingent upon the Texas Alcoholic Beverage Commission increasing fees and surcharges pursuant to § 5.50 of the Alcoholic Beverage Code and providing such information as may be deemed necessary by the Comptroller of Public Accounts to issue a finding of fact that the increased revenues are estimated to be available in excess of the Comptroller's Biennial Revenue Estimate, including supplemental estimates used in certifying this Act, to fund the increased appropriations and benefits.

DEPARTMENT OF CRIMINAL JUSTICE

	For the Years Ending	
	August 31, 2004	August 31, 2005
A. Goal: PROVIDE PRISON DIVERSIONS		
To provide diversions to traditional prison incarceration by the use of community supervision and other community-based programs.		
A.1.1. Strategy: BASIC SUPERVISION	\$ 101,496,630	\$ 101,781,606
Secure and distribute funding necessary to provide adequate basic community supervision services that meet required levels of supervision.		
Output (Volume):		
Average Number of Felony Offenders under Direct Supervision	160,579	161,162
A.1.2. Strategy: DIVERSION PROGRAMS	\$ 61,318,263	\$ 61,318,263
Allow for the development of programs to divert adult offenders to community-based programs and away from traditional incarceration.		
A.1.3. Strategy: COMMUNITY CORRECTIONS	\$ 42,544,637	\$ 42,544,637
Provide formula-allocated aid to		

DEPARTMENT OF CRIMINAL JUSTICE
(Continued)

community-based correctional programs to encourage the development of alternatives to incarceration.		
Output (Volume): Number of Residential Facility Beds Funded through Community Corrections	608	608
Total, Goal A: PROVIDE PRISON DIVERSIONS	\$ 205,359,530	\$ 205,644,506
B. Goal: SPECIAL NEEDS OFFENDERS		
To provide a comprehensive continuity of care system for special needs offenders through statewide collaboration and coordination.		
Outcome (Results/Impact):		
Percent Reduction in Arrests	25%	25%
B.1.1. Strategy: SPECIAL NEEDS PROJECTS	\$ 15,450,259	\$ 15,450,259
Provide projects that coordinate multi-agency efforts for special needs offenders through case management and treatment services.		
Output (Volume): Number of Special Needs Offenders Served Through the Continuity of Care Programs	12,500	13,000
C. Goal: INCARCERATE FELONS		
To provide for confinement, supervision, rehabilitation and reintegration of adult felons.		
Outcome (Results/Impact):		
Escaped Offenders as Percentage of Number of Offenders Incarcerated	0%	0%
Three-year Recidivism Rate	33%	33%
Turnover Rate of Correctional Officers	18%	18%
C.1.1. Strategy: SECURITY/CLASSIFICATION	\$ 933,566,160	\$ 933,566,160
Provide security resources and a classification system that ensures an appropriate environment.		
Output (Volume): Average Number of Offenders Incarcerated	138,877	141,067
C.1.2. Strategy: INSTITUTIONAL GOODS/SERVICES	\$ 408,930,420	\$ 408,930,417
Provide goods and services necessary to house and maintain the inmate population and operate institutional facilities.		
Efficiencies:		
Support Services Cost Per Inmate Day	8.04	7.94
C.1.3. Strategy: PSYCHIATRIC CARE	\$ 43,633,007	\$ 43,633,006
Maintain and support a professional psychiatric care program capable of providing quality services to all inmates.		
Output (Volume): Psychiatric Inpatient Average Daily Census	1,950	1,950
C.1.4. Strategy: MANAGED HEALTH CARE	\$ 288,316,116	\$ 286,516,117
Maintain and support a professional managed health care program capable of providing quality services to all inmates.		
Output (Volume): Average Number of Inmates under Correctional Managed Health Care	139,274	141,464
Efficiencies:		
Medical Care Cost Per Inmate Day	5.66	5.55
C.1.5. Strategy: CONTRACTED TEMPORARY CAPACITY	\$ 0	\$ 0
Provide for payments to counties and private entities for correctional bed capacity on a contractual temporary basis.		
Explanatory: Average Number of Inmates in Contractual Correctional Bed Capacity	0	0

DEPARTMENT OF CRIMINAL JUSTICE
(Continued)

C.2.1. Strategy: TEXAS CORRECTIONAL INDUSTRIES	\$	71,218,635	\$	71,218,635
Prepare the inmate for reintegration into society by providing the opportunity for on-the-job training in Texas Correctional Industries.				
Output (Volume):				
Number of Inmates Assigned to the Texas Correctional Industries Program				
		7,200		7,200
C.2.2. Strategy: ACADEMIC/VOCATIONAL TRAINING	\$	6,201,337	\$	6,201,338
Offer post-secondary academic and vocational training needed for the further development of mental and job skills.				
Output (Volume):				
Inmate Students Enrolled				
		13,563		13,338
C.2.3. Strategy: TREATMENT SERVICES	\$	14,144,529	\$	14,192,576
Provide screening during the diagnostic/intake process that identifies special needs and appropriate services as needed.				
Output (Volume):				
Number of Sex Offenders Receiving Psychological Counseling While on Parole/Mandatory Supervision				
		1,562		1,562
C.2.4. Strategy: SUBSTANCE ABUSE TREATMENT	\$	52,746,716	\$	52,746,716
Provide a substance abuse treatment program with well-defined goals that includes a highly structured work environment, education, a graded system of rewards/sanctions, regular scheduled evaluation, and a post-release continuum of care.				
Output (Volume):				
Number of Confinees Completing Treatment in Substance Abuse Felony Punishment Facilities (SAFPF)				
		5,800		5,800
C.3.1. Strategy: CONTRACT PRISONS/PRIVATE ST JAILS	\$	131,989,985	\$	132,062,329
Contract for prisons that provide eligible inmates with full-time work, education and/or programming; and contract for privately operated state jails.				
Output (Volume):				
Average Number of Offenders in Contract Prisons and Privately Operated State Jails				
		11,172		11,172
Total, Goal C: INCARCERATE FELONS	\$	<u>1,950,746,905</u>	\$	<u>1,949,067,294</u>
D. Goal: ENSURE ADEQUATE FACILITIES				
Ensure and maintain adequate housing and support facilities for convicted felons during confinement.				
D.1.1. Strategy: FACILITIES CONSTRUCTION	\$	71,900,000	\$	UB
Construction and repair of facilities.				
D.1.2. Strategy: LEASE-PURCHASE OF FACILITIES	\$	<u>18,815,940</u>	\$	<u>18,838,180</u>
Provide for lease-purchase of facilities.				
Total, Goal D: ENSURE ADEQUATE FACILITIES	\$	<u>90,715,940</u>	\$	<u>18,838,180</u>
E. Goal: OPERATE PAROLE SYSTEM				
To provide supervision and administer the range of options and sanctions available for felons' reintegration back into society following release from confinement.				
Outcome (Results/Impact):				
Releasee Annual Revocation Rate				
		12.7%		12.5%
E.1.1. Strategy: BOARD OF PARDONS & PAROLES	\$	9,155,671	\$	9,155,669
Consider eligible offenders for release prior to completion of their sentence of confinement, exercise statutory authority for				

DEPARTMENT OF CRIMINAL JUSTICE
(Continued)

<u>Federal Funds</u>		
Federal Funds	522,142	570,188
Federal Funds for Incarcerated Aliens	32,959,099	32,959,099
Subtotal, Federal Funds	\$ 33,481,241	\$ 33,529,287
<u>Other Funds</u>		
Interagency Contracts - Texas Correctional Industries	38,718,469	38,718,469
Appropriated Receipts	17,970,976	11,370,976
Interagency Contracts	7,761,514	7,761,514
Bond Proceeds - General Obligation Bonds	71,900,000	UB
Governor's Emergency and Deficiency Grant	3,250,000	3,250,000
Criminal Justice Grants	7,148,625	7,148,625
Subtotal, Other Funds	\$ 146,749,584	\$ 68,249,584
Total, Method of Financing	\$ 2,494,009,721	\$ 2,418,136,803
Number of Full-Time-Equivalent Positions (FTE):	40,824.4	40,841.9
<u>Schedule of Exempt Positions:</u>		
Executive Director, Group 6	\$150,000	\$150,000
Chair, Board of Pardons & Paroles, Group 3	85,800	85,800
Parole Board Member, Group 3	(17) 83,200	(17) 83,200
<u>Object-of-Expense Informational Listing:</u>		
Salaries and Wages	\$ 1,157,165,475	\$ 1,156,127,769
Other Personnel Costs	50,226,090	50,354,978
Professional Fees and Services	361,379,465	357,515,781
Fuels and Lubricants	5,355,057	5,355,057
Consumable Supplies	13,987,729	13,999,057
Utilities	88,463,419	88,488,608
Travel	8,268,404	8,268,644
Rent - Building	12,956,025	12,956,027
Rent - Machine and Other	4,284,955	4,284,955
Other Operating Expense	357,881,365	359,578,532
Client Services	31,701,229	31,701,229
Food for Persons - Wards of State	82,586,575	82,586,575
Grants	217,882,703	218,167,679
Capital Expenditures	101,871,230	28,751,912
Total, Object-of-Expense Informational Listing	\$ 2,494,009,721	\$ 2,418,136,803

1. **Capital Budget.** None of the funds appropriated above may be expended for capital budget items except as listed below. The amounts shown below shall be expended only for the purposes shown and are not available for expenditure for other purposes. Amounts appropriated above and identified in this provision as appropriations either for "Lease Payments to the Master Lease Purchase Program" or for items with an "(MLPP)" notation shall be expended only for the purpose of making lease-purchase payments to the Texas Public Finance Authority pursuant to the provisions of Government Code § 1232.103.

	<u>2004</u>	<u>2005</u>
a. Construction of Buildings and Facilities		
(1) Expansion of the Western Regional Medical Facility	\$ 7,200,000	\$ UB
(2) Lease-Purchase of Facilities	18,815,940	18,838,180
Total, Construction of Buildings and Facilities	\$ 26,015,940	\$ 18,838,180

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b. Repair or Rehabilitation of Buildings and Facilities	64,700,000	UB
c. Acquisition of Information Resource Technologies		
(1) Computer and Software Acquisitions	2,616,789	901,177
(2) Lease Payments (MLPP) for Scheduled Computer Replacements 2004-2005	630,112	1,260,224
Total, Acquisition of Information Resource Technologies	\$ 3,246,901	\$ 2,161,401
d. Transportation Items		
(1) Lease Payments (MLPP) for Transportation Items 2004-2005	0	590,730
e. Acquisition of Capital Equipment and Items	3,933,286	3,460,939
Total, Capital Budget	\$ 97,896,127	\$ 25,051,250

Method of Financing (Capital Budget):

<u>General Revenue Fund</u>		
General Revenue Fund	\$ 24,532,745	\$ 24,060,213
Texas Correctional Industries Receipts	365,845	247,759
Subtotal, General Revenue Fund	\$ 24,898,590	\$ 24,307,972
<u>Other Funds</u>		
Bond Proceeds - General Obligation Bonds	71,900,000	UB
Interagency Contracts - Texas Correctional Industries	1,097,537	743,278
Subtotal, Other Funds	\$ 72,997,537	\$ 743,278
Total, Method of Financing	\$ 97,896,127	\$ 25,051,250

2. **Disposition of Construction Appropriation.** Construction appropriations may be used to pay salaries of engineers, architects, superintendents, supervisors and administrative expenses and support personnel of construction projects; architectural fees and the actual and necessary travel expenses incurred by them or their representatives in making special trips of inspection at the instance of the Board of Criminal Justice or the Department of Criminal Justice's Executive Director or designee during construction or repair of buildings or installation of fixed equipment in such buildings. The State Classification Officer shall approve job titles and rates of pay for such salaried positions.

3. **Temporary Loan of Construction Resources.** The Texas Department of Criminal Justice (TDCJ) may temporarily utilize materials and equipment acquired and personnel paid from one project appropriated for construction, repairs, and renovation, including construction of additional capacity, and building maintenance, to construct any other similar project for which funds have been appropriated. The receiving project must reimburse the providing project within twelve months with funds and/or a like amount of materials, equipment, equipment usage or personnel of equivalent value. Reimbursement with funds may be accomplished by transfer in a manner which records appropriate expenditures to the borrowing project and negative expenditures to the lending project. These transfers may be summary amounts in a manner approved by the Comptroller of Public Accounts. However, the TDCJ must maintain adequate detailed records to support such summary transfer amounts.

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4. **Architectural Fees.** Notwithstanding other provisions of this Act, in those instances where inmate labor is used on construction projects, the Department of Criminal Justice is authorized to pay architectural fees based on the estimated total cost of a project as if it were to be done by a private contractor. The department shall employ an independent firm, separate from the architect, to estimate the total cost of a project. Architectural fees based on the estimated cost shall be governed by other provisions of this Act.
 5. **Construction Encumbrances.** Any funds legally encumbered for construction contracts for projects which are in effect as of August 31, 2003, are considered encumbered and may be carried forward to fiscal year 2004.
 6. **Review of Construction Change Orders.** It is the intent of the Legislature that the Texas Department of Criminal Justice (TDCJ), upon the review of any change order, develop a procedure whereby cause of such change order shall be determined and documented in the project file. If it is determined that the change was necessitated by the error or omission of any contracted party, the TDCJ shall hold such party financially responsible.
 7. **Utilization of Existing Correctional Facilities.** It is the intent of the Legislature that full consideration be given to utilizing existing correctional facilities located in the State of Texas and currently owned or operated by federal or local governments. Appropriations to the department may be used for the purposes of leasing, purchasing or contracting for operations if agreements can be reached which are beneficial to the State.
 8. **Prison Construction Prioritization.** It is the intent of the Legislature that the Department of Criminal Justice prioritize any construction of additional capacity in such a way as to ensure the expeditious completion of any units on which work had been started and subsequently suspended.
 9. **Salary Adjustment Authorized.** Notwithstanding other provisions of this Act, the Texas Department of Criminal Justice is authorized to adjust salaries of the following position series to rates within the designated salary group for the purpose of recruiting, employing, and retaining career correctional personnel:
 - a. Correctional Officer;
 - b. Sergeant, Lieutenant, Captain, and Major of Correctional Officers;
 - c. Food Service Manager;
 - d. Laundry Manager; and
 - e. Caseworker and Parole Officer.
- Merit raises are prohibited for all employees who are receiving or are eligible to receive step adjustments in the career ladder system.
10. **Appropriation: Meals Authorized.** Department employees assigned to work inside correctional facilities or on travel status may receive up to two free meals per shift and employees residing in employee dormitories may receive three free meals per day. None of the funds appropriated above shall be utilized to provide meals to other employees for a charge of less than \$1.00 per meal or to grow, purchase, prepare, or provide food products for employees to use at their homes. All meal fees received are appropriated above in Strategy C.1.2, Institutional Goods/Services. Any fees collected in excess of \$8,904 in fiscal year 2004 and \$8,904 in fiscal year 2005 are hereby appropriated to the department for the same purpose.
 11. **Restriction, Food Service.** The Texas Department of Criminal Justice may provide food items to employees in employee dining facilities, only after the food requirements of inmates are met. The food served to inmates shall be of the same quality as food served to employees.

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12. **Payroll Deduction.** Fees for employee services will be made by payroll deduction whenever practical.
13. **Benefit Policy Required.** The Board of Criminal Justice shall adopt a written policy relating to benefits provided in Riders 10 and 15 specifying the criteria used to award these benefits to employees, and shall develop a system to account for all costs related to these benefits and all revenues from collection of fees. The Board of Criminal Justice policy shall be filed annually with the Governor, the Legislative Budget Board, and the Legislative Reference Library.
14. **Appropriation: State-owned Housing Authorized.**
 - a. The department's Regional Directors, Chief Wardens, Assistant Wardens, Majors of Correctional Officers, Captain of Correctional Officers, Lieutenant of Correctional Officers, Kennel Sergeants, Maintenance Supervisors, and Fire/Safety Managers at each facility are authorized to live in state-owned housing at rental rates determined by the department.
 - b. Other department employees may live in available state-owned housing as set forth in Article IX, § 11.09, State Owned Housing - Recover Housing Costs of this Act.
 - c. All fees received for employee housing are appropriated above in Strategy C.1.2, Institutional Goods/Services to be used for maintaining employee housing. Any fees collected in excess of \$537,495 in fiscal year 2004 and \$537,495 in fiscal year 2005 are hereby appropriated to the department for the same purpose.
 - d. Notwithstanding Article IX, § 11.09 the department may allocate housing at reduced or no cost to employees with a demonstrated need based on location and job description.
15. **Appropriation: Laundry Service.** The department may launder or dry clean the uniforms of correctional officers at no charge. None of the funds appropriated above may be used to launder or dry clean other employee clothing or to provide other services unless fees are charged to recover the cost of providing the services. All fees collected for laundry and other related services are appropriated above in Strategy C.1.2, Institutional Goods/Services. Any fees collected in excess of \$823,919 in fiscal year 2004 and \$823,919 in fiscal year 2005 are hereby appropriated to the department for the same purpose.
16. **Inmate Labor.** It is the intent of the Legislature that inmate labor not be used to provide personal services for employees. Inmate labor may be used to provide maintenance and upkeep to state property and equipment.
17. **Employee Medical Care.** Appropriations made in this Act not otherwise restricted in use may also be expended to provide medical attention and hospitalization by correctional medical staff and the correctional hospital facilities, or to pay necessary medical expenses for employees injured while performing the duties of any hazardous position which is not reimbursed by workers' compensation and/or employees' state insurance. For the purpose of this section, "hazardous position" shall mean one for which the regular and normal duties inherently involve the risk or peril of bodily injury or harm. Appropriations made in this Act not otherwise restricted in use may also be expended for medical tests and procedures on employees that are required by federal or state law or regulations when the tests or procedures are required as a result of the employee's job assignment or when considered necessary due to potential or existing litigation.
18. **Compensatory Time.** Exceptions to the prohibition against substituting other days for holidays may be authorized by the Director of the Texas Department of Criminal Justice for employees who are required to work on holidays due to the continuing operation of the department. Any

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employee who is required to work on any of the holidays authorized in the general provisions of this Act, and who does work on any of the said holidays, shall be entitled to compensating time off to be taken on such day as may be mutually agreed upon by the employee and his supervisor.

19. **Hazardous Duty Pay.** It is the legislative intent that all persons receiving hazardous duty pay as of August 31, 1985, continue to receive it. However, all persons hired after August 31, 1985, must occupy positions approved by the Texas Board of Criminal Justice and meet statutory criteria to receive hazardous duty pay.
20. **Employment Limitation.** It is the intent of the Legislature that no one shall be employed by the Department of Criminal Justice who, in the course of his official duties, conducts business with individuals or firms with which the employee has either a direct or indirect financial interest.
21. **Grievance Procedures.** The Board of Criminal Justice shall maintain employee disciplinary and grievance procedures in compliance with this section.

The Board's disciplinary procedures shall allow an employee of the department to be represented by a designee of the employee's selection who may participate in the hearing on behalf of an employee charged with any type of disciplinary violation.

The Board's grievance procedure shall attempt to solve problems through a process which recognizes the employee's right to bring grievances pursuant to the procedures in this section. The grievance procedure shall include either independent mediation or independent, non-binding arbitration of disputes between the employer and the employee if the disciplining authority recommends that the employee be terminated or the employee is terminated.

Any grievance or disciplinary hearing in which a department employee serves as a representative shall be held during normal business hours on a week day, unless the employer and employee agree otherwise. The employee subject to the hearing attends such hearing as a part of regular employment duties. An employee representative who is a department employee must obtain prior approval to be placed on unpaid leave to attend a hearing.

Nothing in this provision shall authorize expenditures of appropriated funds not authorized elsewhere in this Act.

22. **Transfer Authority within and between Goals.** Subject to capital budget provisions contained in this Act, the Texas Department of Criminal Justice is authorized to transfer such amounts as may be necessary within appropriations made for each goal.

Funds may be transferred between goals; provided, that before any transfer between goals which will have the cumulative effect of changing expenditures for any goal by more than 20 percent of the amount appropriated for that goal for the fiscal year, written notification of intent to transfer be provided the Governor, the Legislative Budget Board, the Senate Finance Committee, and the House Appropriations Committee.

23. **Petty Cash Fund Authorized:** The local Petty Cash Revolving Fund in the amount of \$10,000 is continued for the biennium beginning September 1, 2003, and may be used to advance or reimburse transfer agents and for the care and maintenance of convicted felons while enroute to the department from points in Texas and elsewhere in the United States; and for the payment of C.O.D. freight and express charges and similar items requiring immediate cash disbursements. The funds shall be reimbursed by warrants drawn and approved by the Comptroller out of appropriated funds to the Texas Department of Criminal Justice.

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24. **Revolving Fund Authorized.** The local Inmate Release Revolving Fund of \$500,000 is continued for each year of the biennium beginning September 1, 2003, and is deposited in a bank or banks in Texas; and all inmates released on parole, mandatory supervision, discharge, or conditional pardon shall be paid out of this fund. The fund shall be reimbursed by warrants drawn and approved by the Comptroller out of appropriated funds to the Texas Department of Criminal Justice.
25. **Appropriation: Agriculture Receipts.** It is the intent of the Legislature that each year of the biennium the Texas Department of Criminal Justice (TDCJ) may exchange agricultural products for other agricultural products and finished goods, and all revenue accruing from the sale of agricultural commodities or livestock and other revenues as they apply to sales of equipment, salvage, refunds and to recover damage claims are appropriated above in Strategy C.1.2, Institutional Goods/Services. Any revenues collected in excess of \$5,725,974 in fiscal year 2004 and \$5,725,974 in fiscal year 2005 are hereby appropriated to the department for agricultural operations. Any unexpended balance up to \$2,000,000 remaining from revenues on August 31, 2003, and August 31, 2004, is appropriated to allow for continuity of agricultural production and sales cycles which do not conform to fiscal years (fiscal year 2003 unexpended balance estimated to be \$0).
26. **Appropriation: Acceptance of Grants, Gifts.** The Board of Criminal Justice is authorized to accept federal grants, donations and gifts, including those of real property, for the programs and projects of the agency. All such gifts, donations, and grants are appropriated above in Strategy C.1.1, Security/Classification, for the purposes for which they are made available; provided, however, that in taking advantage of or accepting such funds, the Board shall not incur any indebtedness which would necessitate a supplemental or additional appropriation out of any funds of this State nor deplete any of the funds herein appropriated to an amount which would necessitate a supplemental or additional appropriation out of any funds of this state to replenish said fund or funds.
27. **Appropriation: Controlled Substance Receipts.** All funds received under Chapter 59, Code of Criminal Procedure, and Chapter 71, Property Code, by the Texas Department of Criminal Justice are hereby appropriated above in Strategy F.1.1, Central Administration, to be used for law enforcement purposes. Any funds unexpended at the close of each fiscal year are appropriated for the following year (fiscal year 2003 unexpended balance estimated to be \$0).
28. **Supply Revolving Fund Authorized.** The State Comptroller shall establish a separate account from which consumable supply costs shall be paid. From funds herein appropriated, the department may establish, maintain, and operate on a reimbursable basis a supply revolving fund which will contribute to the efficiency and economical operation of the department.

Rules shall be established to avoid depletion of the revolving fund. To reimburse the fund from which expenditures are made, the department may make fund transfers from the appropriations of the activities which receive the supplies or may submit purchase vouchers through the Office of the State Comptroller.
29. **Appropriation: Texas Correctional Industries Receipts.** All receipts collected from the sales of products produced by Texas Correctional Industries (TCI) are appropriated above in Strategy C.2.1, Texas Correctional Industries. Any receipts collected in excess of \$49,839,031 in fiscal year 2004 and \$49,839,031 in fiscal year 2005 are hereby appropriated to the department for the continued production of TCI goods and services. Any unexpended and unobligated balance up to \$5,000,000 remaining from TCI revenues on August 31, 2003, and August 31, 2004, is appropriated to the department for the same purpose. The State Comptroller shall transfer any unobligated fund balances from Texas Correctional Industries receipts in excess of \$5,000,000 to the General Revenue Fund at the end of each fiscal year (fiscal year 2003 unexpended balance estimated to be \$0).

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30. **Appropriation: Unexpended Balances for Increased Offender Populations.** In order to operate new correctional facilities or programs necessary for increased offender populations under the department's supervision, unexpended balances from appropriations made to the Department of Criminal Justice for fiscal year 2004 are hereby appropriated to the Department for fiscal year 2005 contingent upon written notification to the Governor and the Legislative Budget Board by the Texas Board of Criminal Justice, not less than 30 days prior to encumbrance, which details the amount and purpose of expenditures of funds carried forward into fiscal year 2005 under authority of this provision.
31. **Transfer Limitation.** Upon any order from a federal court that requires the Texas Department of Criminal Justice to transfer funds from any appropriation made hereinabove, those funds which were attempted to be transferred shall lapse and the Comptroller shall return the amount appropriated to its respective source.
32. **Offender Information Management System.** It is the intent of the Legislature that the Department of Criminal Justice automate the offender management function to the greatest extent possible. To this end, the department may contract for automation/reengineering assistance after receiving prior approval from the Legislative Budget Board. Funds for this payment may come from benefits and savings as realized.

The Texas Department of Criminal Justice shall demonstrate that the current phase (Phase III, Period 1) of the Offender Information Management System meets the business needs of the agency and the technical capabilities, performance, and specifications identified during the development phase of the project. The Texas Department of Criminal Justice shall validate that all product requirements are satisfied and that no outstanding issues exist. Senior management of the Board of Pardons and Paroles, the Texas Department of Criminal Justice, and the Parole Division of the Texas Department of Criminal Justice shall provide to the Governor and the Legislative Budget Board, a letter of certification validating the usability and functionality of the current system (Phase III, Period 1) before expenditure of funds by the Texas Department of Criminal Justice for the next phase of the project (Phase III, Period 2).

The Texas Department of Criminal Justice shall provide a detailed project plan for the next phase of the Offender Information Management System (Phase III, Period 2), to the Governor and the Legislative Budget Board prior to the expenditure of funds for project implementation. This plan shall include a detailed description of tasks, deliverables, milestones, work efforts, responsible individuals, and due dates. The Texas Department of Criminal Justice shall provide performance measures to assist in evaluating the progress of the project. The Texas Department of Criminal Justice shall continue to provide monthly status reports to the Quality Assurance Team to include project status, change management, risk management, issue and action items, deliverables and scheduled accomplishments.

33. **Council on Impaired Offenders.** The department shall continue current administrative, client services, and services of the Council on Offenders with Mental Impairments.
34. **Appropriation: Recreational Facility Fees.** Fees charged for recreation facilities owned and operated by the department are to be deposited in a special account with the Comptroller of Public Accounts. All recreational facility fees received are appropriated above in Strategy C.1.2, Institutional Goods/Services. Any fees collected in excess of \$36,144 in fiscal year 2004 and \$36,144 in fiscal year 2005 are hereby appropriated to the department for continued operation and maintenance of the department's recreational facilities.
35. **Purchasing Through Request for Proposal.** The Texas Department of Criminal Justice may purchase care, treatment services, and residential services through the Request for Proposal process.

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The Texas Department of Criminal Justice shall:

- a. negotiate purchases to achieve fair and reasonable prices at rates that do not exceed any maximum provided by law, and
 - b. select service providers according to each provider's qualifications and demonstrated competence.
36. **Parole Supervision Ratio.** It is the intent of the Legislature that in fiscal years 2004 and 2005 a ratio of 75 active releasees to one parole officer be maintained. The ratio will be calculated by dividing the number of supervising parole officers and caseworkers currently employed into the total number of releasees supervised, exclusive of those under intensive and super intensive supervision, for which a ratio of 25 and 20 releasees to one supervising officer respectively is to be maintained. In the event that this ratio is not maintained, the Texas Department of Criminal Justice shall file a statement documenting the reasons for noncompliance with the Governor and the Legislative Budget Board.
37. **Battering Intervention Program.** Out of funds appropriated above in Strategy A.1.2, Diversion Programs, the Texas Department of Criminal Justice shall allocate \$1,250,000 in fiscal year 2004 and \$1,250,000 in fiscal year 2005 for funding the Battering Intervention and Prevention Program (BIPP) in the manner required by Article 42.141 of the Code of Criminal Procedure. The BIPP funding shall be from the GR-Dedicated Compensation to Victims of Crime Account No. 469. The BIPP shall be administered using a statewide allocation of direct grants from TDCJ to local non-profit organizations in the manner described in Government Code § 509.011. Funds subject to this provision shall be allocated at the local level and designated for use only for these programs. Funds subject to this provision may not be utilized for administrative expenses of local community supervision and corrections departments nor may they be used to supplant local funding.
38. **Project RIO.** It is the intent of the Legislature that the Texas Workforce Commission, the Texas Department of Criminal Justice, and the Texas Youth Commission together enhance the effectiveness of Project RIO by improving cohesive program delivery among the three agencies. The agencies shall together develop and implement a biennial strategic plan for the implementation of a more cohesive and effective Project RIO program which will emphasize necessary skill development, rehabilitation and appropriate assessment of the offender prior to release. Not later than March 1, 2004, the biennial strategic plan, jointly prepared by the three agencies, and including specific strategies, measures, timeframes for program improvement, and a methodology for program evaluation, shall be submitted to the Legislative Budget Board and the Governor. With regards to appropriations for Project RIO, while total project funds are appropriated to the Texas Workforce Commission, interagency contracts are to be maintained during the 2004-05 biennium with the Texas Department of Criminal Justice at no less than the funding and performance levels maintained as of August 31, 2003.
39. **Aircraft Authorization.** The Texas Department of Criminal Justice (TDCJ) is authorized to own or lease, operate, and maintain one aircraft and to replace it if necessary. In the event that a temporary need arises, the TDCJ is authorized to expend funds for the lease or rental of aircraft on an as-needed basis.
40. **Expenditure Limitation - Windham School District.** None of the funds provided to the Windham School District through the Texas Education Agency shall be expended unless the Board of Criminal Justice has approved an annual operating budget for the school district prior to the expenditure of any funds. The Department of Criminal Justice shall file a copy of that operating budget of the Windham School District with the Governor, the Legislative Budget Board and the appropriate legislative oversight committees at the beginning of each fiscal year.

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41. **Residential Status of Inmates.** All inmates of the Texas Department of Criminal Justice are, for educational purposes only, residents of the State of Texas.
42. **Postsecondary Education Programs.** Postsecondary education courses shall be available only to inmates who have:
- a. demonstrated a clear and convincing record of rehabilitation while incarcerated, and
 - b. demonstrated an interest in a field of study that lends itself to performing specific and beneficial tasks while incarcerated, and
 - c. demonstrated the aptitude and capabilities to do college-level study.

The costs of such postsecondary education programs shall be reimbursed by the inmate as a condition of parole.

The Department of Criminal Justice shall not provide in-cell tutoring for inmates who are in administrative segregation.

The Department of Criminal Justice may not transfer appropriations out of Strategy C.2.2, Academic/Vocational Training.

43. **Appropriation: Education and Recreation Program Receipts.** All receipts collected from the operation of facility commissaries and all gifts and other income for inmate welfare accruing together with Education and Recreation Program account balances at the beginning of each year of the biennium beginning September 1, 2003 are hereby appropriated above in Strategy C.1.2, Institutional Goods/Services, to the Department of Criminal Justice subject to the following provisions:
- a. all receipts collected shall be deposited in accordance with applicable statutes: (1) in the General Revenue Fund of the State Treasury; (2) in trust with the State Comptroller; or (3) in a local bank account on approval by the State Comptroller.
 - b. salaries of personnel employed by the Education and Recreation Program shall conform with the provisions of the Classification Plan except as otherwise provided by this Act.
 - c. funds deposited in Education and Recreation Program accounts shall be expended only with the advance, written approval of the Board of Criminal Justice.
 - d. it is the intent of the Legislature that Education and Recreation Program receipts be expended first for the construction, maintenance, equipment and operations of recreational facilities and for the income producing operations of the program. Any remaining balances may be expended for other programs benefiting the welfare of department confinees.

Any Education and Recreation Program receipts collected in excess of \$62,916,089 in fiscal year 2004 and \$62,916,090 in fiscal year 2005 are hereby appropriated to the department subject to the above-cited provisions.

44. **Private Sector Prison Industries Oversight Authority.** Out of funds appropriated above in Strategy C.2.1, Texas Correctional Industries, the Texas Department of Criminal Justice shall provide reimbursement of travel expenses incurred by members of the Private Sector Prison Industries Oversight Authority in accordance with Government Code § 497.055 and provisions of this Act related to the per diem of board or commission members.

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45. **Appropriation: Sex Offender Notification Fees.** All fees collected from offenders for reimbursement to local law enforcement authorities for costs incurred in providing notice for publication, including any costs incurred in publishing any photographs needed to provide notice, to a newspaper in accordance with Government Code § 508.186, are appropriated above in Strategy E.2.1, Parole Supervision, for reimbursing local law enforcement authorities. Any fees collected in excess of \$5,351 in fiscal year 2004 and \$5,351 in fiscal year 2005 are hereby appropriated to the department for the same purpose.
46. **Appropriation: Parole Supervision Fees.** All parole supervision fees collected from offenders in accordance with Government Code § 508.182, are appropriated above in Strategy E.2.1, Parole Supervision. Any fees collected in excess of \$8,985,000 in fiscal year 2004 and \$10,108,000 in fiscal year 2005 are hereby appropriated to the department for parole supervision.
47. **Appropriation Transfers Between Fiscal Years.** In addition to the transfer authority provided elsewhere in this Act, the Texas Department of Criminal Justice may transfer appropriations in an amount not to exceed \$150 million made for fiscal year 2005 to fiscal year 2004, subject to the following conditions provided by this section:
- a. transfers under this section may be made only:
 - (1) if correctional populations exceed the capacity of the department, or
 - (2) if Federal Funds for Incarcerated Aliens appropriated in fiscal year 2004 to the department are not received in the amount identified in the method of finance for that year, or
 - (3) for any other emergency expenditure requirements, including expenditures necessitated by public calamity.
 - b. a transfer authorized by this section above must receive the prior approval of the Governor and the Legislative Budget Board.
 - c. the Comptroller of Public Accounts shall cooperate as necessary to assist the completion of a transfer and spending made under this section.
48. **Managed Health Care - Reporting Requirements.** The Correctional Managed Health Care Committee is required to submit to the Legislative Budget Board and Governor a report detailing:
- a. correctional managed health care actual and projected expenditures for on-site, off-site and pharmaceutical costs;
 - b. health care cost for inmates over age 55 including utilization data;
 - c. other health care information determined by the Office of the Governor and the Legislative Budget Board; and
 - d. all monies held in reserve for Correctional Managed Health Care by the University of Texas Medical Branch at Galveston and the Texas Tech University Health Sciences Center.
- Such reports shall be submitted on a quarterly basis.
49. **Managed Health Care Operational Shortfalls.** For the purpose of offsetting operational shortfalls occurring in correctional managed health care and out of funds appropriated above,

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the department shall transfer funds as necessary into Strategy C.1.4, Managed Health Care, for payment to the Correctional Managed Health Care Committee to address any managed health care operational shortfalls for fiscal years 2004–05, not to exceed \$5 million for the biennium. If the department and committee do not agree on transfer amounts deemed necessary, supporting documentation shall be provided to the Governor and the Legislative Budget Board. The Governor and Legislative Budget Board shall then make the final decision.

50. **Computer Refurbishing Program.** The Texas Department of Criminal Justice shall develop and implement an inmate work program in which donated, second-hand computers are refurbished in prisons for use by public schools.
51. **Parole Transitional Support Program.** Out of funds appropriated above in Strategy A.1.1, Basic Supervision, TDCJ shall transfer \$50,000 for each fiscal year of the 2004–05 biennium to Strategy E.2.1, Parole Supervision, to be used to support the Transitional Support Program. The TDCJ shall use these funds for the sole purpose of providing contracts for services with recognized non-profit organizations in order to facilitate parolees with their transition from incarceration to release on parole. The contracted services shall emphasize and promote family support and involvement in the transition and should establish the goal of reducing recidivism rates of the individuals who participate in the program.
52. **Capital Expenditures Authorized.** Notwithstanding the limitations placed on the expenditure of funds for capital budget items contained in the general provisions of this Act, the Texas Department of Criminal Justice is hereby authorized to expend funds appropriated to the Texas Department of Criminal Justice for the acquisition of capital budget items and unforeseen building maintenance as approved by the Texas Board of Criminal Justice.
53. **Recruitment and Retention of Staff.** TDCJ shall submit a biennial report on its recruitment and retention efforts to the Governor and the Legislative Budget Board not later than January 1, 2005. The report shall include information on vacancy rates, turnover rates, average years of service, and average number of continuing education training hours for security and nonsecurity staff.
54. **Inmate Phone System.** The Texas Board of Criminal Justice may institute a pilot program through which inmates in state jails will be permitted to make telephone calls at the discretion of employees of the state jails where the pilot program occurs. The board shall implement provisions to prohibit abuse by inmates. Such provisions will include, at minimum, the establishment and review of specific call lists, the prohibition of phone calls to individuals or phone numbers not on the approved list, and the inapplicability of such services as call forwarding or three-way calling.

The vendor shall pay the department not less than 50 percent of gross revenue received for such calls placed by inmates and the cost of such calls shall not exceed comparable rates for long distance service. All such payments received as a result of the trial shall be used for the benefit of crime victims, as provided in Article 56.54, Code of Criminal Procedure.

55. **Human Resources Management Plan.** From funds appropriated above, the Texas Department of Criminal Justice shall develop a Human Resources Management Plan designed to improve employee morale and retention. The plan must focus on reducing employee turnover through better management. The Texas Department of Criminal Justice shall report, by October 1 of each year of the biennium, to the Senate Finance Committee, the House Committee on Appropriations, the Legislative Budget Board, and the Governor the employee turnover rate, by job category, at the agency during the preceding fiscal year. The effectiveness of an agency's plan shall be measured by whether or not there is a reduction in annual employee turnover rates at the agency, specifically by the reduction in the turnover rates for correctional officers.

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(Continued)

56. **Texas Board of Criminal Justice.** It is the intent of the Legislature that the Texas Board of Criminal Justice hold its meetings in Austin, Texas unless there is an exceptional reason to meet in Huntsville, Texas.
57. **Ombudsman Activity.** It is the intent of the Legislature that the Ombudsman for the Texas Department of Criminal Justice (TDCJ) respond to all agency and legislatively referred complaints in a timely manner. The TDCJ shall develop performance measures, trend analysis, and a method of resolution for issues presented. The TDCJ shall provide summary reports regarding this activity to the Legislative Budget Board and the Governor on a quarterly basis.
58. **Correctional Officer Training.** Out of funds appropriated above, the Texas Department of Criminal Justice shall provide at least 284 hours of training for new correctional officers.
59. **Safe Prisons Program.** It is the intent of the Legislature that out of funds appropriated above the Texas Department of Criminal Justice (TDCJ) establish and maintain a Safe Prisons Program for the purpose of preventing and limiting the number of sexual assaults by inmates on inmates. Strategies to prevent sexual assaults that may be used in the Safe Prisons Program include, but are not limited to, use of protective custody; use of an inmate's assault history in making cell assignments; use of an inmate's likelihood of victimization in cell assignments; education of correctional officers on the importance of preventing sexual assault; education of new prisoners on the risks of sexual assault, including prosecution; and use of surveillance cameras. TDCJ shall report annually to the Legislative Budget Board and the Governor the number of sexual assaults by inmates on inmates and the actions taken on each assault. Additional reporting elements may be established by the Legislative Budget Board and the Governor. It is the intent of the Legislature that TDCJ designate a Safe Prisons Program coordinator who reports directly to the TDCJ Executive Director.
60. **Priority of Employment Opportunities.** It is the intent of the Legislature that with the funds appropriated above the Department of Criminal Justice shall prioritize any employee who has been subject to a reduction in force by the department and who has left employment with the department in good standing priority in application for employment in other vacancies within the department.
61. **Interagency Contract for Legal Services.** Out of funds appropriated above, \$1.3 million for each fiscal year of the 2004-05 biennium is for an interagency contract with the Office of the Attorney General for legal services provided by the Office of the Attorney General to the Texas Department of Criminal Justice (TDCJ). Any interagency contract funded by appropriated funds may not exceed reasonable attorney fees for similar legal services in the private sector, shall not jeopardize the ability of the TDCJ to carry out its legislative mandates, and shall not affect the budget for the TDCJ such that employees must be terminated in order to pay the amount of the interagency contract.
62. **Appropriation: Unexpended Balances of Construction Bonds.** Any unexpended balances as of August 31, 2003, for the Texas Department of Criminal Justice (TDCJ) in the general obligation bond appropriations made by the Seventy-seventh Legislature and Seventy-eighth Legislature for construction appropriations are hereby appropriated to the TDCJ for the biennium beginning September 1, 2003, provided that such appropriated funds shall not be expended without approval of the Board of Criminal Justice and that copies of such approvals shall be filed with the Governor and the Legislative Budget Board. Unexpended balances appropriated for the 2004-05 biennium may be used only for facilities repair and rehabilitation projects or the expansion of the Western Regional Medical Facility and shall not be used for the construction of additional facilities. (fiscal year 2003 unexpended balance estimated to be \$71,900,000 and included in amounts above.)

DEPARTMENT OF CRIMINAL JUSTICE
(Continued)

63. **Misdemeanor Funding.** The Texas Department of Criminal Justice shall distribute funds at a rate not to exceed \$.70 per day for each misdemeanor defendant directly supervised by a community supervision and corrections department. Funding for each misdemeanor defendant may not exceed the period of time authorized by statute.
64. **Appropriation: Refunds of Unexpended Balances from CSCDs.** The Texas Department of Criminal Justice (TDCJ) shall maintain procedures to ensure that the state is refunded all unexpended and unencumbered balances of state funds held as of the close of this biennium by local community supervision and corrections departments (CSCDs). All fiscal years 2002-03 refunds received from CSCDs by TDCJ are appropriated above in Strategies A.1.1, Basic Supervision, A.1.2, Diversion Programs, A.1.3, Community Corrections, and C.2.4, Substance Abuse Treatment. Any Basic Supervision refunds received in excess of \$5,600,000 in fiscal year 2004 are hereby appropriated to TDCJ for Basic Supervision. Any Diversion Programs refunds received in fiscal year 2004 are hereby appropriated to TDCJ for Diversion Programs. Any Community Corrections refunds received in fiscal year 2004 are hereby appropriated to TDCJ for Community Corrections. Any Substance Abuse Treatment refunds received in excess of \$1,000,000 in fiscal year 2004 are hereby appropriated to TDCJ for the Treatment Alternative to Incarceration Program (estimated to be \$0).
65. **Transportation - Substance Abuse.** The Department of Criminal Justice shall provide transportation for inmates who are released from Substance Abuse Felony Punishment Facilities (SAFPF) or In-Prison Therapeutic Community (IPTC) facilities and transferred to a residential setting.
66. **Treatment Alternative to Incarceration Program.** The Texas Department of Criminal Justice is directed to expend at least \$6.5 million each year of the biennium on the Treatment Alternative to Incarceration Program as specified in Government Code § 76.017.
67. **Harris County Community Corrections Facility.** Out of funds appropriated above in Strategy A.1.2, Diversion Programs, \$6,500,000 in fiscal year 2004 and \$6,500,000 in fiscal year 2005 in discretionary grants shall be made to the Harris County Community Supervision and Corrections Department for the continued operations of the Harris County Community Corrections Facility.
68. **Continuity of Care.** Out of the funds appropriated above in Strategy B.1.1, Special Needs Projects, the Texas Council on Offenders with Mental Impairments shall coordinate with the Texas Department of Mental Health and Mental Retardation, county and municipal jails, and community mental health and mental retardation centers on establishing methods for the continuity of care for pre- and post-release activities of defendants who are returned to the county of conviction after the defendant's competency has been restored. The Council shall coordinate in the same manner it performs continuity of care activities for offenders with special needs.
- As part of the Continuity of Care Plan and out of funds appropriated above in Strategy B.1.1, Special Needs Projects, the Texas Council on Offenders with Mental Impairments shall provide a 90-day post-release supply of medication for a defendant who, after having been committed to a state mental health and mental retardation facility for restoration of competency under Chapter 46, Code of Criminal Procedure, is being returned to the committing court for trial. The 90-day supply of medication shall be the same as prescribed in the Continuity of Care Plan prepared by the state mental health and mental retardation facility.
69. **Contract Review.** It is the intent of the Legislature that the Texas Department of Criminal Justice shall review its contracts with county jails and private vendors that provide contract services to the department for prison, parole, and state jail beds. The department shall determine whether contracts with counties and private vendors pay an appropriate rate to retain an adequate capacity of contract beds to ensure that the state will not face a shortage of prison

DEPARTMENT OF CRIMINAL JUSTICE
(Continued)

capacity during the next biennium. The department shall first review the contracts which have the lowest rates and have not had rate increases for the longest period of time. If the department determines that rate increases are necessary, it may fund such increases out of funds appropriated.

CRIMINAL JUSTICE POLICY COUNCIL

	For the Years Ending	
	August 31, <u>2004</u>	August 31, <u>2005</u>
Out of the General Revenue Fund:		
A. Goal: EFFECTIVE CRIMINAL JUSTICE SYSTEM		
Develop means to promote a more effective and cohesive state criminal justice system.		
Outcome (Results/Impact):		
Programs Evaluated	11	11
Assessment Instruments Developed	7	7
A.1.1. Strategy: EVALUATIONS TO REDUCE RECIDIVISM	\$ 178,175	\$ 178,175
Evaluate the criminal justice programs and assist other agencies in the evaluation of programs directed at reducing recidivism.		
Output (Volume):		
Programs Designed	14	14
A.2.1. Strategy: PROJECTION DEVELOPMENT	\$ 822,713	\$ 822,713
Develop adult and juvenile correctional population projections and impact studies for use by public officials.		
A.2.2. Strategy: JUVENILE JUSTICE STUDIES	\$ 250,222	\$ 250,222
Collect juvenile justice data to study and monitor juvenile sentencing patterns in the state to assist in the development and evaluation of policies, to determine the impact of reforms, and to develop effective delinquency prevention, diversionary or treatment programs.		
Total, Goal A: EFFECTIVE CRIMINAL JUSTICE SYSTEM	\$ 1,251,110	\$ 1,251,110
Grand Total, CRIMINAL JUSTICE POLICY COUNCIL	\$ 1,251,110	\$ 1,251,110
Number of Full-Time-Equivalent Positions (FTE):	21.0	21.0
Schedule of Exempt Positions:		
Executive Director, Group 3	\$98,000	\$98,000
Object-of-Expense Informational Listing:		
Salaries and Wages	\$ 1,071,706	\$ 1,071,906
Other Personnel Costs	15,440	17,160
Professional Fees and Services	6,500	6,500
Consumable Supplies	9,000	9,000
Utilities	23,000	23,000
Travel	5,000	5,000

CRIMINAL JUSTICE POLICY COUNCIL
(Continued)

Rent - Machine and Other	4,800	4,800
Other Operating Expense	87,664	78,744
Capital Expenditures	<u>28,000</u>	<u>35,000</u>
Total, Object-of-Expense Informational Listing	\$ <u>1,251,110</u>	\$ <u>1,251,110</u>

1. **Parole Guidelines.** The Criminal Justice Policy Council, from funds appropriated above, shall assist the Board of Pardons and Paroles in the implementation, monitoring, and validation of parole guidelines. The Criminal Justice Policy Council shall submit a report on these efforts to the Governor and the Legislative Budget Board no later than January 1, 2005.
2. **Enhanced Mental Health Services Initiative.** The Criminal Justice Policy Council, from funds appropriated above, shall monitor and evaluate the implementation of the Enhanced Mental Health Services Initiative by the Texas Juvenile Probation Commission, the Texas Department of Criminal Justice, the Texas Youth Commission, and the Texas Council on Offenders with Mental Impairments. The Criminal Justice Policy Council shall submit a report on these efforts to the Governor and the Legislative Budget Board no later than January 1, 2005.

COMMISSION ON FIRE PROTECTION

	For the Years Ending	
	August 31, <u>2004</u>	August 31, <u>2005</u>
A. Goal: EDUCATION & ASSISTANCE		
To assist local governments and other entities by providing materials for use in conducting research on fire protection issues and in developing training resources for fire protection personnel and to assist in providing fire fighting equipment and resources to local fire departments.		
Outcome (Results/Impact):		
Percentage Increase in the Number of Research Requests Made to the Fire Protection Information Resource Center	10%	10%
Percentage of Total Amount Requested for Loans/Grants Compared with Requests Awarded	24%	24%
A.1.1. Strategy: FIRE SAFETY INFO & EDUC PROGRAMS		
Acquire, develop and maintain current and historical information on fire protection and provide training aids and fire protection information to fire departments and other entities.	\$ 140,976	\$ 141,026
A.2.1. Strategy: ADMINISTER GRANT PROGRAM		
Administer a grant/loan program to distribute resources to local fire departments.	<u>\$ 1,000,000</u>	<u>\$ 1,000,000</u>
Total, Goal A: EDUCATION & ASSISTANCE	\$ <u>1,140,976</u>	\$ <u>1,141,026</u>

B. Goal: FIRE DEPARTMENT STANDARDS
To enforce statutes and rules relating to standards for fire service personnel education, training facilities and protective equipment in order to protect the public and fire service personnel against loss of life and property resulting from fire and related hazards.

COMMISSION ON FIRE PROTECTION
(Continued)

Outcome (Results/Impact):		
Percentage of Inspected Fire Certificate Holders with No Recent Violations	95%	95%
B.1.1. Strategy: CERTIFY & REGULATE FIRE SERVICE		
Certify and regulate fire departments and fire service personnel according to standards adopted by the agency and prescribed by statute.	\$ 1,083,117	\$ 1,084,167
Explanatory:		
Number of Fire Service Personnel Certified	22,300	22,300
C. Goal: INDIRECT ADMINISTRATION		
C.1.1. Strategy: INDIRECT ADMINISTRATION	\$ 588,435	\$ 587,335
Grand Total, COMMISSION ON FIRE PROTECTION	\$ 2,812,528	\$ 2,812,528
 Method of Financing:		
General Revenue - Insurance Companies Maintenance Tax and Insurance Department Fees	\$ 2,782,128	\$ 2,782,128
Appropriated Receipts	30,400	30,400
Total, Method of Financing	\$ 2,812,528	\$ 2,812,528
 Number of Full-Time-Equivalent Positions (FTE):	 32.0	 32.0
Schedule of Exempt Positions:		
Executive Director, Group 3	\$78,000	\$78,000
 Object-of-Expense Informational Listing:		
Salaries and Wages	\$ 1,344,232	\$ 1,344,232
Other Personnel Costs	17,590	17,590
Professional Fees and Services	25,000	25,000
Fuels and Lubricants	3,000	3,000
Consumable Supplies	11,299	9,700
Utilities	50,351	50,351
Travel	105,000	105,000
Rent - Building	112,500	114,100
Rent - Machine and Other	33,875	-33,875
Other Operating Expense	93,111	93,110
Grants	1,000,000	1,000,000
Capital Expenditures	16,570	16,570
Total, Object-of-Expense Informational Listing	\$ 2,812,528	\$ 2,812,528

1. **Training Restriction.** None of the funds appropriated above may be expended for fire protection or fire management training except through contract with Texas Commission on Fire Protection approved training programs external to the commission in order to avoid duplication of service.

2. **Appropriation of Receipts—Loan Repayments Revolving Fund.** In addition to the amounts appropriated above, the Texas Commission on Fire Protection is hereby appropriated all loan repayments, loan forfeitures and other revenue accruing to the revolving loan fund in excess of \$268,000 for fiscal year 2004 and in excess of \$268,000 for fiscal year 2005 for the purpose of making additional loans as established in Government Code, Chapter 419, Subchapter C (estimated to be \$0). The unexpended balance in Strategy A.2.1, Administer Grant Program, and of collections in excess of \$268,000 in the revolving loan fund at the end of fiscal year 2004 is hereby appropriated for fiscal year 2005 for the same purpose.

COMMISSION ON FIRE PROTECTION
(Continued)

3. **Fire Department Inspections.** It is the intent of the Legislature that the Texas Commission on Fire Protection not provide prior notification of an inspection to a fire department.
4. **Co-location of Regional Offices.** It is the intent of the Legislature that the Texas Commission on Fire Protection and the Texas Forest Service enter into an agreement to co-locate regional offices to the maximum space available.
5. **Staffing of Regional Offices.** The Texas Commission on Fire Protection shall staff each regional office with at least one standards compliance officer from available staff.

COMMISSION ON JAIL STANDARDS

	For the Years Ending	
	August 31, <u>2004</u>	August 31, <u>2005</u>
A. Goal: EFFECTIVE JAIL STANDARDS		
To establish reasonable minimum standards for the provision and operation of jails; monitor and enforce compliance with adopted standards; provide consultation, training, and technical assistance to local government for achieving and maintaining compliance with adopted standards; and perform state mandates affecting county jail incarceration.		
Outcome (Results/Impact):		
Number of Jails Achieving Compliance	225	225
Percent of Jails with Management-related Deficiencies	10%	10%
A.1.1. Strategy: INSPECTION AND ENFORCEMENT	\$ 300,730	\$ 300,729
Develop and implement a uniform process to inspect, monitor compliance and ensure due process in enforcement of standards for local jails.		
Output (Volume):		
Number of Annual Inspections Conducted	254	254
A.1.2. Strategy: JUVENILE JUSTICE SURVEY	\$ 52,000	\$ 52,000
Perform annual survey of local jail facilities to determine compliance with the Juvenile Justice and Delinquency Prevention Act.		
A.2.1. Strategy: CONSTRUCTION PLAN REVIEW	\$ 210,523	\$ 210,523
Develop and implement a comprehensive facility needs analysis program and review and comment on construction documents for construction projects.		
Output (Volume):		
Number of On-site Planning and Construction Consultations with Jail Representatives	160	160
A.2.2. Strategy: MANAGEMENT CONSULTATION	\$ 245,326	\$ 245,326
Review and approve jail operational plans, provide needed jail management training and consultation, and perform objective jail staffing analyses.		
Output (Volume):		
Number of On-site Operation and Management Consultations with Jail Representatives	300	300
A.3.1. Strategy: AUDITING POPULATION AND COSTS	\$ 84,932	\$ 84,932
Collect, analyze, and disseminate data concerning inmate population, felony backlog, and jail operational costs.		

COMMISSION ON JAIL STANDARDS
(Continued)

Output (Volume):		
Number of Reports Audited	6,200	6,200
Total, Goal A: EFFECTIVE JAIL STANDARDS	\$ 893,511	\$ 893,510
Grand Total, COMMISSION ON JAIL STANDARDS	\$ 893,511	\$ 893,510
Method of Financing:		
General Revenue Fund	\$ 835,511	\$ 835,510
<u>Other Funds</u>		
Criminal Justice Grants	52,000	52,000
Appropriated Receipts	6,000	6,000
Subtotal, Other Funds	\$ 58,000	\$ 58,000
Total, Method of Financing	\$ 893,511	\$ 893,510
Number of Full-Time-Equivalent Positions (FTE):	19.0	19.0
Schedule of Exempt Positions:		
Executive Director, Group 2	\$61,000	\$61,000
Object-of-Expense Informational Listing:		
Salaries and Wages	\$ 759,708	\$ 759,708
Other Personnel Costs	61,984	61,984
Other Operating Expense	71,819	71,818
Total, Object-of-Expense Informational Listing	\$ 893,511	\$ 893,510

1. **Surveillance Systems at County Jail Facilities.** The Commission on Jail Standards shall study and make recommendations for the use of video camera surveillance systems at county jails. The recommendations shall include camera coverage areas, system models, and potential revenue sources to pay the costs of such systems. The Commission on Jail Standards shall submit a report on the recommendations to the Governor and the Legislative Budget Board no later than January 1, 2005.
2. **Mental Health Screening.**
 - a. The Commission on Jail Standards shall use funds appropriated above to conduct an analysis of the process for determining the mental health status of inmates in county jails in coordination with the Texas Council on Offenders with Mental Impairments.
 - b. This analysis shall include reviews of screening methods for determining mental health status, referral procedures for diagnostics and treatment, and level of coordination with the public mental health system on identification and treatment activities.
 - c. The Commission shall report the findings of this analysis to the 79th Legislature by January 1, 2005.

JUVENILE PROBATION COMMISSION

	For the Years Ending	
	August 31, 2004	August 31, 2005
A. Goal: LOCAL JUVENILE JUSTICE		
To ensure public safety, offender accountability and the rehabilitation of juvenile offenders through a comprehensive, coordinated, community-based juvenile justice system by providing funding, technical assistance and training in partnership with juvenile boards and probation departments.		
Outcome (Results/Impact):		
Rate of Successful Completion of Deferred Prosecution Cases	85%	85%
Rate of Successful Completion of Court-ordered Probation	86.8%	86.8%
Number of New Commitments to Texas Youth Commission	2,664	2,762
A.1.1. Strategy: BASIC PROBATION	\$ 46,258,679	\$ 46,258,679
Provide funding to juvenile probation departments for the provision of basic juvenile probation services, including delinquency prevention, deferred prosecution, and court ordered probation.		
Output (Volume):		
Average Daily Population of Youth Supervised under Court-ordered Probation	25,861	26,455
Average Daily Population of Youth Supervised under Intensive Supervision Probation	3,900	3,900
Efficiencies:		
Average State Cost Per Juvenile Referred	384.26	374.92
Cost Per Day for Youth Served on Intensive Supervision Probation	14.6	14.6
Explanatory:		
Total Number of Referrals	120,384	123,384
A.2.1. Strategy: COMMUNITY CORRECTIONS	\$ 44,447,748	\$ 44,447,750
Provide funding to juvenile boards and departments for diversion of juveniles from commitment to the Texas Youth Commission and meet legislatively mandated performance measures for intensive residential and nonresidential diversionary services.		
Output (Volume):		
Average Daily Population of Residential Placements	2,467	- 2,467
Efficiencies:		
Cost Per Day Per Youth for Residential Placement	83.29	83.29
A.2.2. Strategy: PROBATION ASSISTANCE	\$ 32,140,478	\$ 32,141,018
Provide training and technical assistance to juvenile boards and probation departments, including case management, program planning and delinquency prevention; and monitor probation departments and both county and private detention and post adjudication centers for compliance with Texas Juvenile Probation Commission standards and applicable federal regulations.		
Efficiencies:		
State Cost Per Training Hour	6.15	6.2
A.2.3. Strategy: JUVENILE JUSTICE ALTERNATIVE ED PGM	\$ 7,500,000	\$ 7,500,000
Provide funding for juvenile justice alternative education programs.		
Output (Volume):		
Number of Mandatory Students in Juvenile Justice Alternative Education Programs	1,580	1,580
Total, Goal A: LOCAL JUVENILE JUSTICE	\$ 130,346,905	\$ 130,347,447

JUVENILE PROBATION COMMISSION
(Continued)

B. Goal: DIRECT AND INDIRECT ADMINISTRATION		
B.1.1. Strategy: DIRECT AND INDIRECT ADMINISTRATION	\$ 1,107,031	\$ 1,107,035
Grand Total, JUVENILE PROBATION COMMISSION	<u>\$ 131,453,936</u>	<u>\$ 131,454,482</u>
Method of Financing:		
General Revenue Fund	\$ 92,953,936	\$ 92,954,482
Federal Funds	30,000,000	30,000,000
Other Funds		
Appropriated Receipts	1,000,000	1,000,000
Interagency Contracts - Transfer from Foundation School Fund No. 193	7,500,000	7,500,000
Subtotal, Other Funds	<u>\$ 8,500,000</u>	<u>\$ 8,500,000</u>
Total, Method of Financing	<u>\$ 131,453,936</u>	<u>\$ 131,454,482</u>
Number of Full-Time-Equivalent Positions (FTE):	62.0	62.0
Schedule of Exempt Positions:		
Executive Director, Group 3	\$90,000	\$90,000
Object-of-Expense Informational Listing:		
Salaries and Wages	\$ 2,802,305	\$ 2,855,177
Other Personnel Costs	117,000	118,000
Operating Costs	634,830	635,569
Grants	127,762,175	127,787,078
Capital Expenditures	<u>137,626</u>	<u>58,658</u>
Total, Object-of-Expense Informational Listing	<u>\$ 131,453,936</u>	<u>\$ 131,454,482</u>

1. **Capital Budget.** None of the funds appropriated above may be expended for capital budget items except as listed below. The amounts shown below shall be expended only for the purposes shown and are not available for expenditure for other purposes. Amounts appropriated above and identified in this provision as appropriations either for "Lease Payments to the Master Lease Purchase Program" or for items with an "(MLPP)" notation shall be expended only for the purpose of making lease-purchase payments to the Texas Public Finance Authority pursuant to the provisions of Government Code § 1232.103.

	<u>2004</u>	<u>2005</u>
a. Acquisition of Information Resource Technologies		
(1) Microcomputer Technology Upgrade	\$ 137,626	\$ 58,658
Total, Capital Budget	<u>\$ 137,626</u>	<u>\$ 58,658</u>
Method of Financing (Capital Budget):		
General Revenue Fund	\$ 122,487	\$ 52,206
Federal Funds	<u>15,139</u>	<u>6,452</u>
Total, Method of Financing	<u>\$ 137,626</u>	<u>\$ 58,658</u>

JUVENILE PROBATION COMMISSION

(Continued)

2. **Restriction, State Aid.** None of the funds appropriated above in Strategy A.1.1, Basic Probation, and allocated to local juvenile probation boards, shall be expended for salaries or expenses of juvenile board members.
3. **Appropriation of Federal Title IV-E Receipts.** The provisions of Title IV-E of the Social Security Act shall be used in order to increase funds available for juvenile justice services. The Texas Juvenile Probation Commission shall certify or transfer state funds to the Texas Department of Protective and Regulatory Services so that federal financial participation can be claimed for Title IV-E services provided by counties. The Texas Juvenile Probation Commission shall direct necessary general revenue funding to ensure that the federal match for the Title IV-E Social Security Act is maximized for use by participating counties. Such federal receipts are appropriated to the Texas Juvenile Probation Commission for the purpose of reimbursing counties for services provided to eligible children.
4. **Juvenile Boot Camp Funding.** Out of the funds appropriated above in Strategy A.2.1, Community Corrections, the amount of \$1,000,000 annually may be expended only for the purpose of providing a juvenile boot camp in Harris County.
5. **Residential Facilities.** Juvenile Boards may use funds appropriated in Strategy A.1.1, Basic Probation, and Strategy A.2.1, Community Corrections, to lease, contract for, or reserve bed space with public and private residential facilities for the purpose of diverting juveniles from commitment to the Texas Youth Commission.
6. **Funding for Progressive Sanctions.**
 - a. Out of the funds appropriated above in Strategy A.1.1, Basic Probation, \$10,200,000 in fiscal year 2004 and \$10,200,000 in fiscal year 2005 can be distributed only to local probation departments for funding juvenile probation services associated with sanction levels described in §§ 59.003(a)(1), 59.003(a)(2), and 59.003(a)(3) of the Family Code, or for salaries of juvenile probation officers hired after the effective date of this Act. These funds may not be used by local juvenile probation departments for salary increases, employee benefits, or other costs (except salaries) associated with the employment of juvenile probation officers hired after the effective date of this Act.
 - b. Out of the funds appropriated above in Strategy A.2.1, Community Corrections, \$4,394,436 in fiscal year 2004 and \$4,394,436 in fiscal year 2005 can be used only for the purpose of funding secure post-adjudication placements for (1) juveniles who have a progressive sanction guideline level of 5 or higher as described by §§ 59.003(a)(5), 59.003(a)(6), and 59.003(a)(7); (2) are adjudicated for a felony offense that includes as an element of the offense the possession, carrying, using or exhibiting of a deadly weapon; (3) the juvenile court's order of adjudication contains a finding that the child committed a felony offense and the child used or exhibited a deadly weapon during the commission of the conduct or during immediate flight from commission of the conduct; or (4) are adjudicated for a sex offense of the grade of felony that requires registration under the Texas Sexual Offender Registration Program.

The Texas Juvenile Probation Commission shall reimburse a county juvenile probation department a specified number of placements under this section, as determined by the Texas Juvenile Probation Commission, after the requirements for reimbursement as outlined herein have been met to the satisfaction of the Texas Juvenile Probation Commission.

- c. The Texas Juvenile Probation Commission shall maintain procedures to ensure that only those juvenile offenders identified above are submitted for reimbursement of secure post-adjudication placements under this section. The Texas Juvenile Probation Commission

JUVENILE PROBATION COMMISSION
(Continued)

shall no later than March 1 of each fiscal year submit an expenditure report for the prior fiscal year reflecting all secure post-adjudication placement costs to the Legislative Budget Board and the Governor.

7. **County Funding Levels.** To receive the full amount of state aid funds for which a juvenile board may be eligible, a juvenile board must demonstrate to the commission's satisfaction that the amount of local or county funds budgeted for juvenile services is at least equal to the amount spent for those services, excluding construction and capital outlay expenses, in the 1994 county fiscal year. This requirement shall not be waived by the commission unless the juvenile board demonstrates to the satisfaction of the commission that unusual, catastrophic or exceptional circumstances existed during the year in question to adversely affect the level of county fiscal effort. If the required local funding level is not met and no waiver is granted by the commission, the commission shall reduce the allocation of state aid funds to the juvenile board by the amount equal to the amount that the county funding is below the required funding.
8. **Local Post-adjudication Facilities.** Out of the funds appropriated above in Strategy A.2.1, Community Corrections, the amount of \$4,147,037 in fiscal year 2004 and \$4,147,038 in fiscal year 2005 may be used only for the purpose of funding local post-adjudication facilities. The agency shall fund these facilities based on historical occupancy rates, rather than the number of beds in the facility.
9. **Juvenile Justice Alternative Education Programs (JJAEP).** Out of the funds transferred to the Texas Juvenile Probation Commission pursuant to Texas Education Agency (TEA) Rider 39 and appropriated above in Strategy A.2.3, Juvenile Justice Alternative Education Programs, the Texas Juvenile Probation Commission shall allocate \$1,500,000 at the beginning of each fiscal year to be distributed on the basis of juvenile age population among the mandated counties identified in Chapter 37, Texas Education Code, and those counties with populations between 72,000 and 125,000 which choose to participate under the requirements of Chapter 37.

An additional \$500,000 shall be set aside in a reserve fund for each year of the biennium to allow mandated and non-mandated counties to apply for additional funds on a grant basis.

The remaining funds shall be allocated for distribution to the counties mandated by the § 37.011(a) Texas Education Code, at the rate of \$59 per student per day of attendance in the JJAEP for students who are required to be expelled as provided under § 37.007, Texas Education Code, and are intended to cover the full cost of providing education services to such students. Counties are not eligible to receive these funds until the funds initially allocated at the beginning of each fiscal year have been expended at the rate of \$59 per student per day of attendance. Counties in which populations exceed 72,000, but are 125,000 or less, may participate in the JJAEP, and are eligible for state reimbursement at the rate of \$59 per student per day.

The Texas Juvenile Probation Commission may expend any remaining funds for summer school programs in counties with a population over 72,000 which are funded as mandated counties in Chapter 37. Funds may be used for any student assigned to a JJAEP. Summer school expenditures may not exceed \$3.0 million in any year.

Unspent balances in fiscal year 2004 shall be appropriated to fiscal year 2005 for the same purposes in Strategy A.2.3.

The allocations made in this rider for the JJAEP are estimated amounts and not intended to be an entitlement and are limited to the amounts transferred from the Foundation School Program pursuant to TEA Rider 39. The amount of \$59 per student per day may vary depending on the total number of students actually attending the JJAEPs.

JUVENILE PROBATION COMMISSION
(Continued)

The Texas Juvenile Probation Commission may reduce, suspend, or withhold Juvenile Justice Alternative Education Program funds to counties that do not comply with standards, accountability measures, or Texas Education Code Chapter 37.

10. **Funding for Additional Eligible Students In JJAEPs.** Out of funds appropriated above in Strategy A.2.3, Juvenile Justice Alternative Education Programs, a maximum of \$500,000 in each year (for a maximum of 90 attendance days per child), is allocated for counties with a population of at least 72,000 which operate a JJAEP under the standards of Chapter 37, Texas Education Code. The county is eligible to receive funding from the Texas Juvenile Probation Commission at the rate of \$59 per day per student for students who are required to be expelled under § 37.007, Texas Education Code, and who are expelled from a school district in a county that does not operate a JJAEP.
11. **Use of JJAEP Funds.** None of the funds appropriated above for the support of JJAEPs shall be used to hire a person or entity to do lobbying.
12. **JJAEP Accountability.** Out of funds appropriated above in Strategy A.2.3, Juvenile Justice Alternative Education Programs (JJAEP), the Texas Juvenile Probation Commission and the Texas Education Agency shall ensure that Juvenile Justice Alternative Education Programs are held accountable for student academic and behavioral success. The agencies are to jointly submit a performance assessment report to the Legislative Budget Board and the Governor by May 1, 2004. The report shall include, but is not limited to, the following:
 - a. an assessment of the degree to which each JJAEP enhanced the academic performance and behavioral improvement of attending students;
 - b. a detailed discussion on the use of standard measures used to compare program formats and to identify those JJAEPs most successful with attending students;
 - c. the percent of eligible JJAEP students statewide and by program demonstrating academic growth in the Texas Assessment of Knowledge and Skills (TAKS);
 - d. standardized cost reports from each JJAEP and their contracting independent school district(s) to determine differing cost factors and actual costs per each JJAEP program by school year; and
 - e. inclusion of a comprehensive five-year strategic plan for the continuing evaluation of JJAEPs which shall include oversight guidelines to improve: school district compliance with minimum program and accountability standards, attendance reporting, consistent collection of costs and program data, training and technical assistance needs.
13. **Training.** It is the intent of the Legislature that the Texas Juvenile Probation Commission provide training to local juvenile probation personnel and to local Juvenile Judges to maximize the appropriate placement of juveniles according to the progressive sanction guidelines.
14. **Unexpended Balances - Hold Harmless Provision.** Any unexpended balances as of August 31, 2004 in Strategy A.1.1, Basic Probation (estimated to be \$200,000), and in Strategy A.2.1, Community Corrections (estimated to be \$200,000), above are hereby appropriated to the Juvenile Probation Commission in fiscal year 2005 for the purpose of providing funding for juvenile probation departments whose allocation would otherwise be affected as a result of reallocations related to population shifts.
15. **Appropriation: Refunds of Unexpended Balances from Local Juvenile Probation Departments.** The Texas Juvenile Probation Commission (JPC) shall maintain procedures to ensure that the state is refunded all unexpended and unencumbered balances of state funds held

JUVENILE PROBATION COMMISSION
(Continued)

as of the close of each fiscal year by local juvenile probation departments. All fiscal year 2004 and fiscal year 2005 refunds received from local juvenile probation departments by JPC are appropriated above in Strategy A.2.1, Community Corrections. Any Basic Probation refunds received in excess of \$470,000 in fiscal year 2004 and \$470,000 in fiscal year 2005 are hereby appropriated to JPC for the Level 5 Secure Correction Placement Program. Any Community Corrections refunds received in excess of \$530,000 in fiscal year 2004 and \$530,000 in fiscal year 2005 are hereby appropriated to JPC for the Level 5 Secure Correction Placement Program.

**COMMISSION ON LAW ENFORCEMENT OFFICER
STANDARDS AND EDUCATION**

	For the Years Ending	
	August 31, 2004	August 31, 2005
	<u> </u>	<u> </u>
A. Goal: LICENSE AND APPROVE COURSES		
To create new incentives and opportunities for law enforcement career oriented individuals to grow in their professional competency.		
Outcome (Results/Impact):		
Percent of Licensees with No Recent Violations	99.9%	99.9%
A.1.1. Strategy: LICENSING	\$ 754,368	\$ 788,050
Issue licenses and certificates to individuals who demonstrate required competencies.		
Output (Volume):		
Number of New Licenses Issued to Individuals	12,000	12,500
Efficiencies:		
Average Licensing Cost Per Individual License Issued	14.5	14.5
A.1.2. Strategy: COURSE DEVELOPMENT	\$ 540,295	\$ 509,699
Manage development, delivery and quality of law enforcement training and education.		
Output (Volume):		
Number of On-site Academy Evaluations Conducted	94	96
Total, Goal A: LICENSE AND APPROVE COURSES	\$ <u>1,294,663</u>	\$ <u>1,297,749</u>
B. Goal: REGULATION		
To develop and implement programs designed to contribute to the reduction of per capita incidence of officer misconduct.		
Outcome (Results/Impact):		
Percent of Complaints Resulting in Disciplinary Action	86%	86%
B.1.1. Strategy: ENFORCEMENT	\$ 857,478	\$ 862,451
Revoke licenses, suspend licenses, or reprimand licensees for violation of statutes or TCLEOSE rules.		
Output (Volume):		
Complaints Resolved	2,140	877
Efficiencies:		
Average Cost Per Complaint Resolved	40	40
C. Goal: INDIRECT ADMINISTRATION		
C.1.1. Strategy: INDIRECT ADMINISTRATION	\$ 558,540	\$ 551,392
Grand Total, COMMISSION ON LAW ENFORCEMENT OFFICER STANDARDS AND EDUCATION	\$ <u>2,710,681</u>	\$ <u>2,711,592</u>

**COMMISSION ON LAW ENFORCEMENT OFFICER
STANDARDS AND EDUCATION**

(Continued)

Method of Financing:		
<u>General Revenue Fund - Dedicated</u>		
Law Enforcement Officer Standards and Education Account No. 116	\$ 2,602,681	\$ 2,603,592
Peace Officers' Memorial Fund Account No. 337	20,000	20,000
Texas Peace Officer Flag Account No. 5059	6,000	6,000
Subtotal, General Revenue Fund - Dedicated	<u>\$ 2,628,681</u>	<u>\$ 2,629,592</u>
Appropriated Receipts	82,000	82,000
Total, Method of Financing	<u>\$ 2,710,681</u>	<u>\$ 2,711,592</u>
Number of Full-Time-Equivalent Positions (FTE):	44.0	44.0
Schedule of Exempt Positions:		
Executive Director, Group 2	\$76,000	\$76,000
Object-of-Expense Informational Listing:		
Salaries and Wages	\$ 1,467,211	\$ 1,480,106
Other Personnel Costs	52,018	50,740
Operating Costs	62,200	62,200
Professional Fees and Services	77,677	67,209
Consumable Supplies	67,314	66,677
Utilities	60,458	60,471
Travel	106,618	110,925
Rent - Building	175,275	178,468
Rent - Machine and Other	3,501	3,585
Other Operating Expense	172,437	184,497
Grants	20,000	20,000
Capital Expenditures	<u>445,972</u>	<u>426,714</u>
Total, Object-of-Expense Informational Listing	<u>\$ 2,710,681</u>	<u>\$ 2,711,592</u>

1. **Capital Budget.** None of the funds appropriated above may be expended for capital budget items except as listed below. The amounts shown below shall be expended only for the purposes shown and are not available for expenditure for other purposes. Amounts appropriated above and identified in this provision as appropriations either for "Lease Payments to the Master Lease Purchase Program" or for items with an "(MLPP)" notation shall be expended only for the purpose of making lease-purchase payments to the Texas Public Finance Authority pursuant to the provisions of Government Code § 1232.103.

	<u>2004</u>	<u>2005</u>
Out of the GR Dedicated - Law Enforcement Officer Standards and Education Account No. 116:		
a. Acquisition of Information Resource Technologies		
(1) Cycled Replacement/Upgrade of Computers and Servers	\$ 63,986	\$ 53,714
(2) Distance Learning Program	318,000	318,000
Total, Acquisition of Information Resource Technologies	<u>\$ 381,986</u>	<u>\$ 371,714</u>

**COMMISSION ON LAW ENFORCEMENT OFFICER
STANDARDS AND EDUCATION
(Continued)**

b. Acquisition of Capital Equipment and Items		
(1) Acquisition of Agency Copier	0	27,500
Total, Capital Budget	<u>\$ 381,986</u>	<u>\$ 399,214</u>

2. **Appropriation: Peace Officers' Memorial Fund.** Appropriations above in Strategy C.1.1, Indirect Administration, include \$20,000 in fiscal year 2004 and \$20,000 in fiscal year 2005 in contributions and earned interest for the Peace Officers' Memorial during the 2004-05 biennium and from any balances on hand as of August 31, 2003, for the purposes of funding and maintaining a Texas Peace Officers' Memorial on the grounds of the Capitol Complex in honor of those Texas peace officers who have died in the line of duty as provided by Title 37, TAC § 229.1. All contributions and earned interest, in excess of such amounts appropriated above, are hereby appropriated to the Texas Commission on Law Enforcement Officer Standards and Education (estimated to be \$0). These appropriations are to be deposited in the state treasury to the credit of GR-Dedicated Account No. 337 for the Peace Officers' Memorial. None of these appropriations shall be used by the commission for administration and support costs related to the Peace Officers' Memorial.
3. **Appropriation of Receipts - Proficiency Certificate Fees.** Appropriations above in Strategy A.1.1, Licensing, include \$120,515 in fiscal year 2004 and \$120,515 in fiscal year 2005 for revenues collected in the Law Enforcement Officer Standards and Education GR-Dedicated Account No. 116 for the processing of proficiency certificates pursuant to Occupations Code § 1701.154. All revenue collected, in excess of such amounts appropriated above, is hereby appropriated to the Texas Commission on Law Enforcement Officer Standards and Education (estimated to be \$0).
4. **Appropriation of Receipts - Reinstatement Fees.** Appropriations above in Strategy A.1.1, Licensing, include \$62,000 in fiscal year 2004 and \$62,000 in fiscal year 2005 for fees collected in the Law Enforcement Officer Standards and Education GR-Dedicated Account No. 116 for establishing a person's eligibility to reinstate a license that has lapsed. All fee revenue collected, in excess of such amounts appropriated above, is hereby appropriated to the Texas Commission on Law Enforcement Officer Standards and Education (estimated to be \$0).
5. **Appropriation: State Flag Fund for Deceased Texas Peace Officers.** Appropriations above in Strategy A.1.2, Course Development, include \$6,000 in fiscal year 2004 and \$6,000 in fiscal year 2005 for the Peace Officer State Flag Fund as provided by § 1701.161, Occupations Code and § 615.105, Government Code. All contributions and earned interest collected during the 2004-05 biennium, in excess of such amounts appropriated above, are hereby appropriated to the Texas Commission on Law Enforcement Officer Standards and Education. These appropriations are to be deposited in the state treasury to the credit of GR-Dedicated Account No. 5059 for the Peace Officer State Flag Fund. These appropriations may be used for all purposes provided in § 1701.161, Occupations Code and § 615.105, Government Code, related to the provision of State Flags to families of deceased Texas Peace Officers (estimated to be \$0).
6. **Distance Learning Program.** It is the intent of the Legislature that the Texas Commission on Law Enforcement Officer Standards and Education continue to maintain, update, and upgrade its internet training system, the Distance Learning Program, out of the funds appropriated above.

TEXAS MILITARY FACILITIES COMMISSION

	For the Years Ending	
	August 31, 2004	August 31, 2005
A. Goal: MAINTAIN PROPERTIES		
Maintain and preserve all properties in a state of good repair by conducting periodic surveys and reviews, determining maintenance priorities, and performing cost-effective maintenance using established procedures.		
Outcome (Results/Impact):		
Percent of Needed Routine or Preventive Maintenance Completed		
A.1.1. Strategy: BUILDING MAINTENANCE	58%	58%
Repair, maintain and supply facilities. Use a survey and review process to evaluate facilities condition and repairs made.	\$ 7,119,497	\$ 6,435,705
Explanatory:		
Number of Facilities Maintained		
A.1.2. Strategy: DEBT SERVICE	319	329
Receive sufficient rental/lease monies for facilities to pay the bond principal, interest, insurance, and administrative fees for the current fiscal year.	<u>\$ 3,193,031</u>	<u>\$ 3,704,358</u>
Total, Goal A: MAINTAIN PROPERTIES	<u>\$ 10,312,528</u>	<u>\$ 10,140,063</u>
B. Goal: CONSTRUCT AND RENOVATE FACILITIES		
Construct and renovate facilities that will be modern, functional, and durable. As funds are made available, continue to upgrade facilities to achieve energy efficiency, safety, environmental, and accessibility standards.		
Outcome (Results/Impact):		
Percent of Facilities That Comply with Texas Accessibility Standards		
B.1.1. Strategy: BUILDING CONSTRUCTION/RENOVATION	12%	20%
New facility construction and renovation of older facilities.	\$ 5,799,340	\$ 4,442,990
C. Goal: INDIRECT ADMINISTRATION		
C.1.1. Strategy: INDIRECT ADMINISTRATION	\$ 433,747	\$ 432,167
Grand Total, TEXAS MILITARY FACILITIES COMMISSION	<u>\$ 16,545,615</u>	<u>\$ 15,015,220</u>
Method of Financing:		
General Revenue Fund	\$ 2,043,957	\$ 1,093,823
Federal Funds	586,986	4,793,268
Other Funds		
Current Fund Balance	848,197	872,899
Interagency Contracts	3,710,388	4,097,295
Bond Proceeds - Revenue Bonds	9,356,087	4,157,935
Subtotal, Other Funds	<u>\$ 13,914,672</u>	<u>\$ 9,128,129</u>
Total, Method of Financing	<u>\$ 16,545,615</u>	<u>\$ 15,015,220</u>
Number of Full-Time-Equivalent Positions (FTE):	40.0	40.0

TEXAS MILITARY FACILITIES COMMISSION
(Continued)

Schedule of Exempt Positions:

Executive Director, Group 2	\$57,000	\$57,000
Per Diem of Board Members	4,860	4,860

Object-of-Expense Informational Listing:

Salaries and Wages	\$ 1,390,419	\$ 1,390,419
Other Personnel Costs	33,580	36,580
Professional Fees and Services	875,861	1,225,327
Fuels and Lubricants	43,227	43,268
Consumable Supplies	34,300	34,350
Utilities	32,525	32,625
Travel	179,052	176,922
Rent - Machine and Other	334,320	334,320
Debt Service	2,892,298	3,321,755
Other Operating Expense	859,581	978,005
Capital Expenditures	<u>9,870,452</u>	<u>7,441,649</u>
Total, Object-of-Expense Informational Listing	<u>\$ 16,545,615</u>	<u>\$ 15,015,220</u>

1. **Capital Budget.** None of the general revenue funds appropriated above may be expended for capital budget items except as listed below. The amounts shown below shall be expended only for the purposes shown and are not available for expenditure for other purposes. Amounts appropriated above and identified in this provision as appropriations either for "Lease Payments to the Master Lease Purchase Program" or for items with an "(MLPP)" notation shall be expended only for the purpose of making lease-purchase payments to the Texas Public Finance Authority pursuant to the provisions of Government Code § 1232.103. This rider does not limit the use of federal funds obtained by the department.

	<u>2004</u>	<u>2005</u>
a. Construction of Buildings and Facilities	\$ 5,560,000	\$ 4,200,000
b. Repair or Rehabilitation of Buildings and Facilities		
(1) Roof Replacements/Major Maintenance	4,866,702	4,296,091
c. Transportation Items	29,894	31,090
d. Acquisition of Capital Equipment and Items	231,217	82,795
Total, Capital Budget	<u>\$ 10,687,813</u>	<u>\$ 8,609,976</u>

Method of Financing (Capital Budget):

General Revenue Fund	\$ 1,069,102	\$ 113,885
Federal Funds	0	4,200,000
Other Funds		
Interagency Contracts	329,056	210,920
Bond Proceeds - Revenue Bonds	9,289,655	4,085,171
Subtotal, Other Funds	<u>\$ 9,618,711</u>	<u>\$ 4,296,091</u>
Total, Method of Financing	<u>\$ 10,687,813</u>	<u>\$ 8,609,976</u>

2. **Appropriation of Refunded Money.** There is hereby appropriated to the Texas Military Facilities Commission all money refunded to said Commission from any source when such

TEXAS MILITARY FACILITIES COMMISSION
(Continued)

money was originally expended for any of the purposes in A.1.1, Building Maintenance and B.1.1, Building Construction/Renovation, above. Such appropriated funds may be expended for any of the purposes enumerated in A.1.1. and B.1.1. above.

3. **Local Fund Authorization.** The Texas Military Facilities Commission is hereby authorized to spend, and there is hereby made available to it, any or all local funds which the Commission now has or which it may hereinafter acquire, in accordance with the provisions of its bond indenture dated October 1, 1979, and subsequently amended.
4. **Bond Indenture Revenues.** There is hereby appropriated to the Texas Military Facilities Commission all revenues that the Commission has pledged, assigned and set over and does pledge, assign and set over unto its trustee and its successors in trust, and all revenues it has received or may hereinafter receive in accordance with the provisions of its bond indenture dated October 1, 1979, and subsequently amended.
5. **Superseding of Statutes and Bond Covenants.** None of the appropriations or provisions herein shall supersede Government Code, Chapter 435, or the covenants under which bonds are issued by or on behalf of the Texas Military Facilities Commission, regarding the Commission's obligations as a public bonding authority, body politic and corporate.
6. **Disposition of State-owned Property.** Appropriations above include \$350,000 in fiscal year 2004 and \$380,000 in fiscal year 2005 from the Current Fund Balance to the Texas Military Facilities Commission in funds derived from sales, in previous biennia and in the current biennium, of State-owned National Guard camps and other property owned by the Commission and of land, improvements, buildings, facilities, installations and personal property in connection therewith as authorized by Government Code, Chapter 435. Such funds shall be expended by the Commission in one or more of the following ways: (1) as a participating fund in the construction and maintenance of facilities financed in part by the United States Government; or (2) as a construction fund to be used by the Texas Military Facilities Commission; or (3) as a debt-servicing fund as provided in Government Code, Chapter 435. Provided, however, that all such funds that are not actually used for the purposes hereinbefore specified shall remain on deposit in the state treasury to the credit of the Commission for the use and benefit of the Texas National Guard, their successors or components, as provided in Government Code, Chapter 435. The Texas Military Facilities Commission is hereby authorized to carry forward unexpended balances from fiscal year 2004 into fiscal year 2005 for the same purpose.
7. **Transferability.** The Texas Military Facilities Commission is hereby authorized to transfer such amounts as may be necessary between strategies A.1.1, Building Maintenance, and B.1.1, Building Construction/Renovation. Such transfers shall not be used to increase the bond indebtedness of the Commission.
8. **Support and Maintenance Expenditures.** It is hereby provided that all monies currently appropriated to the Texas Military Facilities Commission for support and maintenance of the Texas National Guard are authorized for like expenditures for the support and maintenance of units of the Texas State Guard replacing the Texas National Guard units inducted into federal service.
9. **Master Plan for Military Facilities.** Funds appropriated to the Texas Military Facilities Commission for capital construction projects are intended to be expended for those projects which are part of the Commission's Master Plan. The Adjutant General and his staff shall cooperate with and provide information to the Commission in updating the Master Plan. The Commission shall revise the plan at least biennially and submit the plan to the Legislative Budget Board and the Governor by July 1 of every even-numbered year as part of the Legislative Appropriations Request.

TEXAS MILITARY FACILITIES COMMISSION
(Continued)

10. **Renovation Priorities.** The Texas Military Facilities Commission shall give priority to renovations which: (1) insure the structural integrity of the facilities; (2) bring such facilities into compliance with current building and safety codes and accessibility standards; (3) increase the economic efficiency of the facilities; and (4) simplify future maintenance of the facilities.
11. **Reallocation of Unexpended Bond Proceeds.** The Texas Military Facilities Commission is authorized to reallocate the unexpended bond proceeds of canceled projects only to other projects listed in its current Master Plan and only after notifying the Texas Public Finance Authority, the Texas Bond Review Board, the Governor, and the Legislative Budget Board. Any unexpended bond proceeds from prior fiscal years are appropriated to subsequent fiscal years.
12. **Federally Funded Projects.** Federal funds for any 100 percent federally funded project are hereby appropriated, and related additional federally funded personnel and additional travel expenditures are authorized.
13. **Projects Funded with Bond Proceeds.** In addition to the number of FTEs authorized in the Commission's bill pattern above, the Texas Military Facilities Commission is authorized to employ one additional person for the purpose of managing any project(s) that are funded 100% with bond proceeds. The Commission is authorized to employ the additional person only for the duration of the project(s) the personnel are hired to manage. All salaries, benefits, and other expenses incurred (including a fair allocation of agency indirect expenses related to the additional personnel) are to be paid out of the bond proceeds.
14. **Priority of Accessibility Maintenance and Construction Projects.** It is the intent of the Legislature that the Texas Military Facilities Commission prioritize any maintenance or construction projects designed to ensure compliance with the Texas Accessibility Standards (as administered by the Texas Department of Licensing and Regulation) by placing a higher priority on such projects at facilities which are used by the public as compared to similar projects at facilities which are not used by the public.
15. **Construction of a New Armory in Midland-Odessa.** Out of funds appropriated above in Strategy B.1.1, Building Construction/Renovation, \$5,560,000 shall be used for the construction of a new armory in Midland-Odessa.

DEPARTMENT OF PUBLIC SAFETY

	For the Years Ending	
	August 31, 2004	August 31, 2005
A. Goal: PROMOTE TRAFFIC SAFETY		
To promote traffic safety, the preservation of the peace, and the detection and prevention of crime.		
Outcome (Results/Impact):		
Annual Texas Rural Traffic Death Rate	2.8	2.8
A.1.1. Strategy: HIGHWAY PATROL		
Supervision of traffic and general law enforcement on rural highways by uniformed officers.	\$ 110,283,859	\$ 108,544,905
Output (Volume):		
Traffic Law Violator Contacts	2,430,453	2,430,453

DEPARTMENT OF PUBLIC SAFETY
(Continued)

A.1.2. Strategy: COMMERCIAL TRAFFIC PATROL	\$	27,122,342	\$	27,008,917
Supervision of commercial traffic and general law enforcement on rural highways by uniformed officers.				
Output (Volume):				
Commercial Traffic Law Violator Contacts		1,468,236		1,505,691
A.1.3. Strategy: DRIVER LICENSE & RECORDS	\$	59,085,316	\$	59,055,095
Ensure the competency of Texas drivers through testing of new drivers, determining the eligibility of renewal applicants, and through the improvement or delicensing of problem drivers.				
Output (Volume):				
Number of Examinations Administered		6,300,000		6,300,000
A.1.4. Strategy: BREATH AND BLOOD TESTING	\$	2,036,246	\$	2,036,246
Operate a scientific breath alcohol and blood testing program statewide. Supervise and maintain the program, train operators, and testify to its validity in court.				
Output (Volume):				
Number of Breath Alcohol Tests Supervised		46,600		46,600
A.1.5. Strategy: VEHICLE INSPECTION	\$	18,172,118	\$	18,173,401
Administer the state's vehicle inspection and emissions program.				
A.1.6. Strategy: TRAFFIC ACCIDENT RECORDS	\$	7,580,415	\$	2,519,077
Manage the traffic accident records system and measure the effectiveness of safety programs.				
Output (Volume):				
Number of Accident Reports Processed		600,000		600,000
A.1.7. Strategy: EDUCATION AND TRAINING	\$	5,668,414	\$	5,647,657
Provide appropriate alcohol, drug, traffic safety, and crime prevention educational programs for the citizens of Texas and provide operational and technical training for law enforcement, emergency management, and support personnel in the state.				
Output (Volume):				
Number of Alcohol, Drug, Traffic Safety, and Crime Prevention Programs Conducted		15,100		15,100
Total, Goal A: PROMOTE TRAFFIC SAFETY	\$	<u>229,948,710</u>	\$	<u>222,985,298</u>
B. Goal: PREVENT AND DETECT CRIME				
To promote the preservation of the peace and the prevention and detection of crime.				
Outcome (Results/Impact):				
Annual Texas Index Crime Rate		5.257		5.257
B.1.1. Strategy: NARCOTICS ENFORCEMENT	\$	36,585,476	\$	37,670,412
Direct enforcement efforts against illegal drug trafficking, supervise controlled substance registration, and administer other facets of the narcotics enforcement program.				
Output (Volume):				
Number of Arrests for Narcotics Violations		2,797		2,797
B.1.2. Strategy: VEHICLE THEFT ENFORCEMENT	\$	9,026,213	\$	8,992,968
Investigate and arrest persons engaged in the theft of motor vehicles, boats, aircraft, construction equipment, and farm equipment, and recover located property.				
Output (Volume):				
Number of Arrests for Motor Vehicle Theft		1,063		1,073
B.1.3. Strategy: SPECIAL CRIMES	\$	11,701,896	\$	11,442,784
Investigate persons engaged in organized				

DEPARTMENT OF PUBLIC SAFETY

(Continued)

criminal activity, arrest fugitives, locate missing persons, monitor pari-mutual racing, and administer other facets of the special crimes enforcement program.

Output (Volume):

Number of Special Crimes Arrests

1,000

1,000

B.1.4. Strategy: TEXAS RANGERS

\$ 9,211,697 \$ 9,145,528

Investigate felony offenses and assist federal, state and local law enforcement agencies.

Output (Volume):

Number of Arrests

1,500

1,500

B.1.5. Strategy: CAPITOL SECURITY

\$ 12,122,380 \$ 12,237,380

Provide appropriate security for public officials and property.

B.1.6. Strategy: TECHNICAL ASSISTANCE

\$ 9,918,077 \$ 9,923,099

Provide high quality and timely technical assistance programs to requesting criminal justice agencies.

Output (Volume):

Number of Drug Cases Examined

38,000

38,000

B.1.7. Strategy: OPERATIONAL ASSISTANCE

\$ 19,035,230 \$ 19,025,409

Provide high quality and timely operational assistance programs to requesting criminal justice and other authorized agencies and entities.

Output (Volume):

Number of Trouble Calls Handled

120,000

120,000

B.1.8. Strategy: CONCEALED HANDGUN LICENSING

\$ 4,242,645 \$ 4,227,645

Perform background checks and determine the suitability of concealed handgun applicants; issue, suspend or revoke handgun licenses; and administer the certification of trainers.

Output (Volume):

Number of Original Handgun Licenses Issued after the Application Has Been Received and Approved for Issue

67,500

67,500

Total, Goal B: PREVENT AND DETECT CRIME

\$ 111,843,614 \$ 112,665,225

C. Goal: DISASTER RESPONSE

To respond in a timely fashion to emergencies and disasters and administer a comprehensive emergency-management program.

Outcome (Results/Impact):

Percentage of Local Governments Achieving an Acceptable or Greater Level of Emergency Preparedness

26%

26%

C.1.1. Strategy: EMERGENCY PLANNING

\$ 6,702,977 \$ 6,702,977

Provide emergency management training, and planning assistance and guidance to state agencies and local governments.

C.1.2. Strategy: RESPONSE COORDINATION

\$ 575,531 \$ 575,531

Review and coordinate emergency and disaster response operations.

Output (Volume):

Number of Emergency Incidents Coordinated

2,032

2,032

C.1.3. Strategy: DISASTER RECOVERY

\$ 874,500 \$ 846,500

Process and monitor all requests and applications for recovery and mitigation assistance based upon requirements and procedures.

Output (Volume):

Number of Counties Provided Disaster Financial Assistance

93

93

Total, Goal C: DISASTER RESPONSE

\$ 8,153,008 \$ 8,125,008

DEPARTMENT OF PUBLIC SAFETY
(Continued)

D. Goal: POLYGRAPH EXAMINERS BOARD

To examine only qualified applicants and license only those who are proficient and competent as polygraph examiners and to aggressively enforce the Polygraph Examiners Act and ensure swift, fair, effective enforcement for all violators of the Act.

Outcome (Results/Impact):

Percent of Licensees with No Recent Violations 99% 99%

D.1.1. Strategy: ADMINISTRATION AND ENFORCEMENT \$ 91,280 \$ 91,280

Output (Volume):

Number of Examination Sessions Conducted 6 6

E. Goal: COMMISSION ON PRIVATE SECURITY

To aggressively enforce the provisions of the Private Security Act for the protection of the general public and consumers of private investigations and security services and products through the efforts of its field offices and headquarters personnel.

Outcome (Results/Impact):

Percent of Documented Complaints Resolved within Six Months 99% 99%

Percent of Licensees with No Recent Violations 99% 99%

E.1.1. Strategy: INVESTIGATIONS \$ 393,349 \$ 393,401

Investigate allegations, reports and notices of violations of the Private Security Act and rules.

Output (Volume):

Number of Investigations Conducted 12,900 12,900

Efficiencies:

Average Time for Case Closure 32 32

Average Cost Per Complaint Resolved 34.85 34.85

E.1.2. Strategy: ENFORCEMENT \$ 98,839 \$ 98,891

Seek timely prosecution of unlicensed companies providing regulated services through the courts and take administrative action against licensed companies and registered and commissioned individuals operating in violation of the Private Security Act and rules.

Efficiencies:

Average Cost Per Disciplinary Action 383.25 383.25

E.1.3. Strategy: LICENSES AND REGISTRATION \$ 244,845 \$ 244,895

Issue and renew company licenses and individual registrations and commissions (gun permits) of qualified applicants and deny same to those applicants who do not meet minimum standards.

Output (Volume):

Number of New Licenses Issued to Individuals 30,000 32,000

Efficiencies:

Average Licensing Cost Per Individual License Issued 7.2 7.56

Total, Goal E: COMMISSION ON PRIVATE SECURITY \$ 737,033 \$ 737,187

F. Goal: INDIRECT ADMINISTRATION

F.1.1. Strategy: CENTRAL ADMINISTRATION \$ 9,062,861 \$ 8,999,441

F.1.2. Strategy: INFORMATION RESOURCES \$ 22,740,983 \$ 22,672,765

F.1.3. Strategy: OTHER SUPPORT SERVICES \$ 5,979,022 \$ 5,979,022

F.1.4. Strategy: REGIONAL ADMINISTRATION \$ 9,098,232 \$ 9,098,232

F.1.5. Strategy: PHYSICAL PLANT \$ 4,061,000 \$ 4,061,000

Total, Goal F: INDIRECT ADMINISTRATION \$ 50,942,098 \$ 50,810,460

Grand Total, DEPARTMENT OF PUBLIC SAFETY \$ 401,715,743 \$ 395,414,458

Method of Financing:

General Revenue Fund \$ 673,313 \$ 673,467

DEPARTMENT OF PUBLIC SAFETY
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General Revenue Fund - Dedicated		
Texas Department of Insurance Operating Fund Account No. 036	2,000,000	0
Operators and Chauffeurs License Account No. 099	1,021,688	993,688
Subtotal, General Revenue Fund - Dedicated	<u>\$ 3,021,688</u>	<u>\$ 993,688</u>
Federal Funds		
Federal Funds	17,318,311	18,418,311
Motor Carrier Act Enforcement	5,000,000	5,000,000
Subtotal, Federal Funds	<u>\$ 22,318,311</u>	<u>\$ 23,418,311</u>
Other Funds		
Appropriated Receipts	7,580,460	7,580,460
Interagency Contracts	4,472,150	1,410,812
Criminal Justice Grants	600,000	600,000
State Highway Fund No. 006	363,049,821	360,737,720
Subtotal, Other Funds	<u>\$ 375,702,431</u>	<u>\$ 370,328,992</u>
Total, Method of Financing	<u>\$ 401,715,743</u>	<u>\$ 395,414,458</u>
Other Direct and Indirect Costs Appropriated Elsewhere in this Act	\$ 51,313	\$ 51,300
Number of Full-Time-Equivalent Positions (FTE):	7,519.0	7,537.0
Number of FTEs in Riders:	35.0	50.0
Schedule of Exempt Positions:		
Director (Department of Public Safety), Group 4	\$102,000	\$102,000
Executive Officer (Polygraph Examiners Board)	40,000	40,000
Executive Director, (Commission on Private Security), Group 2	60,000	60,000
Per Diem of Board Members (Commission on Private Security)	2,500	2,500
Object-of-Expense Informational Listing:		
Salaries and Wages	\$ 263,984,904	\$ 263,512,726
Other Personnel Costs	5,084,847	5,117,010
Operating Costs	8,557,563	8,731,717
Professional Fees and Services	6,961,936	6,961,602
Fuels and Lubricants	3,637,325	3,653,456
Consumable Supplies	8,159,993	8,082,654
Utilities	4,547,924	4,547,339
Travel	3,094,002	3,100,107
Rent - Building	1,508,258	1,507,586
Rent - Machine and Other	892,425	880,820
Debt Service	3,523,511	3,435,715
Other Operating Expense	50,554,031	51,327,332
Grants	6,716,558	6,716,558
Capital Expenditures	<u>34,492,466</u>	<u>27,839,836</u>
Total, Object-of-Expense Informational Listing	<u>\$ 401,715,743</u>	<u>\$ 395,414,458</u>

1. **Capital Budget.** None of the funds appropriated above may be expended for capital budget items except as listed below. The amounts shown below shall be expended only for the purposes shown and are not available for expenditure for other purposes. Amounts appropriated above and identified in this provision as appropriations either for "Lease payments to the

DEPARTMENT OF PUBLIC SAFETY
(Continued)

Master Lease Purchase Program" or for items with an "(MLPP)" notation shall be expended only for the purpose of making lease-purchase payments to the Texas Public Finance Authority pursuant to Government Code § 1232.103.

	<u>2004</u>	<u>2005</u>
a. Repair or Rehabilitation of Buildings and Facilities	\$ 1,125,000	\$ 1,125,000
b. Acquisition of Information Resource Technologies		
(1) Lease Payments (MLPP) for 1998-99		
NCIC/TLETS Upgrade	3,523,511	3,435,715
(2) Crash Records Information System (CRIS)	5,061,338	UB
(3) Other Information Resource Projects	5,344,469	5,068,918
Total, Acquisition of Information Resource Technologies	<u>\$ 13,929,318</u>	<u>\$ 8,504,633</u>
c. Transportation Items (Approximately 1,833 vehicles)	18,608,946	17,629,151
d. Acquisition of Capital Equipment and Items	3,780,801	3,743,601
Total, Capital Budget	<u>\$ 37,444,065</u>	<u>\$ 31,002,385</u>

Method of Financing (Capital Budget):

GR Dedicated - Texas Department of Insurance Operating Fund Account No. 036	\$ 2,000,000	\$ UB
<u>Other Funds</u>		
Appropriated Receipts	1,750,000	1,750,000
Interagency Contracts	3,061,338	UB
Criminal Justice Grants	600,000	600,000
State Highway Fund No. 006	30,032,727	28,652,385
Subtotal, Other Funds	<u>\$ 35,444,065</u>	<u>\$ 31,002,385</u>
Total, Method of Financing	<u>\$ 37,444,065</u>	<u>\$ 31,002,385</u>

2. **Additional Capital Budget Authority.** In addition to the provisions of Rider 1, Capital Budget, the Department of Public Safety is authorized to make the following capital purchases at the following amounts from funds appropriated by this Act:

	<u>2004</u>	<u>2005</u>
a. Replacement Aircraft and Helicopter	\$ 2,456,070	\$ UB
Total, Additional Capital Budget	<u>\$ 2,456,070</u>	<u>\$ UB</u>

3. **Sale of Vehicles.** Funds derived from the sale of passenger vehicles and aircraft operated by the Department of Public Safety are hereby appropriated to the Department of Public Safety and are to be deposited in appropriations where like purchases can be made. Should the actual receipts from the sale of vehicles exceed the amount in the capital budget rider, the department is authorized to purchase vehicles in excess of the number listed.

DEPARTMENT OF PUBLIC SAFETY
(Continued)

4. **Marked Vehicles.** None of the funds appropriated hereinabove may be expended for the salaries of personnel operating motor vehicles used to stop and actually arrest offenders of highway speed laws unless such vehicles are black, white, or a combination thereof and plainly marked with the department's insignia.
5. **Restriction of Vehicle Use.** Notwithstanding the provisions of Article IX of this Act, the Department of Public Safety may certify no more than 15 exceptions to the prohibition related to use of a state car for commuting to and from work.
6. **Abandoned Vehicles.** Funds accruing to the department under the provisions of Chapter 683, Transportation Code, are hereby appropriated to the department to assist in the administration of the Act.
7. **Gasoline Contingency.** In addition to funds appropriated above and contingent upon certification by the Comptroller of Public Accounts, the Department of Public Safety is hereby appropriated up to \$40,000 annualized per year from State Highway Fund No. 006 for each cent increase in the average gasoline cost per gallon to the department above \$.90 per gallon (estimated to be \$0).
8. **Emergency Calls.** The department shall maintain for each fiscal year, the number of times supervisory officers above the rank of lieutenant respond to emergency calls requiring departure from the officer's private residence or from the office. This information shall contain specific references as to the nature of each emergency.
9. **Aircraft Authority.** The Department of Public Safety is authorized to purchase, own, maintain, and operate helicopters in performance of its responsibilities. The department may purchase additional aircraft through seized funds. In addition to authority to purchase, own, maintain, and operate aircraft, the department is authorized to own, maintain, and operate any aircraft seized pursuant to authority contained in Chapter 481, Health and Safety Code, Chapter 59, Code of Criminal Procedure or under any other statute authorizing the department to own, maintain, or operate seized aircraft. The department is directed to submit, as part of its Annual Report, details on the acquisition and disposition of seized aircraft.
10. **Aviator Reimbursement.** From the amounts appropriated above, an amount not to exceed \$10,000 each year of the biennium may be used for reimbursement of costs related to aviator assistance to state agencies, such as search and rescue or disaster-related functions. Reimbursements may include actual costs of aircraft operation including fuel, oil, maintenance and routine costs incurred by trained and certified private volunteer aviators using privately owned aircraft in state-authorized flight operations and training exercises associated with disaster-related activities. The reimbursement shall not exceed the rate approved by the state per flying hour, when such aircraft costs are not reimbursable by other governmental agencies in accordance with Chapter 418, Government Code.
11. **Seized Assets Report.** The Department of Public Safety shall file with the Governor and the Legislative Budget Board, no later than the first Friday of October of each year and in a manner approved by the State Auditor's Office, a report disclosing information on seized/forfeited assets. The report shall contain a summary of receipts, disbursements, and fund balances for the fiscal year derived from both federal and state sources and supporting detail. The detail information shall, at a minimum, include the following:
 - a. Regarding receipts: the court in which the case was adjudicated, the nature of the assets, the value of the assets, and the specific, intended use of the assets; and

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(Continued)

- b. Regarding disbursements: the departmental control number, the departmental category, the division making the request, the specific item and amount requested, the amount the department approved, and the actual amount expended per item.
12. **Disposition of Seized Funds.** The Department of Public Safety is hereby directed to deposit all funds currently held, or obtained in the future pursuant to seizure actions or judicial forfeiture according to rules and procedures developed by the Comptroller of Public Accounts. The department shall cooperate with the Comptroller of Public Accounts in developing agreements and procedures for the deposit of seized state funds in accounts in the State Treasury.
13. **Controlled Substances.** Included in the amounts appropriated above in Strategy B.1.1, Narcotics Enforcement, is \$6.5 million in fiscal year 2004 and \$7.6 million in fiscal year 2005 from Federal Funds. All revenues in excess of these amounts collected under federal forfeiture programs are hereby appropriated to the Department of Public Safety to be used for law enforcement purposes (estimated to be \$0). Any funds unexpended at the close of each fiscal year are appropriated for the following year. Funding priority shall be given to the purchase of new equipment for field employees.
14. **Witness Fees.** From the appropriations made herein, the Department of Public Safety may pay the witness fees and travel expenses of out-of-state witnesses, subject to the advance, written approval of the District Attorney for the county having venue over the law violation under investigation.
15. **Purchase of Evidence.** From the amounts appropriated above to the Department of Public Safety, an amount not to exceed one million dollars (\$1,000,000) each year of the biennium, exclusive of amounts forfeited to the Department of Public Safety by any court of competent jurisdiction and amounts received from the United States government derived from the forfeiture of monies and property, is hereby designated for the purchase of evidence and/or information and surveillance expenses deemed necessary by the Department of Public Safety; and accountability for expenditures as set forth above shall be governed by such rules and regulations as the director of the Department of Public Safety may recommend, subject to review and approval by the State Auditor. Such amounts may be maintained in cash to facilitate the purchase of evidence, information and/or surveillance expense.
16. **Academy Costs.** The Department of Public Safety (DPS) may charge employees and students of the DPS Academy for tuition, lodging, and meals at such prices as may be set by the department. Such funds as received are hereby appropriated to cover the expenses entailed in providing such students and employees their lodging, meals, incidental expenses, and to pay visiting instructors.
17. **Medical and Funeral Costs.** Monies appropriated above may be expended for drugs, medical, hospital, laboratory and funeral costs of law enforcement employees or other employees performing duties involving unusual risk when injury or death occurs in the performance of such duties. It is the intent of the Legislature that monies appropriated above shall not be expended for drugs, medical, hospital, laboratory or funeral costs of employees who are not actively engaged in the performance of law enforcement or other hazardous duties or of law enforcement employees when injury or death occurs in the performance of clerical or office duties as distinguished from law enforcement or other duties involving unusual risk. Monies appropriated above may also be expended for physical examinations and testing when such examinations and tests are a condition of employment or exposure to infectious diseases or hazardous materials occurs in the line of duty.
18. **Authorization of Funeral Travel Reimbursement.** The Department of Public Safety may reimburse a commissioned peace officer or communications officer in its employ the costs for

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lodging, transportation and meals, in accordance with Article IX travel regulations of this Act, when such travel is for the purpose of representing the department at the funeral of a fallen peace officer. The reimbursement authorized by this provision applies to out-of-state, as well as, in-state travel. It is the intent of the Legislature that the department send only a small delegation to any single out-of-state funeral.

19. **Moving Expenses.** Notwithstanding any other provision of this Act, and with the approval of the Director, the department may use appropriated funds to pay the reasonable, necessary, and resulting costs of moving the household goods and effects of a commissioned peace officer employed by the department who is transferred from one designated headquarters to another so long as the department determines that the best interests of the State will be served by such transfer.
20. **Travel for Security Personnel.** Notwithstanding other provisions of this Act, commissioned Department of Public Safety personnel when transporting and providing security for the Governor or Governor-elect and his or her spouse and immediate family; other members of the executive, legislative, and judicial branches of state government; and visiting governors from other states when assigned, shall be reimbursed for their actual meals, lodging and incidental expenses when on official travel in or out of the state.
21. **Historical Museum.** The Department of Public Safety is authorized to allow the Department of Public Safety Historical Museum to utilize department property for the purpose of a historical museum. No state funds are appropriated for this purpose.
22. **Polygraph Examinations.** None of the funds appropriated to the Department of Public Safety may be expended for polygraph testing of commissioned law enforcement officers of the Department of Public Safety, unless requested by the officer.
23. **Stranded Motorist Assistance.** The Department of Public Safety is designated as the lead state agency to help motorists whose vehicles are disabled on state and federal roads. The department shall obtain the cooperation of all relevant state agencies, especially the Texas Department of Transportation, and coordinate its efforts with all local law enforcement agencies and interested private businesses. As part of this initiative, the Department of Public Safety shall establish and publicize a toll free number and a universal distress signal for motorists that are in need of assistance.
24. **Supply and Inventory Cost Allocation.** The Department of Public Safety is hereby authorized to establish a supply and inventory cost pool to which appropriations may be transferred from any strategy item. These transfers shall be restricted to the purchase of supplies and inventory items. Expenditures from the cost pool shall be allocated back to the applicable strategies of the Department of Public Safety within 30 days following the close of each fiscal quarter.
25. **Criminal History Checks to Specified Licensing Agencies.** The Department of Public Safety shall provide to the agencies listed in Article 60.061, Code of Criminal Procedure, a system for checking at least annually, but not more than quarterly, or as otherwise provided by Article 60.061, the existing licensees of these agencies against information in criminal history files. The Department of Public Safety may not charge or assess a fee to an agency providing information to the department that is in excess of the actual direct cost incurred by the department.
26. **Appropriations of Receipts—Parking Violation Revenues.** The Department of Public Safety shall collect a \$10.00 fine for all parking violations in the Capitol Complex. All revenue received from parking violations shall be deposited to the General Revenue Fund and is hereby appropriated for use by the Department of Public Safety for Capitol Police Security and parking for the 2004-05 biennium (estimated to be \$99,000 annually included in the amounts

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(Continued)

appropriated above). All revenues collected from parking meters in the Capitol Complex are hereby appropriated to the Preservation Board, or as otherwise specified by statute.

27. **Contingency Appropriation Reduction.** The funds appropriated above to the department are hereby reduced by an equal amount from the General Revenue Fund, State Highway Fund 006, or a combination of the two funds in the event the Department of Public Safety expends any funds not authorized by the General Appropriations Act, any provision within this Act which places a limitation on expenditures, or an affirmative action by the Legislature.
28. **Appropriation Transfers.** Notwithstanding any other provision of this bill, the Department of Public Safety may not transfer funds between items of appropriation in excess of 25 percent and shall notify the Governor and the Legislative Budget Board any time the department transfers an amount of \$100,000 or more between items of appropriation. Once the cumulative total of transfers from an item exceeds \$100,000, notification shall be made of each transfer from that item thereafter, regardless of the amount. Such notification shall include the amount transferred, the strategies involved, and justification for the transfer. In addition, the Department of Public Safety is hereby prohibited from transferring any and all appropriations from Strategy B.1.4. into any other strategies without consent of the Governor and the Legislative Budget Board.
29. **Complex Crime Unit.** From monies appropriated above, the Department of Public Safety shall maintain a Complex Crime Unit to investigate offenses involving theft or misapplication of government property, the investigation of which requires a level of expertise in disciplines such as accounting, computer technology, or another that is not readily available to local law enforcement agencies.
 - a. The total cost of assistance including administrative costs shall not exceed \$1,000,000 to be paid in \$500,000 in fiscal year 2004 and \$500,000 in fiscal year 2005.
 - b. The director of the department shall employ commissioned peace officers and noncommissioned employees to perform duties required of the unit. To be eligible for employment by the Complex Crime Unit, a peace officer must have not less than four years of experience as a peace officer; and a degree from an accredited institution of higher education in law, accounting or computer science; or two or more years of experience in the investigation of complex criminal offenses or similar law. To be eligible for employment under this section, a noncommissioned employee must meet the experience, training, and educational qualifications set by the director as requirements for investigating or assisting in the investigation of a crime.
 - c. On the request of an attorney representing the state and with approval of the director, the Complex Crime Unit of the department may assist local law enforcement in the investigation of crime. On the request of the Governor and with the approval of the director, the Complex Crime Unit of the department may investigate a crime involving harm to the interests of a state agency.
30. **Appropriations Limited to Revenue Collections: Automobile Emission Inspections.** Included in amounts appropriated above in Strategy A.1.5, Vehicle Inspection, is \$5,064,268 each fiscal year for the operation of the vehicle emissions inspection and maintenance program pursuant to § 382.037, Health and Safety Code, and Executive Order GWB96-1.

If additional counties are brought into the vehicle emissions inspection and maintenance program, 80 percent of revenues generated from the vehicle emissions and inspections fee in excess of the Comptroller's Biennial Revenue Estimate in each fiscal year 2004 and 2005 are hereby appropriated to the agency for the purpose of developing, administering, evaluating, and maintaining the vehicle emissions inspection and maintenance program in the additional counties. In addition, if additional counties are brought into the vehicle emissions inspection

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and maintenance program, the "Number of Full-Time-Equivalent Positions (FTE)" is further increased by 15 for fiscal year 2004 and 30 for fiscal year 2005, to implement the program in the additional counties.

31. Clothing Provisions.

- a. A commissioned officer who received a \$1,200 clothing allowance pursuant to the Appropriations Act during the 2002-03 biennium shall receive a \$1,200 clothing allowance in the 2004-05 biennium.
- b. A commissioned officer who received a \$500 cleaning allowance pursuant to the Appropriations Act for the 2002-03 biennium shall receive a \$500 cleaning allowance in the 2004-05 biennium irrespective of promotion to any rank.
- c. It is the intent of the Legislature that no person shall receive a \$1,200 clothing allowance unless eligible in subsection (a).
- d. An individual who is newly hired or newly commissioned after September 1, 1997, is eligible to receive a \$500 cleaning allowance.
- e. All noncommissioned personnel required to wear uniforms are entitled to a \$500 cleaning allowance.

32. Recruit Schools. Recruits participating in the recruit school of the Department of Public Safety shall not be counted toward the limit on the number of full-time-equivalent positions (FTEs) for the agency until their graduation. Upon graduation, the additional officers shall not cause the department to exceed the department's limit on FTEs. The number of participants in the recruit schools shall be included in all required reports concerning FTEs and vacancies, but the recruits shall be reported as a separate total from the agency's other FTEs.

33. Training for Local Law Enforcement Agencies. The Department of Public Safety shall provide training to local law enforcement agencies and implement changes with the objective of enhancing participation.

34. Reporting Procedure for Land Acquisition and Construction Projects. The Department of Public Safety shall report to the Governor, the House Appropriations Committee, the Senate Finance Committee and the Legislative Budget Board if a department project managed by the Building and Procurement Commission and funded through appropriations by the Legislature lags six months or more behind the project's original timeline and/or exceeds the original budget by more than 25 percent. Reports should not include delays or cost overruns caused by acts of nature or other factors outside the control of the Building and Procurement Commission.

35. Hardship Stations. Out of funds appropriated above, the Department of Public Safety is authorized to designate 40 hardship stations across the state based on excessive vacancies in the Traffic Law Enforcement Division. The department shall provide incentives to commissioned peace officers accepting positions at these posts.

36. Response to Bomb or Other Terrorist Threats in the Capitol Complex. The Department of Public Safety shall review the procedures for responding to a bomb or other terrorist threat in the Capitol Complex, determine what changes, if any, would ensure a more effective response to a threat and adopt necessary changes.

The Department of Public Safety shall also provide written procedures and guidance for responding to a bomb or other terroristic threat to each agency director in the Capitol Complex as well as any individual in charge of risk management for such agency.

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37. **Security Services in the Capitol Complex.** The Department of Public Safety shall periodically review the security services provided by each law enforcement agency or security agency in the Capitol Complex (including the law enforcement services provided by the Internal Investigations Division of the Office of the Attorney General in the Capitol Complex) and adopt rules to coordinate these services and insure maximum effectiveness. The review and adopted rules should aim to eliminate any duplication of services.
38. **Contingency Personnel, DNA Analyses.** Contingent on the receipt of federal funds for DNA analyses or DNA backlog elimination purposes in an amount sufficient to cover the costs related to the additional personnel authorized by this rider, the "Number of Full-Time-Equivalent Positions (FTE)" figure indicated above is hereby increased by 12 each fiscal year. Seven of these authorized FTEs are to be assigned to the department's primary DNA facility, while the remaining five are to be assigned to field laboratories.
39. **Authorized Trooper Strength.** From funds appropriated, the Department of Public Safety shall maintain the number of highway patrol trooper positions at no less than 1,873.
40. **Contingency Personnel, North Texas Tollway Authority Contract.** The department is authorized 25 highway patrol service positions upon entering into an interlocal cooperation contract with the North Texas Tollway Authority to police the Dallas North Tollway Systems. The "Number of Full-Time-Equivalent Positions (FTE)" figure indicated above is hereby increased by eight each fiscal year. The eight FTEs authorized by this rider may not be added until the department reaches the number of troopers patrolling Texas highways in accordance with the goals as outlined in Rider Number 39, Authorized Trooper Strength.
- The contract shall include salaries, retirement, group insurance, auto operation costs, operational expenses, and amortization of equipment, including, but not limited to, vehicles. The expenses to be covered must also include expenses related to radio communications, office space and furniture, printing, postage, personnel moving expenses, telephone services, patrol car equipment, and secretarial and clerical services. Upon termination of the contract, the department must notify the Governor, Legislative Budget Board, and the State Auditor's Office of the termination and phase out the additional FTEs.
41. **Information Services.** It is the intent of the Legislature that the Department of Public Safety utilize the State Data Center to the maximum extent possible, in compliance with Article IX, § 9.03, of the General Appropriations Act, Seventy-eighth Legislature, Regular Session.
42. **Unsolved Crimes Investigation Team.** Included in the amounts appropriated above in Strategy B.1.4, Texas Rangers, is \$1,039,262 in fiscal year 2004 and \$1,011,271 in fiscal year 2005 for the purpose of providing assistance to Texas law enforcement agencies with the investigation of unsolved murders and serial or linked criminal transactions. Also included above are 13 full-time-equivalent positions (FTEs) that are provided specifically for the staffing of the unsolved crimes investigation team with the intent that at least nine of the FTEs are commissioned personnel.
43. **Appropriation: Unexpended Balance Authority.** Included in the amount appropriated above in Strategy A.1.6, Traffic Accident Records, is unexpended and unencumbered balances in an amount not to exceed \$3,061,338 from the biennium ending August 31, 2003, to the biennium beginning September 1, 2003. Balances appropriated can only be expended for expenses related to the Crash Records Information System.
44. **Appropriation: Crash Records Information System.** Included in the amounts appropriated above in Strategy A.1.6, Traffic Accident Records, is \$2,000,000 in fiscal year 2004 with any unexpended balance carried forward to fiscal year 2005 from the Department of Insurance Operating Fund, No. 36 to further develop and implement the Crash Records Information

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System. The Department of Public Safety and Department of Insurance are authorized to enter into interagency contracts as needed to develop and implement this system.

45. **Interagency Contract for Legal Services.** Out of funds appropriated above, \$1.3 million for the 2004–05 biennium is for an interagency contract with the Office of the Attorney General for legal services provided by the Office of the Attorney General to the Department of Public Safety. Any interagency contract funded by appropriated funds may not exceed reasonable attorney fees for similar legal services in the private sector, shall not jeopardize the ability of the Department of Public Safety to carry out its legislative mandates, and shall not affect the budget for the Department of Public Safety such that employees must be terminated in order to pay the amount of the interagency contract.
46. **Polygraph Examiners Board.** The Polygraph Examiners Board, Strategy D.1.1, is an agency of the State of Texas fully autonomous and independent of the Department of Public Safety pursuant to Occupations Code § 1703.001. The board is responsible for hiring an Executive Officer, and shall pay this exempt employee a salary in an amount not to exceed \$40,000 per annum. The Executive Officer position is subject to Article IX provisions regarding Scheduled Exempt Positions. Board member per diem shall not exceed \$4,200 per year.

Fee Rates

The Polygraph Examiners Board shall establish reasonable fees pursuant to Government Code § 316.043, to be effective during the biennium beginning on the effective date of this Act, not to exceed:

a. Polygraph Examiners License	\$ 500.00
b. Internship License Application Fee	300.00
c. Duplicate License	100.00
d. Renewal Fee for Examiners License	500.00
e. Extension or Renewal of an Internship License	150.00
f. Examination Fee	200.00
g. Late Fee	200.00

Assistance from the Department of Public Safety

The Department of Public Safety will be responsible for providing administrative support, as is necessary, to ensure that the Polygraph Examiners Board complete all written reports, including the legislative appropriations request, the strategic plan and the annual financial report, and all data entry into ABEST, USAS, and other state systems as is required of the Polygraph Examiners Board by statute or by oversight agency directives.

It is the intent of this rider that the Department of Public Safety assist the Polygraph Examiners Board in meeting the aforementioned requirements. The Executive Officer and staff of the Polygraph Examiners Board remain solely responsible for completing administrative tasks imposed by the Polygraph Examiners Board.

47. **Texas Commission on Private Security.**
 - a. **Appropriation, salaries, and expenses.** It is the intent of the Legislature that the Texas Commission on Private Security be under the financial oversight of the Department of Public Safety. The Texas Commission on Private Security continues to be an agency of the State of Texas pursuant to Occupations Code, Chapter 1702. The agency is authorized 14.0 FTEs and an appropriation of \$737,033 in fiscal year 2004 and \$737,187 in fiscal year 2005. The commission is responsible for hiring an Executive Director, and shall pay this exempt employee from the position classification plan by § 654.012, Government Code, a

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salary not to exceed \$60,000 per annum. The Executive Director is subject to Article IX provisions regarding Scheduled Exempt Positions. The total amounts paid to each individual commission member as compensatory per diem, and reimbursement for transportation expenses in accordance with § 1702.028, Occupations Code shall not exceed \$2,500 per fiscal year including expenses for training required under § 1702.030, Occupations Code.

- b. **Fee Rates.** To provide for the recovery of costs for the preceding appropriations, the following fee rate is established pursuant to Government Code, § 316.043, to be effective during the biennium covered by this Act:

Class A license (original and renewal)	\$ 250
Class B license (original and renewal)	\$ 300
Class C license (original and renewal)	\$ 440
Reinstate suspended license	\$ 150
Assignment of license	\$ 150
Change name of license	\$ 75
Branch Office Certificate (original and renewal)	\$ 200
Registration fee for private investigators, managers, branch office managers, and alarm system installers (original and renewal)	\$ 20
Registration fee for noncommissioned security officer (original and renewal)	\$ 25
Registration fee for security sales person	\$ 20
Registration fee for alarm systems monitor	\$ 20
Registration fee for guard dog trainer (original and renewal)	\$ 20
Registration fee for owner, officer, partner, or shareholder of a licensee (original and renewal)	\$ 50
Registration fee for security consultant (original and renewal)	\$ 55
Security officer commission fee (original and renewal)	\$ 50
School instructor fee (original and renewal)	\$ 100
School approval fee	\$ 250
Letter of authority fee for private businesses and political subdivisions (original and renewal)	\$ 300
FBI Fingerprint Check	\$ 25
Duplicate pocket card fee	\$ 10
Employee information update fee (transfer)	\$ 15
Burglar alarm seller's fee	\$ 25
Personal Protection Officer Authorization	\$ 50

- c. **Assistance from the Department of Public Safety.** The Department of Public Safety will be responsible for providing administrative support (including accounting, human resources, field and headquarters' office space, computer/database support, and crime records information) as is necessary for the Texas Commission on Private Security. Additionally, the Department of Public Safety is responsible for preparing the annual financial report, including the annual report required under § 1702.069, Occupations Code, legislative appropriations request, strategic plan, and data entry into all state accounting systems, and other state systems as required of the Texas Commission on Private Security by statutes or by oversight agency directives.

The Department of Public Safety shall assist the Texas Commission on Private Security in the aforementioned requirements. The Executive Director and staff of the Texas Commission on Private Security remain solely responsible for completing administrative tasks imposed by the board of the Texas Commission on Private Security.

DEPARTMENT OF PUBLIC SAFETY
(Continued)

48. **Appropriations Limited to Revenue Collections.** It is the intent of the Legislature that fees and other miscellaneous revenues as authorized and generated by the Texas Commission on Private Security cover, at a minimum, the cost of the appropriations made above in Strategies E.1.1, E.1.2, and E.1.3, as well as the "other direct and indirect costs" for the Texas Commission on Private Security estimated to be \$51,313 for fiscal year 2004 and \$51,300 for fiscal year 2005. In the event that actual and/or projected revenue collections are insufficient to offset the costs identified by this provision, the Legislative Budget Board may direct that the Comptroller of Public Accounts reduce the appropriation authority provided above in Strategies E.1.1, E.1.2, and E.1.3, to be within the amount of revenue expected to be available.
49. **Board Meetings at State Facilities.** It is the intent of the Legislature that, in order to minimize cost, meetings of the Texas Commission on Private Security be held only at state facilities in Austin, Texas.
50. **Contract Reports.** It is the intent of the Legislature that the Texas Commission on Private Security provide the Governor and the Legislative Budget Board detailed information on all current contracts, and an annual report by November 30th of all contracts initiated during the previous fiscal year, in addition to other contract reporting requirements in statute.
51. **Staffing Patterns – Texas Commission on Private Security.** It is the intent of the Legislature that the Texas Commission on Private Security achieve greater compliance with the Private Security Act by strategically locating its investigators across the state to maximize the use of Department of Public Safety regional offices, minimize travel related costs and support/represent a significant number of companies and persons regulated in the region. None of the funds appropriated above shall be expended to maintain or support offices that are located in the homes of Texas Commission on Private Security employees.
52. **Fixed Asset Inventory – Texas Commission on Private Security.** It is the intent of the Legislature that the Texas Commission on Private Security reduce its computer and related equipment as well as other fixed asset inventory items relative to the reduction in the number of FTEs authorized to the agency. All excess computer and related equipment as well as other fixed asset inventory items are to be transferred to the Department of Public Safety. If the Texas Commission on Private Security does not own the excess items, the Department of Public Safety shall pay the remaining obligation on the items.
53. **Transfer of Vehicles to Texas Commission on Private Security.** The Department of Public Safety shall sell five vehicles to the Texas Commission on Private Security for \$1 per vehicle. The vehicles shall have mileage not to exceed 80,000 at the time of transfer. The vehicles transferred from the Department of Public Safety are for the sole use of the Texas Commission on Private Security and are intended for use by the commission's investigators and are prohibited for use for commuting to and from work. The Texas Commission on Private Security is responsible for maintenance and repair of these vehicles. These vehicles are to be returned to the Department of Public Safety for replacement in accordance with the Department of Public Safety vehicle replacement schedule for non-pursuit vehicles.

YOUTH COMMISSION

	For the Years Ending	
	August 31, 2004	August 31, 2005
A. Goal: PROTECT PUBLIC		
To protect the public from the delinquent and criminal acts of TYC youth while they are in institutional or community-based correctional programs.		
Outcome (Results/Impact):		
Turnover Rate of Juvenile Correctional Officers		
	25%	25%
A.1.1. Strategy: ASSESSMENT AND ORIENTATION	\$ 4,654,450	\$ 4,672,421
Provide a system of assessment and orientation which is culturally competent and accurately determines the relative security risk and treatment needs of committed youth so they are placed in appropriate programs.		
Output (Volume):		
Average Daily Population: Assessment and Orientation		
	436	436
A.1.2. Strategy: INSTITUTIONAL SERVICES	\$ 119,137,012	\$ 121,774,463
Provide TYC-operated secure correctional programs under conditions that promote the youth's positive development and the interests and safety of the public, youth, and staff.		
Output (Volume):		
Average Daily Population: Institutional Programs		
	4,199	4,347
Efficiencies:		
Capacity Cost in Institutional Programs Per Youth Day		
	77.52	76.75
A.1.3. Strategy: CONTRACTED CAPACITY	\$ 26,190,503	\$ 22,808,467
Provide additional secure and nonsecure residential capacity through contracts with private service providers that promote the youth's positive development and the interests and safety of the public and youth.		
Output (Volume):		
Average Daily Population: Contract Programs		
	733	647
Efficiencies:		
Capacity Cost in Contract Programs Per Youth Day		
	97.62	96.58
A.1.4. Strategy: HALFWAY HOUSE SERVICES	\$ 7,478,310	\$ 7,447,111
Provide TYC-operated nonsecure correctional programs under conditions that promote the youth's positive development and the interests and safety of the public and youth.		
Output (Volume):		
Average Daily Population: Halfway House Programs		
	218	218
Efficiencies:		
Capacity Cost in Halfway Houses Per Youth Day		
	93.73	93.59
A.1.5. Strategy: HEALTH CARE SERVICES	\$ 12,241,434	\$ 12,088,512
Provide a system of health care to address a youth's medical and dental needs while in residential care.		
Efficiencies:		
Cost of Health Care Services Per Youth Day		
	7.1	6.93
A.1.6. Strategy: PSYCHIATRIC SERVICES	\$ 1,558,533	\$ 1,591,130
Provide a system of psychiatric services to address youth's mental health needs while in residential care.		
Efficiencies:		
Cost of Psychiatric Care Services Per Youth Day		
	.9	.91

YOUTH COMMISSION
(Continued)

A.1.7. Strategy: CONSTRUCT AND RENOVATE FACILITIES	\$ 8,985,387	\$ UB
Construct and renovate TYC facilities to provide sufficient capacity and proper conditions.		
Total, Goal A: PROTECT PUBLIC	\$ 180,245,629	\$ 170,382,104
B. Goal: ENABLE PRODUCTIVITY		
To enable TYC youth through habilitation to become productive and responsible citizens.		
Outcome (Results/Impact):		
Diploma or GED Rate (TYC Teacher Institutions)	49.4%	49.3%
Percent Reading at Grade Level at Release	16.8%	17%
B.1.1. Strategy: EDUCATION AND WORKFORCE PROGRAMS	\$ 28,568,320	\$ 28,929,969
Provide or facilitate 12-month academic, GED, and workforce preparation programs.		
Output (Volume):		
Average Daily Attendance in TYC-operated Schools	3,776	3,911
Percent of Math Level Gain	67%	71%
Percent of Reading Level Gain	69%	71%
Average Daily Attendance in Career and Technology Education Courses	1,784	1,784
C. Goal: PROVIDE REHABILITATION		
To reduce the delinquent and criminal behavior of youth committed to TYC, and of youth currently residing in Texas and adjudicated delinquent by other states.		
Outcomes (Results/Impact):		
One-year Rearrest Rate	54%	54%
One-year Rearrest Rate for Violent Offenses	8.6%	8.6%
One-year Reincarceration Rate: Total	26%	26%
Three-year Reincarceration Rate: Total	50%	50%
C.1.1. Strategy: CORRECTIONAL TREATMENT	\$ 15,549,144	\$ 16,167,571
Provide, through a competency-based resocialization system, correctional treatment programs appropriate to youth of all cultures.		
Output (Volume):		
Average Daily Population: Correctional Treatment	4,516	4,578
Efficiencies:		
Correctional Treatment Cost Per Youth Day	9.41	9.68
C.1.2. Strategy: SPECIALIZED CORRECTIONAL TREATMENT	\$ 5,884,742	\$ 5,889,368
Provide a system of culturally competent specialized correctional treatment programs for youth with the specialized needs of capital or serious violent offense history, sex offense history, chemical abuse dependence, emotional disturbance, or mental retardation.		
Output (Volume):		
Average Daily Population: Specialized Correctional Treatment	1,045	1,045
Efficiencies:		
Specialized Correctional Treatment Cost Per Youth Day	15.39	15.44
C.1.3. Strategy: PAROLE SERVICES	\$ 9,992,985	\$ 10,006,758
Provide a system of parole services to youth placed at home and remaining under TYC jurisdiction.		
Output (Volume):		
Average Daily Population: Parole	3,267	3,368
Efficiencies:		
Parole Cost Per Youth Day	8.36	8.14
C.1.4. Strategy: INTERSTATE AGREEMENT	\$ 234,302	\$ 234,301
Implement the interstate cooperative agreement		

YOUTH COMMISSION
(Continued)

regarding the return and supervision of runaways and the supervision of juvenile probationers and parolees.

Total, Goal C: PROVIDE REHABILITATION	\$ <u>31,661,173</u>	\$ <u>32,297,998</u>
D. Goal: INDIRECT ADMINISTRATION		
D.1.1. Strategy: CENTRAL ADMINISTRATION	\$ 5,848,325	\$ 5,848,325
D.1.2. Strategy: INFORMATION RESOURCES	\$ 3,667,547	\$ 3,667,547
D.1.3. Strategy: OTHER SUPPORT SERVICES	\$ <u>1,617,867</u>	\$ <u>1,617,867</u>
Total, Goal D: INDIRECT ADMINISTRATION	\$ <u>11,133,739</u>	\$ <u>11,133,739</u>
Grand Total, YOUTH COMMISSION	\$ <u>251,608,861</u>	\$ <u>242,743,810</u>

Method of Financing:

<u>General Revenue Fund</u>	\$ 215,468,473	\$ 218,282,191
General Revenue Fund		
Earned Federal Funds	85,000	85,000
Subtotal, General Revenue Fund	\$ <u>215,553,473</u>	\$ <u>218,367,191</u>
Federal Funds	14,582,964	11,546,960
<u>Other Funds</u>		
Appropriated Receipts	740,260	740,260
Interagency Contracts	1,236,000	1,236,000
Bond Proceeds - General Obligation Bonds	8,985,387	UB
Interagency Contracts - Transfer from Foundation School Fund No. 193	10,510,777	10,853,399
Subtotal, Other Funds	\$ <u>21,472,424</u>	\$ <u>12,829,659</u>
Total, Method of Financing	\$ <u>251,608,861</u>	\$ <u>242,743,810</u>
Number of Full-Time-Equivalent Positions (FTE):	4,988.5	5,030.3
Schedule of Exempt Positions:		
Executive Director, Group 5	\$118,000	\$118,000
Per Diem of Board Members	3,600	3,600
Object-of-Expense Informational Listing:		
Salaries and Wages	\$ 151,344,194	\$ 153,991,574
Other Personnel Costs	7,090,935	7,135,242
Operating Costs	426,695	0
Professional Fees and Services	16,288,577	16,603,009
Fuels and Lubricants	401,725	403,375
Consumable Supplies	2,485,492	2,561,111
Utilities	6,642,796	6,631,436
Travel	1,469,778	1,452,668
Rent - Building	1,638,905	1,642,105
Rent - Machine and Other	846,793	860,779
Other Operating Expense	44,601,552	41,723,467
Client Services	3,526,206	3,615,982
Food for Persons - Wards of State	3,746,906	3,761,949
Grants	94,750	94,750
Capital Expenditures	<u>11,003,557</u>	<u>2,266,363</u>
Total, Object-of-Expense Informational Listing	\$ <u>251,608,861</u>	\$ <u>242,743,810</u>

YOUTH COMMISSION
(Continued)

1. **Capital Budget.** None of the funds appropriated above may be expended for capital budget items except as listed below. The amounts shown below shall be expended only for the purposes shown and are not available for expenditure for other purposes. Amounts appropriated above and identified in this provision as appropriations either for "Lease payments to the Master Lease Purchase Program" or for items with an "(MLPP)" notation shall be expended only for the purpose of making lease-purchase payments to the Texas Public Finance Authority pursuant to the provisions of Government Code § 1232.103.

	2004	2005	
a. Construction of Buildings and Facilities			
(1) Education Building at Evins Regional Juvenile Center	\$ 2,038,366		UB
b. Repair or Rehabilitation of Buildings and Facilities			
(1) Utility, Road and Site Work	2,245,334		UB
(2) Roof Replacements	1,750,914		UB
(3) Rehabilitate Buildings and Systems	2,950,773		UB
Total, Repair or Rehabilitation of Buildings and Facilities	\$ 6,947,021		UB
c. Acquisition of Information Resource Technologies			
(1) Computer Workstation and Infrastructure Equipment Replacement - Business	655,500	655,500	
(2) Computer Workstation and Infrastructure Equipment Replacement - Education	716,472	716,472	
Total, Acquisition of Information Resource Technologies	\$ 1,371,972	\$ 1,371,972	
d. Transportation Items			
(1) Vehicle Replacement (24 Cargo/Passenger Vans)	282,625	261,575	
Total, Capital Budget	\$ 10,639,984	\$ 1,633,547	

Method of Financing (Capital Budget):

General Revenue Fund	\$ 938,125	\$ 917,075	
Federal Funds	716,472	716,472	
Bond Proceeds - General Obligation Bonds	8,985,387		UB
Total, Method of Financing	\$ 10,639,984	\$ 1,633,547	

2. **Interagency Contract Authorized, West Texas State School.** The Texas Youth Commission is authorized to lease from The University of Texas, for a term of years and upon conditions that are mutually agreeable to the Texas Youth Commission and The University of Texas, under authority of the Interagency Cooperation Act, certain facilities situated at Pyote Air Force Base, in Ward County, Texas (same being located in Block 16, University Lands). The Texas Youth Commission is authorized to pay to The University of Texas as rental for such a lease a sum not to exceed \$10.00 per year.
3. **Appropriation of Other Agency Funds.** Any unexpended balances remaining in Independent School District Funds (not to exceed \$155,000 and included in the amounts above), the Student

YOUTH COMMISSION
(Continued)

Benefit Fund (not to exceed \$250,000 and included in the amounts above), the Canteen Revolving Funds (not to exceed \$7,500 and included in the amounts above), and the Conference Account (not to exceed \$3,500 and included in the amounts above), and any gifts, grants, and donations as of August 31, 2003, and August 31, 2004 (estimated to be \$247,000 per year and included in the amounts above), and any revenues accruing to those funds are appropriated to those funds for the succeeding fiscal years. Funds collected by vocational training shops at Texas Youth Commission institutions, including unexpended balances as of August 31, 2003 (not to exceed \$35,000 and included in the amounts above), are hereby appropriated for the purpose of purchasing and maintaining parts, tools, and other supplies necessary for the operation of those shops.

4. **Revolving Funds.** The Texas Youth Commission may establish out of any funds appropriated herein a revolving fund not to exceed \$10,000 in the Central Office, and \$10,000 in each institution, field office, or facility under its direction. Payments from these revolving funds may be made as directed by the commission. Reimbursement to such revolving funds shall be made out of appropriations provided for in this Article.
5. **Student Employment.** Subject to the approval of the Texas Youth Commission, students residing in any Texas Youth Commission facility may be assigned necessary duties in the operations of the facility and be paid on a limited basis out of any funds available to the respective institutions or facility not to exceed \$50,000 a year for each institution and \$10,000 a year for any other facility.
6. **Support Payment Collections.** The Texas Youth Commission shall annually report to the Governor and to the Legislative Budget Board the number of active accounts, including the amounts owed to the state pursuant to the Texas Family Code, § 54.06(a) court orders, and the total amount of funds collected.
7. **Federal Foster Care Claims.** Within the appropriations made above, the Texas Department of Protective and Regulatory Services, the Texas Youth Commission, and the Texas Juvenile Probation Commission shall document possible foster care claims for children in juvenile justice programs and maintain an interagency agreement to implement strategies and responsibilities necessary to claim additional federal foster care funding; and consult with juvenile officials from other states and national experts in designing better foster care funding initiatives.
8. **Employee Medical Care.** Appropriations made in this Act for the Texas Youth Commission not otherwise restricted in use may also be expended to provide medical attention by medical staff and infirmaries at Texas Youth Commission facilities, or to pay necessary medical expenses, including the cost of broken eyeglasses and other health aids, for employees injured while performing the duties of any hazardous position which is not reimbursed by workers' compensation and/or employees' state insurance. For the purpose of this section, "hazardous position" shall mean one for which the regular and normal duties inherently involve the risk or peril of bodily injury or harm. Appropriations made in this Act not otherwise restricted in use may also be expended for medical tests and procedures on employees that are required by federal or state law or regulations when the tests or procedures are required as a result of the employee's job assignment or when considered necessary due to potential or existing litigation.
9. **Fire Prevention and Safety.** In instances in which regular employees of facilities operated by the Texas Youth Commission are assigned extra duties on fire prevention teams or on special tactics and response teams, supplementary payments, not to exceed \$125 per month for team leaders and \$100 per month for team members, are authorized in addition to the salary rates stipulated by the provisions of Article IX of this Act relating to the position classifications and assigned salary ranges.

YOUTH COMMISSION
(Continued)

10. **Charges to Employees and Guests.**
 - a. Collections for services rendered Texas Youth Commission employees and guests shall be made by a deduction from the recipient's salary or by cash payment in advance. Such deductions and other receipts for these services from employees and guests are hereby appropriated to the facility. Refunds of excess collections shall be made from the appropriation to which the collection was deposited.
 - b. As compensation for services rendered and notwithstanding any other provision in this Act, any facility under the jurisdiction of the Texas Youth Commission may provide free meals for food service personnel and volunteer workers and may furnish housing facilities, meals and laundry service in exchange for services rendered by interns, chaplains in training, and student nurses.
11. **Specialized Treatment Report.** The Texas Youth Commission shall, in its annual report, provide an assessment of the effectiveness of specialized treatment, emphasizing re-arrest rates of offenders receiving treatment.
12. **Salaries, Education Professionals.**
 - a. Each principal, supervisor, and classroom teacher employed in an institution operated by the Texas Youth Commission shall receive a monthly salary to be computed as follows: The applicable monthly salary rate specified in § 21.402, Texas Education Code, as amended, shall be multiplied by ten to arrive at a ten month salary rate. Such rate shall be divided by the number of days required in §21.401, Texas Education Code, for 10-month employees, and the resulting daily rate shall be multiplied by the number of on-duty days required of Texas Youth Commission educators, resulting in the adjusted annual salary. The adjusted annual salary is to be divided by 12 to arrive at the monthly rate. Salary rates for educational aides commencing employment before September 1, 1999, shall be calculated in the same manner, using 60 percent of the salary rate specified in § 21.402, Texas Education Code.
 - b. The Texas Youth Commission may authorize salary rates at amounts above the adjusted annual salary determined in the preceding formula, but such rates, including longevity for persons commencing employment on September 1, 1983, or thereafter, and excluding hazardous duty pay, shall never exceed the rates of pay for like positions paid in the public schools of the city in which the Texas Youth Commission institution is located. Any authorized local increments will be in addition to adjusted annual salaries.
 - c. There is hereby appropriated to the Texas Youth Commission from any unexpended balances on hand as of August 31, 2004, funds necessary to meet the requirements of this section in fiscal year 2005 in the event adjustments are made in the salary rates specified in the Texas Education Code or in salary rates paid by the public schools where Texas Youth Commission facilities are located.
13. **State-owned Housing Authorized.** As of September 1, 1998, the chief superintendent, assistant superintendent and the director of security are authorized to live in state-owned housing at a rate determined by the commission. Notwithstanding general provisions of this Act, commission employees first employed at the Sheffield Boot Camp and West Texas State School on or after September 1, 1999, are authorized to live in state-owned housing at the same rate as persons employed prior to September 1, 1999. Other commission employees may live in state-owned housing as set forth in Article IX, § 11.09, State Owned Housing - Recover Housing Costs, of this Act. Fees for employee housing are hereby appropriated to be used for maintaining employee housing.

YOUTH COMMISSION
(Continued)

14. **Appropriation Transfers Between Fiscal Years.** In addition to the transfer authority provided elsewhere in this Act, the Texas Youth Commission may transfer appropriations in an amount not to exceed \$9.8 million made for fiscal year 2005 to fiscal year 2004 subject to the following conditions provided by this section:
 - a. Transfers under this section may be made only if (1) juvenile correctional populations exceed appropriated areas of daily population targets or (2) for any other emergency expenditure, including expenditures necessitated by public calamity.
 - b. A transfer authorized by this section must receive prior approval from the Governor and the Legislative Budget Board.
 - c. The Comptroller of Public Accounts shall cooperate as necessary to assist the completion of a transfer and spending under this section.
15. **Project RIO.** It is the intent of the Legislature that the Texas Workforce Commission, the Texas Department of Criminal Justice, and the Texas Youth Commission together enhance the effectiveness of Project RIO by improving cohesive program delivery among the three agencies. The agencies shall together develop and implement a biennial strategic plan for the implementation of a more cohesive and effective Project RIO program which will emphasize necessary skill development, rehabilitation, and appropriate assessment of the offender prior to release. Not later than March 1, 2004, the biennial strategic plan, jointly prepared by the three agencies, and including specific strategies, measures, timeframes for program improvement, and a methodology for program evaluation, shall be submitted to the Legislative Budget Board and the Governor. With regards to appropriations for Project RIO, while total project funds are appropriated to the Texas Workforce Commission, interagency contracts are to be maintained during the 2004-05 biennium with the Texas Youth Commission at no less than the level maintained as of August 31, 2003.
16. **Training for GED and Reading Skills.** It is the intent of the Legislature that the Texas Youth Commission, to the extent possible, use funds appropriated above in Strategy B.1.1, Education and Workforce Programs, to prioritize reading at grade level and preparation for the GED in its educational program. A report containing statistical information regarding student performance on the Test of Adult Basic Education (TABE) shall be submitted to the Legislative Budget Board and the Governor on or before December 1, 2004.
17. **Salary Adjustment Authorized.** Notwithstanding other provisions of this Act, the Texas Youth Commission is authorized to adjust salaries of Juvenile Correctional Officers I, Juvenile Correctional Officers II, Juvenile Correctional Officers III, Juvenile Correctional Officers IV, Juvenile Correctional Officers V, and Juvenile Correctional Officers VI to rates within the designated salary group for the purpose of recruiting, employing and retaining career juvenile correctional personnel. Merit raises are prohibited for all Juvenile Correctional Officers who are receiving or are eligible to receive step adjustments in the career ladder system.
18. **Human Resources Management Plan.** From funds appropriated above, the Texas Youth Commission shall develop a Human Resources Management Plan designed to improve employee morale and retention. The plan must focus on reducing employee turnover through better management. The Texas Youth Commission shall report, by October 1 of each year of the biennium, to the Legislative Budget Board and the Governor the employee turnover rate, by job category, at the agency during the preceding fiscal year. The effectiveness of an agency's plan shall be measured by whether or not there is a reduction in annual employee turnover rates at the agency, specifically by the reduction in the turnover rates for juvenile correctional officers.
19. **Psychiatric Services Study.** It is the intent of the Legislature that the Youth Commission shall use a portion of the funds appropriated above to study and make recommendations for possible

YOUTH COMMISSION
(Continued)

cost saving methods related to the current psychiatric services system operated by the Youth Commission. The recommendations at a minimum shall address the increase in psychiatric services costs and possible cost savings methods, including the use of a standard capitation rate incorporated into the current University of Texas Medical Branch at Galveston (UTMB) and Texas Tech University Health Sciences Center (TTUHSC) managed care contracts. The Youth Commission shall submit a report on the recommendations to the Governor and the Legislative Budget Board no later than January 1, 2004.

20. **Unexpended Balances.** Unobligated balances (estimated to be \$8,985,387 in General Obligation Bonds and included in the amounts appropriated above) as of August 31, 2003, in appropriations made by Senate Bill 1, Acts of the Seventy-seventh Legislature, Regular Session, 2001, as identified in Article V, § 1, Capital Budget, and House Bill 1, Acts of the Seventy-sixth Legislature, Regular Session, 1999, as identified in Article V, § 1, Capital Budget, are appropriated for the identical purposes for the biennium beginning September 1, 2003.

RETIREMENT AND GROUP INSURANCE

	For the Years Ending	
	August 31, 2004	August 31, 2005
A. Goal: EMPLOYEES RETIREMENT SYSTEM		
A.1.1. Strategy: RETIREMENT CONTRIBUTIONS	\$ 99,866,467	\$ 100,865,146
Provide an actuarially sound level of funding as defined by state law. Estimated.		
A.1.2. Strategy: GROUP INSURANCE	\$ 283,108,380	\$ 285,309,858
Provide a basic health care and life insurance program for general state employees. Estimated.		
A.1.3. Strategy: PUBLIC SAFETY BENEFITS	\$ 5,479,902	\$ 5,479,902
Provide for the payment of death benefits to beneficiaries of public safety personnel as required by Section 615, Government Code. Estimated.		
Total, Goal A: EMPLOYEES RETIREMENT SYSTEM	<u>\$ 388,454,749</u>	<u>\$ 391,654,906</u>
Grand Total, RETIREMENT AND GROUP INSURANCE	<u>\$ 388,454,749</u>	<u>\$ 391,654,906</u>
Method of Financing:		
General Revenue Fund, estimated	\$ 319,580,624	\$ 322,179,559
General Revenue Dedicated Accounts, estimated	6,890,868	6,915,698
State Highway Fund No. 006, estimated	59,361,442	59,920,081
Federal Funds, estimated	2,425,333	2,443,088
Other Special State Funds, estimated	<u>196,480</u>	<u>196,480</u>
Total, Method of Financing	<u>\$ 388,454,749</u>	<u>\$ 391,654,906</u>

SOCIAL SECURITY AND BENEFIT REPLACEMENT PAY

	For the Years Ending	
	August 31, 2004	August 31, 2005
A. Goal: SOCIAL SECURITY/BENEFIT REPLACEMENT		
To provide funding to the Comptroller of Public Accounts for Social Security Contributions and Benefit Replacement Pay.		
A.1.1. Strategy: STATE MATCH - EMPLOYER	\$ 125,450,624	\$ 126,705,148
Provide an employer match for Social Security contributions. Estimated.		
A.1.2. Strategy: BENEFIT REPLACEMENT PAY	<u>\$ 22,767,158</u>	<u>\$ 21,606,033</u>
Provide Benefit Replacement Pay to eligible employees. Estimated.		
Total, Goal A: SOCIAL SECURITY/BENEFIT REPLACEMENT	<u>\$ 148,217,782</u>	<u>\$ 148,311,181</u>
Grand Total, SOCIAL SECURITY AND BENEFIT REPLACEMENT PAY	<u>\$ 148,217,782</u>	<u>\$ 148,311,181</u>
Method of Financing:		
General Revenue Fund, estimated	\$ 121,280,195	\$ 121,354,760
General Revenue Dedicated Accounts, estimated	2,343,338	2,337,263
State Highway Fund No. 006, estimated	23,183,967	23,203,381
Federal Funds, estimated	979,808	980,999
Other Special State Funds, estimated	<u>430,474</u>	<u>434,778</u>
Total, Method of Financing	<u>\$ 148,217,782</u>	<u>\$ 148,311,181</u>

BOND DEBT SERVICE PAYMENTS

	For the Years Ending	
	August 31, 2004	August 31, 2005
A. Goal: FINANCE CAPITAL PROJECTS		
To provide funding to the Texas Public Finance Authority for the payment of general obligation bond debt service requirements.		
A.1.1. Strategy: BOND DEBT SERVICE	\$ 174,492,315	\$ 229,323,059
Make general obligation bond debt service payments in compliance with bond covenants.		& UB
Grand Total, BOND DEBT SERVICE PAYMENTS	<u>\$ 174,492,315</u>	<u>\$ 229,323,059</u>
Method of Financing:		
General Revenue Fund	\$ 174,178,042	\$ 229,107,659
Current Fund Balance	<u>314,273</u>	<u>215,400</u>
Total, Method of Financing	<u>\$ 174,492,315</u>	<u>\$ 229,323,059</u>

LEASE PAYMENTS

For the Years Ending	
August 31, 2004	August 31, 2005

Out of the General Revenue Fund:

A. Goal: FINANCE CAPITAL PROJECTS

To provide funding to the Building and Procurement Commission for payment to the Texas Public Finance Authority for the payment of revenue bond debt service requirements.

A.1.1. Strategy: LEASE PAYMENTS

	\$ 2,024,059	\$	2,025,708	
			& UB	

Make lease payments to the Texas Public Finance Authority on facilities financed through the Texas Public Finance Authority.

Grand Total, LEASE PAYMENTS

	\$ 2,024,059	\$	2,025,708	
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SPECIAL PROVISIONS RELATING TO PUBLIC SAFETY AND CRIMINAL JUSTICE AGENCIES

Sec. 2. Authorization to Receive, Administer, and Disburse Federal Crime Funds. Out of funds appropriated above, the Texas Department of Criminal Justice, the Texas Juvenile Probation Commission, and the Texas Youth Commission, may allocate matching funds in order to secure federal grants for the construction, expansion, renovation, and operation of correctional facilities and services, as authorized by federal legislation. These agencies are authorized to receive and disburse, in accordance with plans acceptable to the responsible federal agency, all federal monies that are made available to the state for programs, projects, or services that otherwise could not be funded or undertaken without the receipt of such funding. Such federal funds are hereby appropriated to the specific purpose or purposes for which they are granted or otherwise made available. At least 14 days prior to any expenditure of such federal funds, documentation of the proposed use of the funds shall be provided to the Legislative Budget Board and the Governor.

Sec. 3. Purchase of TDCJ Products. It is the intent of the Legislature that state public safety and criminal justice agencies use products produced by the Texas Department of Criminal Justice to the greatest extent possible when either renovating existing facilities or constructing new facilities.

Sec. 4. Prioritization of DNA Samples. It is the intent of the Legislature that the Texas Department of Criminal Justice (TDCJ) prioritize the drawing of blood samples from inmates for the purpose of having these samples processed for DNA information needed for entry into the Department of Public Safety's (DPS) DNA database. The factors to be weighed by TDCJ shall include the severity of the offense, and the proximity to the time of release for the offender. It is also the intent of the Legislature that DPS prioritize any samples received prior to this Act taking effect with assistance from TDCJ using the above mentioned factors. At any time, DPS may request that TDCJ prioritize any particular sample for drawing and shipping to DPS, if DPS has information to the effect that the sample may provide evidence vital to a criminal investigation or judicial proceeding.

**RECAPITULATION - ARTICLE V
PUBLIC SAFETY AND CRIMINAL JUSTICE
(General Revenue)**

	For the Years Ending	
	August 31, 2004	August 31, 2005
Adjutant General's Department	\$ 12,436,271	\$ 11,952,598
Alcoholic Beverage Commission	29,750,828	29,038,533
Contingency Appropriations	0	509,110
Total	<u>29,750,828</u>	<u>29,547,643</u>
Department of Criminal Justice	2,299,852,614	2,302,431,650
Criminal Justice Policy Council	1,251,110	1,251,110
Commission on Fire Protection	2,782,128	2,782,128
Commission on Jail Standards	835,511	835,510
Juvenile Probation Commission	92,953,936	92,954,482
Texas Military Facilities Commission	2,043,957	1,093,823
Department of Public Safety	673,313	673,467
Youth Commission	<u>215,553,473</u>	<u>218,367,191</u>
Subtotal, Public Safety and Criminal Justice	<u>\$ 2,658,133,141</u>	<u>\$ 2,661,889,602</u>
Retirement and Group Insurance	319,580,624	322,179,559
Social Security and Benefit Replacement Pay	<u>121,280,195</u>	<u>121,354,760</u>
Subtotal, Employee Benefits	<u>\$ 440,860,819</u>	<u>\$ 443,534,319</u>
Bond Debt Service Payments	174,178,042	229,107,659
Lease Payments	<u>2,024,059</u>	<u>2,025,708</u>
Subtotal, Debt Service	<u>\$ 176,202,101</u>	<u>\$ 231,133,367</u>
TOTAL, ARTICLE V - PUBLIC SAFETY AND CRIMINAL JUSTICE	<u>\$ 3,275,196,061</u>	<u>\$ 3,336,557,288</u>

**RECAPITULATION - ARTICLE V
PUBLIC SAFETY AND CRIMINAL JUSTICE
(General Revenue - Dedicated)**

	For the Years Ending	
	August 31, <u>2004</u>	August 31, <u>2005</u>
Department of Criminal Justice	\$ 13,926,282	\$ 13,926,282
Commission on Law Enforcement Officer Standards and Education	2,628,681	2,629,592
Department of Public Safety	<u>3,021,688</u>	<u>993,688</u>
Subtotal, Public Safety and Criminal Justice	<u>\$ 19,576,651</u>	<u>\$ 17,549,562</u>
Retirement and Group Insurance	6,890,868	6,915,698
Social Security and Benefit Replacement Pay	<u>2,343,338</u>	<u>2,337,263</u>
Subtotal, Employee Benefits	<u>\$ 9,234,206</u>	<u>\$ 9,252,961</u>
TOTAL, ARTICLE V - PUBLIC SAFETY AND CRIMINAL JUSTICE	<u>\$ 28,810,857</u>	<u>\$ 26,802,523</u>

**RECAPITULATION - ARTICLE V
PUBLIC SAFETY AND CRIMINAL JUSTICE
(Federal Funds)**

	For the Years Ending	
	August 31, <u>2004</u>	August 31, <u>2005</u>
Adjutant General's Department	\$ 23,114,900	\$ 23,124,900
Department of Criminal Justice	33,481,241	33,529,287
Juvenile Probation Commission	30,000,000	30,000,000
Texas Military Facilities Commission	586,986	4,793,268
Department of Public Safety	22,318,311	23,418,311
Youth Commission	<u>14,582,964</u>	<u>11,546,960</u>
Subtotal, Public Safety and Criminal Justice	<u>\$ 124,084,402</u>	<u>\$ 126,412,726</u>
Retirement and Group Insurance	2,425,335	2,443,088
Social Security and Benefit Replacement Pay	<u>979,808</u>	<u>980,999</u>
Subtotal, Employee Benefits	<u>\$ 3,405,143</u>	<u>\$ 3,424,087</u>
TOTAL, ARTICLE V - PUBLIC SAFETY AND CRIMINAL JUSTICE	<u>\$ 127,489,545</u>	<u>\$ 129,836,813</u>

**RECAPITULATION - ARTICLE V
PUBLIC SAFETY AND CRIMINAL JUSTICE
(Other Funds)**

	For the Years Ending	
	August 31, 2004	August 31, 2005
Adjutant General's Department	\$ 920,421	\$ 420,421
Alcoholic Beverage Commission	564,963	564,962
Department of Criminal Justice	146,749,584	68,249,584
Commission on Fire Protection	30,400	30,400
Commission on Jail Standards	58,000	58,000
Juvenile Probation Commission	8,500,000	8,500,000
Commission on Law Enforcement Officer Standards and Education	82,000	82,000
Texas Military Facilities Commission	13,914,672	9,128,129
Department of Public Safety	375,702,431	370,328,992
Youth Commission	<u>21,472,424</u>	<u>12,829,659</u>
Subtotal, Public Safety and Criminal Justice	<u>\$ 567,994,895</u>	<u>\$ 470,192,147</u>
Retirement and Group Insurance	59,557,922	60,116,561
Social Security and Benefit Replacement Pay	<u>23,614,441</u>	<u>23,638,159</u>
Subtotal, Employee Benefits	<u>\$ 83,172,363</u>	<u>\$ 83,754,720</u>
Bond Debt Service Payments	<u>314,273</u>	<u>215,400</u>
Subtotal, Debt Service	<u>\$ 314,273</u>	<u>\$ 215,400</u>
Less Interagency Contracts	<u>\$ 74,446,762</u>	<u>\$ 72,114,953</u>
TOTAL, ARTICLE V - PUBLIC SAFETY AND CRIMINAL JUSTICE	<u>\$ 577,034,769</u>	<u>\$ 482,047,314</u>

**RECAPITULATION - ARTICLE V
PUBLIC SAFETY AND CRIMINAL JUSTICE
(All Funds)**

	For the Years Ending	
	August 31, 2004	August 31, 2005
Adjutant General's Department	\$ 36,471,592	\$ 35,497,919
Alcoholic Beverage Commission	30,315,791	29,603,495
Contingency Appropriations	0	509,110
Total	<u>30,315,791</u>	<u>30,112,605</u>
Department of Criminal Justice	2,494,009,721	2,418,136,803
Criminal Justice Policy Council	1,251,110	1,251,110
Commission on Fire Protection	2,812,528	2,812,528
Commission on Jail Standards	893,511	893,510
Juvenile Probation Commission	131,453,936	131,454,482
Commission on Law Enforcement Officer Standards and Education	2,710,681	2,711,592
Texas Military Facilities Commission	16,545,615	15,015,220
Department of Public Safety	401,715,743	395,414,458
Youth Commission	<u>251,608,861</u>	<u>242,743,810</u>
Subtotal, Public Safety and Criminal Justice	<u>\$ 3,369,789,089</u>	<u>\$ 3,276,044,037</u>
Retirement and Group Insurance	388,454,749	391,654,906
Social Security and Benefit Replacement Pay	<u>148,217,782</u>	<u>148,311,181</u>
Subtotal, Employee Benefits	<u>\$ 536,672,531</u>	<u>\$ 539,966,087</u>
Bond Debt Service Payments	174,492,315	229,323,059
Lease Payments	<u>2,024,059</u>	<u>2,025,708</u>
Subtotal, Debt Service	<u>\$ 176,516,374</u>	<u>\$ 231,348,767</u>
Less Interagency Contracts	<u>\$ 74,446,762</u>	<u>\$ 72,114,953</u>
TOTAL, ARTICLE V - PUBLIC SAFETY AND CRIMINAL JUSTICE	<u>\$ 4,008,531,232</u>	<u>\$ 3,975,243,938</u>
Number of Full-Time-Equivalent Positions (FTE)	54,654.4	54,754.7

ARTICLE VI

NATURAL RESOURCES

Sec. 1. The several sums of money herein specified, or so much thereby as may be necessary, are appropriated out of any funds in the State Treasury not otherwise appropriated, or out of special funds as indicated, for the support, maintenance, or improvement of the designated natural resources agencies.

DEPARTMENT OF AGRICULTURE

	For the Years Ending	
	August 31, 2004	August 31, 2005
A. Goal: MARKETS & PUBLIC HEALTH		
To enable Texas farmers, ranchers and agribusinesses to expand profitable markets for their agricultural products while protecting public health and our natural resources.		
Outcome (Results/Impact):		
Percent Increase from the 1996 Level in the Number of Marketing Opportunities for Texas Farmers, Ranchers and Agribusinesses	95.3%	101.1%
Percent Reduction from the 1994 Level in the Number of Pesticide-related Violations	7%	7%
Percent of Communities Assisted	85%	85%
A.1.1. Strategy: GENERATE MARKETS	\$ 21,346,165	\$ 9,712,229
Generate marketing opportunities for Texas farmers, ranchers and agribusinesses.		
Output (Volume):		
Number of Acres Inspected for Seed Certification	190,000	190,000
Number of Rural Communities Assisted	680	680
Rural Development Activities and Events Held	120	120
Businesses Developed as Expansion and Recruitment Prospects in Rural Texas	1,300	1,300
A.1.2. Strategy: REGULATE PESTICIDE USE	\$ 6,089,938	\$ 6,089,938
Regulate pesticide use through registration, certification, education and enforcement.		
Output (Volume):		
Number of Pesticide Complaint Investigations Conducted	225	225
A.1.3. Strategy: INTEGRATED PEST MANAGEMENT	\$ 24,583,911	\$ 20,233,911
Assist farmers with integrated pest management practices to reduce pesticide use.		
Output (Volume):		
Hours Spent Informing Producers and Surveying Cotton for Compliance with Cotton Stalk Destruction Deadlines	12,500	12,500
Number of Inspections to Verify Compliance for Organic or Other Crop Production Certification Programs	1,320	1,320
A.1.4. Strategy: CERTIFY PRODUCE	\$ 257,314	\$ 257,314
Certify fruits, vegetables, peanuts and nuts to enhance their marketability.		
Output (Volume):		
Number of Pounds of Fruits, Vegetables, Peanuts and Nuts Inspected (In Billions)	3.1	3.1
Total, Goal A: MARKETS & PUBLIC HEALTH	\$ 52,277,328	\$ 36,293,392
B. Goal: ENFORCE STANDARDS		
To protect consumers by establishing and enforcing standards for agricultural commodities.		
Outcome (Results/Impact):		
Percent of Seed Samples Found to Be in Full Compliance with State and Federal Standards	97%	97%

DEPARTMENT OF AGRICULTURE
(Continued)

B.1.1. Strategy: NURSERY/FLORAL REGULATION	\$	2,362,111	\$	2,362,111
Inspect and register nursery and floral production and retail outlets.				
Output (Volume):				
Number of Nursery and Floral Establishment Inspections Conducted		11,500		11,500
B.1.2. Strategy: VERIFY SEED QUALITY	\$	2,063,125	\$	2,063,125
Verify that farmers, ranchers and home gardeners receive the quality and type of seeds desired.				
Output (Volume):				
Number of Seed Samples Analyzed		20,500		20,500
B.1.3. Strategy: AGRICULTURAL COMMODITY REGULATION	\$	<u>1,229,546</u>	\$	<u>1,204,546</u>
Regulate agricultural commodities through verification, licensing, inspection and enforcement of state standards for eggs, grain warehouses, perishables and other agricultural commodities.				
Output (Volume):				
Number of Egg Packer, Dealer, Wholesaler, and Retailer Inspections Conducted		2,000		2,000
Number of Grain Warehouse Inspections, Re-inspections and Audits Conducted		395		395
Total, Goal B: ENFORCE STANDARDS	\$	<u>5,654,782</u>	\$	<u>5,629,782</u>
C. Goal: ENSURE PROPER MEASUREMENT				
To increase the likelihood that goods offered for sale to Texas consumers are properly measured, priced and marketed.				
Outcome (Results/Impact):				
Percent of Total Weights and Measures Inspections Conducted That Are Found to Be in Full Compliance with State and Federal Standards		96%		96%
C.1.1. Strategy: INSPECT MEASURING DEVICES	\$	3,398,373	\$	3,169,517
Inspect weighing and measuring devices and remove inaccurately measured, priced or marketed goods from sale.				
Output (Volume):				
Number of Weights and Measures Inspections Conducted		100,000		100,000
Grand Total, DEPARTMENT OF AGRICULTURE	\$	<u>61,330,483</u>	\$	<u>45,092,691</u>
Method of Financing:				
<u>General Revenue Fund</u>				
General Revenue Fund	\$	45,571,747	\$	41,335,848
Earned Federal Funds		371,162		371,162
Subtotal, General Revenue Fund	\$	<u>45,942,909</u>	\$	<u>41,707,010</u>
<u>General Revenue Fund - Dedicated</u>				
Young Farmer Loan Guarantee Account No. 5002		10,106,209		106,209
GO TEXAN Partner Program Account No. 5051		1,070,906		70,906
Subtotal, General Revenue Fund - Dedicated	\$	<u>11,177,115</u>	\$	<u>177,115</u>
Federal Funds		1,479,025		1,479,025

DEPARTMENT OF AGRICULTURE
(Continued)

Other Funds		
Farm and Ranch Finance Program Fund Account No. 575	81,835	81,835
Appropriated Receipts	1,288,324	286,551
Texas Agricultural Fund No. 683	266,275	266,155
Interagency Contracts	1,095,000	1,095,000
Subtotal, Other Funds	\$ 2,731,434	\$ 1,729,541
Total, Method of Financing	\$ 61,330,483	\$ 45,092,691
Number of Full-Time-Equivalent Positions (FTE):	504.5	504.5
Schedule of Exempt Positions:		
Commissioner of Agriculture, Group 4	\$92,217	\$92,217
Supplemental Appropriations Made in Riders:	\$ 200,000	\$ 0
Object-of-Expense Informational Listing:		
Salaries and Wages	\$ 19,646,960	\$ 19,804,011
Other Personnel Costs	862,747	862,747
Operating Costs	16,072,485	4,038,372
Professional Fees and Services	9,899	9,899
Fuels and Lubricants	15,000	15,000
Consumable Supplies	3,431	3,431
Travel	38,064	38,064
Other Operating Expense	395,441	395,441
Grants	23,248,500	18,898,500
Capital Expenditures	1,237,956	1,027,226
Total, Object-of-Expense Informational Listing	\$ 61,530,483	\$ 45,092,691

1. **Capital Budget.** Funds appropriated above may be expended for capital budget items as listed below. The amounts identified for each item may be adjusted or expended on other capital expenditures, subject to the aggregate dollar restrictions on capital budget expenditures provided in the General Provisions of this Act.

	<u>2004</u>	<u>2005</u>
a. Acquisition of Information Resource Technologies		
(1) Computer equipment and software	\$ 165,000	\$ 165,000
b. Transportation Items		
(1) Replacement Fleet Vehicles	\$ 337,500	\$ 337,500
c. Acquisition of Capital Equipment and Items		
(1) Octane Analyzers	\$ 40,000	\$ 40,000
d. Other Lease Payments to the Master Lease Purchase Program (MLPP)		
(1) Lease Payments 2004-05	\$ 155,775	\$ 155,500
Total, Capital Budget	\$ 698,275	\$ 698,000

Method of Financing (Capital Budget):

General Revenue Fund	\$ 542,500	\$ 542,500
Appropriated Receipts	155,775	155,500
Total, Method of Financing	\$ 698,275	\$ 698,000

DEPARTMENT OF AGRICULTURE
(Continued)

2. **Appropriation: Land Donations.** The Department of Agriculture is hereby authorized to lease and/or accept the donation of land or the use of land from either governmental agencies, private firms, corporations, or individuals to be used in connection with the performance of its various responsibilities and programs.
3. **Appropriation: Publication Fees.** The department is hereby appropriated any subscription fees, royalties, advertising revenues, or charges collected for publications, services or products produced by the department, subject to any restrictions on publications fee appropriations contained elsewhere in this Act.
4. **Fee Increase Authority and Limitation.** For the purpose of implementing the intent of the Legislature, that the department collect fee amounts which offset, when feasible, the direct and indirect costs of administering its regulatory activities, the department is hereby authorized to and shall increase the fees by a percentage sufficient to offset costs associated with its regulatory activities. It is the intent of the Legislature that the cost offset percentage shall be 100 percent. The following activities are exempt from this requirement: Seed Testing, Quarantine Enforcement/Education; Piece Rate Crop Survey; Pest Management Program; Agriculture Hazard Communication Act; Boll Weevil Control Act; Predatory Management Program.
5. **Pay for Regular Compensatory Time: Livestock Export Pen Operations.** It is expressly provided that the Department of Agriculture, to the extent permitted by law, may pay FLSA nonexempt employees in classified positions who are stationed at Department of Agriculture livestock export pens for compensatory time hours on a straight-time basis when the taking of compensatory time off would be disruptive to normal working activities and other critical functions relating to livestock export pen operations.
6. **Transfer Authority.** Notwithstanding limitations on appropriation transfers contained in the General Provisions of this Act, the Department of Agriculture is hereby authorized to direct agency resources, and transfer such amounts appropriated above between strategy line items.
7. **Appropriation: Young Farmer Loan Guarantee Program.** Out of the Young Farmer Loan Guarantee Account No. 5002, the Texas Agricultural Finance Authority is hereby appropriated for fiscal years 2004 and 2005, all necessary amounts required to cover any defaults on loans referenced under § 58.055, Texas Agriculture Code, or for payments for the purpose of providing reduced interest rates on loans guaranteed to borrowers as authorized by § 58.052(e), Texas Agriculture Code.
8. **Appropriation: Earned Federal Funds.** The Department of Agriculture is hereby appropriated all earned federal funds received during the biennium beginning with the effective date of this Act that are in addition to those earned federal funds specified in the method of financing above.
9. **Unexpended Balances Between Fiscal Years.** Any unexpended balances as of August 31, 2004, in the appropriations made herein to the Department of Agriculture are hereby appropriated for the same purpose for the fiscal year beginning September 1, 2004.
10. **Appropriations Limited to Revenue Collections: Octane Testing.** Included in amounts appropriated above to the Texas Department of Agriculture in Strategy C.1.1, Inspect Measuring Devices, the amount of \$355,137 from the General Revenue Fund (Revenue Object Code 3015) in each fiscal year of the biennium is contingent on the collection of fees, in accordance with Article 8614, § 9, Vernon's Texas Civil Statutes, to be used solely for the purpose of administering an octane testing program.

DEPARTMENT OF AGRICULTURE
(Continued)

11. **Appropriations: License Plate Receipts.** Included in the amounts appropriated above in Strategy A.1.1, Generate Markets, are estimated balances collected prior to the effective date of this Act and revenue collected on or after September 1, 2003, from the sale of license plates as provided by Transportation Code § 502.2761 (not to exceed \$60,000 each fiscal year of the biennium). All additional balances and receipts in the GO TEXAN Partner Program Account No. 5051 from the license plates revenue are hereby appropriated to the Department of Agriculture for the 2004-05 biennium.

Any unexpended balances as of August 31, 2004, out of the appropriations made herein are appropriated to the Department of Agriculture for the fiscal year beginning September 1, 2004.

12. **Interagency Contract: Oyster Promotions and Education.** Contingent upon sufficient funds in the Oyster Sales Account No. 5022, the Texas Department of Agriculture shall enter into an interagency contract with the Texas Department of Health for oyster industry advertising and promotion efforts and to provide information, education and/or training to wholesalers, retailers, and consumers on the safe and proper handling of oysters, in accordance with Texas Agriculture Code, § 47.
13. **Capital Construction of Metrology Laboratory.** Included in the amounts appropriated above to the Texas Department of Agriculture in Strategy C.1.1, Inspect Measuring Devices, are amounts required in each of fiscal year 2004 and 2005 to pay lease payments to the Texas Public Finance Authority sufficient for the Authority to make debt service payments of the revenue bonds or other revenue obligations for construction of a metrology lab. The amount of the required lease payments are estimated to be \$155,775 in fiscal year 2004 and \$155,500 in fiscal year 2005.

It is the intent of the Legislature that the Texas Department of Agriculture set fees for the metrology program to recover an amount equal to the amount of the appropriations made herein for lease payments, and that the fee rate be maintained in such an amount during the term of any revenue obligations authorized herein.

14. **Appropriation: GO TEXAN Partner Program.** Included in amounts appropriated above to the Texas Department of Agriculture in Strategy A.1.1, Generate Markets, is \$1,000,000 out of the GO TEXAN Partner Program Account No. 5051 in fiscal year 2004, for the purpose of promoting Texas agricultural products. This amount consists of \$1,000,000 in General Revenue Funds to be transferred to the GO TEXAN Partner Program Account No. 5051.

Also included in amounts appropriated above, the Texas Department of Agriculture is appropriated \$1,000,000 in Appropriated Receipts received as matching funds from program participants including gifts. All appropriations shall be transferred to the GO TEXAN Partner Program Account No. 5051 and are appropriated for the purpose of administering the program.

15. **Contingency to increase the Full-time Equivalent (FTE) Cap for New Initiatives.** Contingent upon the receipt of federal funds above those appropriated herein for programs related to surveying, controlling or eradicating invasive pests or disease, the Department of Agriculture is hereby authorized to increase its number of FTEs to the extent that federal funds are allocated for salary costs. These FTEs shall not be counted in the agency's "Number of Full-time Equivalent Positions (FTE)" cap.

The Department of Agriculture shall report all additional FTEs authorized by this provision to the Comptroller of Public Accounts, Legislative Budget Board and the Governor prior to filling such positions.

16. **Appropriations Limited to Revenue Collections: Prescribed Burn Manager Certification Program.** In addition to amounts appropriated above, the Texas Department of Agriculture is

DEPARTMENT OF AGRICULTURE
(Continued)

hereby appropriated fees collected in accordance with § 153.048, Natural Resources Code, to be used solely for the purpose of administering a prescribed burn manager certification program.

17. **Agricultural Sustainability Programs.** Out of funds appropriated above, the Texas Department of Agriculture may study, develop, and implement, creative technology and innovative solutions to mitigate agricultural non-point source pollution in the state from confined animal feeding operations and improve total resource management of agricultural and wildlife resources in the state.
18. **Texas Capital Fund.** All grants awarded by the Texas Department of Agriculture for infrastructure development and real estate development under the federal Community Development Block Grant Program shall be distributed with a priority on assisting manufacturers and value-added processors. To the greatest extent practicable, these funds are to be distributed equitably to all regions of this state.
19. **Appropriation of Receipts: Yardage Fees.** Fifty percent of the total amount of yardage fee revenue collected by the Texas Department of Agriculture in each fiscal year, pursuant to the Agriculture Code, Sec. 146.021, is hereby appropriated to the department for fiscal years 2004 and 2005, for the purpose of paying livestock export facility lease and maintenance expenses. The remaining fifty percent of the total yardage fee revenue collected in each fiscal year shall be transferred to the unobligated portion of the General Revenue Fund and is not subject to appropriation by this provision or by Article IX of this Act. Amounts appropriated pursuant to this provision are included above in Strategy A.1.1, Generate Markets, and are identified above in the method of finance as General Revenue in an amount not to exceed \$200,000 for each fiscal year.

Included in the amounts appropriated above, any unexpended and unobligated balances remaining as of August 31, 2003 are hereby appropriated for the same purposes for the biennium to Strategy A.1.1, Generate Markets, beginning September 1, 2003, estimated to be \$42,950 in General Revenue.

Contingent upon the Comptroller's certification of available General Revenue of \$400,000 over the biennium above the Biennial Revenue Estimate (BRE) amounts and in addition to amounts appropriated above, 50 percent of receipts received on or after September 1, 2003 above amounts estimated in the BRE are hereby appropriated to the Department of Agriculture for the maintenance and repairs of livestock export pens.

Also contingent upon the Department of Agriculture assessing fees to cover the costs of livestock export pen repairs, the Department of Agriculture's Capital Budget authority is increased for the following item and in the following amounts.

	2004	2005
(1) Export Pen Maintenance/Repairs	\$200,000	0

20. **Limitation on Scanner Inspections.** Funds appropriated to the Texas Department of Agriculture in Strategy C.1.1, Inspect Measuring Devices for the inspection of scanners may only be used for scanner inspections in response to consumer complaints.
21. **Appropriation: Texas Agricultural Fund.** Out of appropriations made herein to the Department of Agriculture, \$10 million out of GR-Dedicated Young Farmer Loan Guarantee Account No. 5002, in fiscal year 2004 is appropriated to the Department of Agriculture to be deposited into the Texas Agricultural Fund No. 683. Of this amount, \$2,325,000 in fiscal year 2004 and \$2,325,000 in fiscal year 2005 is contingent upon the Department of Agriculture assessing fees sufficient to generate revenue in excess of the amounts contained in the Comptroller of Public Accounts' Biennial Revenue Estimate for fiscal year 2004 and fiscal year 2005. The

DEPARTMENT OF AGRICULTURE
(Continued)

Department of Agriculture, upon completion of necessary actions to assess or increase such additional fees, shall furnish copies of the agency's information supporting the estimated revenues to be generated for the 2004-05 biennium under the revised fee structure to the Comptroller of Public Accounts. If the Comptroller finds the information sufficient to support the projection of increased revenues, a finding of fact to that effect shall be issued and the contingent appropriation shall be made available for the intended purposes.

ANIMAL HEALTH COMMISSION

	For the Years Ending	
	August 31, 2004	August 31, 2005
	<u>2004</u>	<u>2005</u>
A. Goal: PROTECT/ENHANCE TEXAS ANIMAL HEALTH		
To protect and enhance the health of Texas animal populations, facilitating productivity and marketability while sustaining reduced human health risks.		
Outcome (Results/Impact):		
Percent Change in Known Prevalence of Bovine Brucellosis from the 1994 Level		
	(99.57)%	(100)%
A.1.1. Strategy: FIELD OPERATIONS	\$ 8,000,732	\$ 7,978,112
To monitor, control and/or eradicate diseases and infestations through statewide field based animal health management and assurance programs.		
Output (Volume):		
Number of Livestock Shipments Inspected	7,700	8,250
A.1.2. Strategy: DIAGNOSTIC/EPIDEMIOLOGICAL SUPPORT	\$ 1,574,018	\$ 1,574,018
To provide epidemiological expertise, serological testing, microbiological confirmation and parasite identification services for diseases and parasitisms of regulatory importance to the animal agriculture industries in Texas.		
Output (Volume):		
Number of Specimens Processed through the State/Federal Cooperative Laboratory System	2,500,000	2,500,000
A.1.3. Strategy: PROMOTE COMPLIANCE	\$ 302,342	\$ 323,342
To promote voluntary compliance with legal requirements through providing education/information, and to resolve violations through effective use of legal enforcement and compliance activities.		
Output (Volume):		
Number of Compliance Actions Completed	274	274
Total, Goal A: PROTECT/ENHANCE TEXAS ANIMAL HEALTH	\$ 9,877,092	\$ 9,854,472
B. Goal: INDIRECT ADMINISTRATION		
B.1.1. Strategy: CENTRAL ADMINISTRATION	\$ 1,079,496	\$ 1,075,696
B.1.2. Strategy: INFORMATION RESOURCES	\$ 286,969	\$ 286,969
B.1.3. Strategy: OTHER SUPPORT SERVICES	\$ 306,241	\$ 306,241
Total, Goal B: INDIRECT ADMINISTRATION	\$ 1,672,706	\$ 1,668,906
Grand Total, ANIMAL HEALTH COMMISSION	\$ 11,549,798	\$ 11,523,378

ANIMAL HEALTH COMMISSION
(Continued)

Method of Financing:		
<u>General Revenue Fund</u>		
General Revenue Fund	\$ 8,378,391	\$ 8,378,391
Earned Federal Funds	106,313	106,313
Subtotal, General Revenue Fund	<u>\$ 8,484,704</u>	<u>\$ 8,484,704</u>
Federal Funds	3,065,094	3,038,674
Total, Method of Financing	<u>\$ 11,549,798</u>	<u>\$ 11,523,378</u>
Number of Full-Time-Equivalent Positions (FTE):	188.0	188.0
Number of FTEs in Riders:	11.0	11.0
Schedule of Exempt Positions:		
Executive Director, Group 3	\$87,500	\$87,500
Per Diem of Board Members	2,500	2,500
Object-of-Expense Informational Listing:		
Salaries and Wages	\$ 6,796,705	\$ 6,796,705
Other Personnel Costs	282,569	282,569
Professional Fees and Services	38,768	34,968
Fuels and Lubricants	10,789	10,789
Consumable Supplies	507,982	507,982
Utilities	204,216	204,216
Travel	725,602	725,602
Rent - Building	353,305	353,305
Rent - Machine and Other	45,047	45,047
Other Operating Expense	<u>2,584,815</u>	<u>2,562,195</u>
Total, Object-of-Expense Informational Listing	<u>\$ 11,549,798</u>	<u>\$ 11,523,378</u>

1. **Unexpended Balance Authority: Between Fiscal Years.** The Texas Animal Health Commission is hereby authorized to carry forward and is hereby appropriated any unexpended balances from fiscal year 2004 to fiscal year 2005.
2. **Laboratory Testing.** It is the intent of the Legislature that laboratory testing for animal diseases be performed at the Texas Veterinary Medical Diagnostic Lab (TVMDL) to the extent of its capabilities, unless the Texas Animal Health Commission (TAHC) State-Federal Laboratory can perform the testing for TAHC programs more cost effectively. Furthermore, the Texas Animal Health Commission will work with TVMDL to reduce duplication and ensure that all testing is performed in Texas to the extent possible.
3. **Contingency to Increase the Full-time Equivalent (FTE) Cap for the Tuberculosis Eradication Program.** Contingent upon the receipt of Federal Funds for the tuberculosis eradication program, the Animal Health Commission is hereby authorized to increase its number of FTEs to the extent that federal funds for the tuberculosis eradication program are allocated for salary costs. The "Number of Full-Time Equivalent Positions (FTE)" cap is hereby increased by five FTEs each fiscal year.

The Animal Health Commission shall report all additional FTEs authorized by this provision to the Comptroller of Public Accounts, the Legislative Budget Board, and the Governor prior to filling such positions.

ANIMAL HEALTH COMMISSION
(Continued)

4. **Contingency to Increase the Full-time Equivalent (FTE) Cap for the Exotic Newcastle Disease Program.** Contingent upon the receipt of Federal Funds for the Exotic Newcastle Disease program, the Animal Health Commission is hereby authorized to increase its number of FTEs to the extent that federal funds for the Exotic Newcastle Disease program are allocated for salary costs. The "Number of Full-Time Equivalent Positions (FTE)" cap is hereby increased by six FTEs each fiscal year.

The Animal Health Commission shall report all additional FTEs authorized by this provision to the Comptroller of Public Accounts, the Legislative Budget Board, and the Governor prior to filling such positions.

COMMISSION ON ENVIRONMENTAL QUALITY

	For the Years Ending	
	August 31, <u>2004</u>	August 31, <u>2005</u>
A. Goal: ASSESSMENT, PERMITTING, PREVENTION		
To protect public health and the environment by accurately assessing environmental conditions; by preventing or minimizing the level of contaminants released to the environment through regulation and permitting of facilities or activities with potential to contribute to pollution levels; by promoting voluntary efforts to prevent pollution; and by assuring the delivery of safe drinking water to Texas citizens at affordable rates.		
Outcome (Results/Impact):		
Annual Percent of Stationary and Mobile Source Pollution Reductions in Nonattainment Areas	6%	6%
Nitrogen Oxides (NOx) Emissions Reduced through the Texas Emissions Reduction Plan (TERP)	4.4%	6.6%
Annual Percent Reduction in Pollution from Permitted Wastewater Facilities Discharging to the Waters of the State	.8%	.8%
Percent of Texas Surface Water Meeting or Exceeding Water Quality Standards	84%	84%
Annual Percent Reduction in Disposal of Municipal Solid Waste Per Capita	1.5%	1.5%
Annual Percent Decrease in the Toxic Releases in Texas	2%	2%
Percent of Texas Population Served by Public Water Systems Which Meet Drinking Water Standards	95%	95%
A.1.1. Strategy: AIR QUALITY PERMITTING	\$ 12,382,668	\$ 12,410,636
Perform complete and timely reviews of applications to release pollutants into the air.		
Output (Volume):		
Number of State and Federal New Source Review Air Quality Permit Applications Reviewed	5,600	5,600
Number of Federal Air Quality Operating Permits Reviewed	350	350
A.1.2. Strategy: WATER RESOURCE PERMITTING	\$ 10,272,954	\$ 10,499,246
Perform complete and timely reviews of applications to utilize the state's water resources or to discharge to the state's waterways.		
Output (Volume):		
Number of Applications to Address Water Quality Impacts Reviewed	16,646	17,080
Number of Concentrated Animal Feeding Operation (CAFO) Permits Reviewed	85	85

COMMISSION ON ENVIRONMENTAL QUALITY
(Continued)

A.1.3. Strategy: WASTE MGT AND PERMITTING	\$	7,842,000	\$	7,565,478
Perform complete and timely reviews of applications relating to management and disposal of municipal and industrial solid and hazardous waste.				
Output (Volume):				
Number of Nonhazardous Waste Permit Applications Reviewed		13		13
Number of Hazardous Waste Permit Applications Reviewed		135		135
A.1.4. Strategy: AIR QUALITY ASSESSMENT AND PLANNING	\$	58,504,942	\$	58,608,807
Reduce and prevent air pollution by monitoring and assessing air quality, developing and revising plans to address identified air quality problems, and assisting in the implementation of approaches to reduce motor vehicle emissions.				
Output (Volume):				
Number of Point Source Air Quality Assessments		2,000		2,000
Number of Area Source Air Quality Assessments		2,500		2,500
Number of Mobile Source Air Quality Assessments		1,250		1,250
Number of Tons of Nitrous Oxides Reduced Per Year through Texas Emissions Reduction Plan Expenditures		2,800		2,800
Efficiencies:				
Average Cost of Low Income Repair Assistance Program (LIRAP) Vehicle Emissions Repairs/Retrofits		380		380
Average Cost Per Ton of Nitrous Oxides Reduced through Texas Emissions Reduction Plan Expenditures		5,000		5,000
A.1.5. Strategy: WATER ASSESSMENT AND PLANNING	\$	25,776,505	\$	24,000,024
Develop plans to ensure an adequate, affordable supply of clean water by monitoring and assessing water quality and availability.				
Output (Volume):				
Number of Surface Water Assessments		51		51
Number of Groundwater Assessments		50		50
A.1.6. Strategy: WASTE ASSESSMENT AND PLANNING	\$	13,677,352	\$	13,749,315
Ensure the proper and safe disposal of pollutants by monitoring the generation, treatment and storage of waste and assessing the capacity of waste disposal facilities; and by providing financial and technical assistance to municipal solid waste planning regions for the development and implementation of solid waste reduction plans.				
Output (Volume):				
Number of Municipal Solid Waste Facility Capacity Assessments		241		246
Efficiencies:				
Average Cost per Municipal Solid Waste Facility Capacity Assessment		35		35
A.1.7. Strategy: POLLUTION PREVENTION RECYCLING	\$	4,109,586	\$	4,165,735
Promote voluntary pollution prevention, recycling and innovative programs through a combination of technical assistance, public education, and by organizing and promoting voluntary prevention initiatives.				
A.1.8. Strategy: LOW-LEVEL RADIOACTIVE WASTE ASSESS	\$	123,018	\$	123,018
Ensure the proper and safe disposal of low-level radioactive waste.				
A.2.1. Strategy: SAFE DRINKING WATER	\$	8,914,959	\$	8,322,809
Ensure the delivery of safe drinking water to all citizens through monitoring and oversight of drinking water sources consistent with the requirements of the Safe Drinking Water Act.				

COMMISSION ON ENVIRONMENTAL QUALITY
(Continued)

Output (Volume):

Number of Public Drinking Water Systems Which Meet Primary Drinking Water Standards	6,400	5,900
Number of Drinking Water Samples Collected	44,200	42,700
A.2.2. Strategy: WATER UTILITIES OVERSIGHT	\$ 2,441,873	\$ 2,517,360

Provide regulatory oversight of water and sewer utilities to ensure that charges to customers are necessary and cost-based and to promote and ensure adequate customer services.

Output (Volume):

Number of Utility Rate Reviews Performed	100	100
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Total, Goal A: ASSESSMENT, PERMITTING, PREVENTION	\$ 144,045,857	\$ 141,962,428
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B. Goal: ENFORCEMENT AND COMPLIANCE

To protect public health and the environment by administering enforcement programs that promote voluntary compliance with environmental laws and regulations while providing strict, sure and just enforcement when environmental laws are violated.

Outcome (Results/Impact):

Percent of Inspected or Investigated Air Sites in Compliance	98%	98%
Percent of Inspected or Investigated Water Sites and Facilities in Compliance	98%	97%
Percent of Inspected or Investigated Waste Sites in Compliance	98%	97%
Percent of Identified Noncompliant Sites and Facilities for Which Appropriate Action is Taken	85%	85%

B.1.1. Strategy: FIELD INSPECTIONS & COMPLAINTS

Promote compliance with environmental laws and regulations by conducting field inspections and responding to citizen complaints.	\$ 39,113,914	\$ 37,803,361
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Output (Volume):

Number of Inspections and Investigations of Air Sites	19,000	19,000
Number of Inspections and Investigations of Water Rights Sites	34,000	34,000
Number of Inspections and Investigations of Water Sites and Facilities	8,500	8,500
Number of Inspections and Investigations of Livestock and Poultry Operation Sites	700	700
Number of Inspections and Investigations of Waste Sites	7,358	7,358

B.1.2. Strategy: ENFORCEMENT & COMPLIANCE SUPPORT

Maximize voluntary compliance with environmental laws and regulations by providing educational outreach and assistance to businesses and units of local government; and assure compliance with environmental laws and regulations by taking swift, sure and just enforcement actions to address violation situations.	\$ 11,398,950	\$ 10,506,271
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Output (Volume):

Number of Small Businesses and Local Governments Assisted	48,000	48,000
Number of Drinking Water Labs Certified	115	115

B.1.3. Strategy: OCCUPATIONAL LICENSING

Establish and maintain occupational professional certification programs to ensure compliance with statutes and regulations that protect public health and the environment.	\$ 5,430,368	\$ 3,731,473
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Output (Volume):

Number of Examinations Administered	10,900	11,000
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Total, Goal B: ENFORCEMENT AND COMPLIANCE	\$ 55,943,232	\$ 52,041,105
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COMMISSION ON ENVIRONMENTAL QUALITY
(Continued)

C. Goal: POLLUTION CLEANUP

To protect public health and the environment by identifying, assessing, and prioritizing contaminated sites, and by assuring timely and cost-effective cleanup based on good science and current risk factors.

Outcome (Results/Impact):

Percent of Leaking Petroleum Storage Tank Sites Cleaned up	80%	82%
Percent of Superfund Sites Cleaned up	56.3%	58.6%
Percent of Voluntary and Brownfield Cleanup Properties Made Available for Commercial, Industrial and Community Redevelopment, or Other Economic Reuse	54%	55%

C.1.1. Strategy: STORAGE TANK ADMIN & CLEANUP

Regulate the installation and operation of underground storage tanks and administer a program to identify and remediate sites contaminated by leaking storage tanks and provide prompt and appropriate reimbursement to contractors and owners for the cost of remediating contaminated sites.

\$ 64,022,634	\$ 58,709,378
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Output (Volume):

Number of Petroleum Storage Tank Self-certifications Processed

11,963	11,963
\$ 27,448,128	\$ 34,394,672

C.1.2. Strategy: HAZARDOUS MATERIALS CLEANUP

Aggressively pursue the investigation, design and cleanup of federal and state Superfund sites; and facilitate voluntary cleanup activities at other sites and respond immediately to spills which threaten human health and the environment.

Output (Volume):

Number of Voluntary and Brownfield Cleanups Completed	75	75
Number of Superfund Evaluations under Way	25	27
Number of Superfund Cleanups under Way	29	26
Number of Superfund Cleanups Completed	5	6

Total, Goal C: POLLUTION CLEANUP	\$ 91,470,762	\$ 93,104,050
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D. Goal: INDIRECT ADMINISTRATION

D.1.1. Strategy: CENTRAL ADMINISTRATION

D.1.2. Strategy: INFORMATION RESOURCES

D.1.3. Strategy: OTHER SUPPORT SERVICES

\$ 18,746,351	\$ 18,676,126
\$ 14,230,261	\$ 13,476,354
\$ 14,287,698	\$ 14,382,425

Total, Goal D: INDIRECT ADMINISTRATION	\$ 47,264,310	\$ 46,534,905
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Grand Total, COMMISSION ON ENVIRONMENTAL QUALITY

\$ 338,724,161	\$ 333,642,488
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Method of Financing:

General Revenue Fund

General Revenue Fund

Earned Federal Funds

\$ 24,519,331	\$ 23,334,011
3,381,115	3,285,153

Subtotal, General Revenue Fund

\$ 27,900,446	\$ 26,619,164
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General Revenue Fund - Dedicated

Low Level Waste Account No. 088

Used Oil Recycling Account No. 146

Clean Air Account No. 151

Water Resource Management Account No. 153

Watermaster Administration No. 158

Occupational Licensing Account No. 468

123,018	123,018
904,104	919,888
88,537,617	87,712,508
25,143,234	25,155,562
884,504	854,031
1,471,879	1,474,613

COMMISSION ON ENVIRONMENTAL QUALITY
(Continued)

Waste Management Account No. 549	45,420,654	43,517,188
Hazardous and Solid Waste Remediation Fee Account No. 550	23,862,631	28,788,700
Petroleum Storage Tank Remediation Account No. 655	50,761,188	46,987,546
Solid Waste Disposal Account No. 5000	10,986,324	10,986,324
Environmental Testing Laboratory Accreditation Account No. 5065	50,000	88,000
Texas Emissions Reduction Plan Account No. 5071	15,569,955	15,879,870
Subtotal, General Revenue Fund - Dedicated	<u>\$ 263,715,108</u>	<u>\$ 262,487,248</u>
Federal Funds		
Federal Funds	37,990,068	35,849,067
Federal Air Control Board Fund No. 102	4,591,700	4,591,700
Subtotal, Federal Funds	<u>\$ 42,581,768</u>	<u>\$ 40,440,767</u>
Other Funds		
Appropriated Receipts	221,856	221,857
Interagency Contracts	4,304,983	3,873,452
Subtotal, Other Funds	<u>\$ 4,526,839</u>	<u>\$ 4,095,309</u>
Total, Method of Financing	<u>\$ 338,724,161</u>	<u>\$ 333,642,488</u>
Other Direct and Indirect Costs Appropriated Elsewhere in this Act	\$ 612,910	\$ 615,020
Number of Full-Time-Equivalent Positions (FTE):	3,037.0	3,037.0
Number of FTEs in Riders:	6.0	7.5
Schedule of Exempt Positions:		
Commissioner, Group 5	\$111,792	\$111,792
Commissioner, Group 5	(2) 109,200	(2) 109,200
Executive Director, Group 5	132,000	132,000
Supplemental Appropriations Made in Riders:	\$ 1,056,000	\$ 1,151,000
Object-of-Expense Informational Listing:		
Salaries and Wages	\$ 133,568,560	\$ 133,359,304
Other Personnel Costs	2,141,692	2,869,323
Operating Costs	834,382	854,259
Professional Fees and Services	66,226,037	66,272,275
Fuels and Lubricants	347,676	346,181
Consumable Supplies	1,104,618	1,098,866
Utilities	2,901,436	2,882,118
Travel	3,297,037	3,378,963
Rent - Building	6,818,246	6,782,451
Rent - Machine and Other	1,030,411	1,053,585
Other Operating Expense	55,804,954	52,615,266
Grants	55,131,200	55,437,165
Capital Expenditures	<u>10,573,912</u>	<u>7,843,732</u>
Total, Object-of-Expense Informational Listing	<u>\$ 339,780,161</u>	<u>\$ 334,793,488</u>

1. **Capital Budget.** None of the funds appropriated above may be expended for capital budget items except as listed below. The amounts shown below shall be expended only for the purposes shown and are not available for expenditure for other purposes. Amounts appropriated above and identified in this provision as appropriations either for "Lease Payments to the

COMMISSION ON ENVIRONMENTAL QUALITY
(Continued)

Master Lease Purchase Program" or for items with an "(MLPP)" notation shall be expended only for the purpose of making lease-purchase payments to the Texas Public Finance Authority pursuant to the provisions of Government Code, § 1232.103.

	<u>2004</u>	<u>2005</u>
a. Acquisition of Information Resource Technologies		
(1) Life Cycle Replacement	\$ 1,781,548	\$ 1,218,452
(2) New Capacity	1,060,000	910,000
(3) Software	500,000	200,000
(4) Small System Development	625,000	625,000
(5) Personal Computer and Printer Replacement	904,143	1,345,467
(6) Fiscal Services Systems	715,000	207,000
(7) State Implementation Plan Emissions Data Management System	600,000	600,000
(8) Investigation Information Collection System	1,300,000	700,000
Total, Acquisition of Information Resource Technologies	\$ 7,485,691	\$ 5,805,919
b. Transportation Items		
(1) Replacement Vehicles for Agency Fleet	165,181	162,181
(2) Replacement Boats	154,000	0
Total, Transportation Items	\$ 319,181	\$ 162,181
c. Acquisition of Capital Equipment and Items		
(1) Air Monitoring Equipment	1,404,266	1,404,864
(2) Maintenance of Water Monitoring Equipment	1,281,000	328,170
Total, Acquisition of Capital Equipment and Items	\$ 2,685,266	\$ 1,733,034
Total, Capital Budget	\$ 10,490,138	\$ 7,701,134
Method of Financing (Capital Budget):		
<u>General Revenue Fund</u>		
General Revenue Fund	\$ 2,792,026	\$ 627,483
Earned Federal Funds	186,350	28,853
Subtotal, General Revenue Fund	\$ 2,978,376	\$ 656,336
<u>General Revenue Fund - Dedicated</u>		
Used Oil Recycling Account No. 146	26,569	26,569
Clean Air Account No. 151	4,459,445	3,977,034
Water Resource Management Account No. 153	308,823	206,846
Watermaster Administration No. 158	45,000	37,500
Occupational Licensing Account No. 468	46,160	46,160
Waste Management Account No. 549	2,528,469	2,604,057
Hazardous and Solid Waste Remediation Fee Account No. 550	97,296	146,629
Subtotal, General Revenue Fund - Dedicated	\$ 7,511,762	\$ 7,044,795
Total, Method of Financing	\$ 10,490,138	\$ 7,701,134

COMMISSION ON ENVIRONMENTAL QUALITY
(Continued)

2. **Contingency Cash Flow.** If the Legislative Budget Board and Governor determine after review of relevant information that cash flow difficulties will occur as a result of the appropriations made above, the board and Governor may authorize the Texas Commission on Environmental Quality (TCEQ) to temporarily expend general revenue funds for the purpose of meeting the temporary cash flow needs of the TCEQ, limited to the amounts appropriated above. The transfer of funds shall be repaid to the General Revenue Fund by the end of the fiscal year in which the funds were transferred under procedures and standards established by the Comptroller of Public Accounts.
3. **Authorization: Aircraft Chartering.** Notwithstanding any other provision of this Act, the Texas Commission on Environmental Quality is authorized to spend appropriated funds for the chartering of aircraft for the purposes of monitoring environmental quality, and the enforcement of environmental and water rights laws of the State.
4. **Waste Facility Application Fees.** Amounts appropriated above, out of the Waste Management Account No. 549, include and shall not exceed \$75,000 in each fiscal year of the biennium from permit application fees assessed by the agency for industrial solid waste and hazardous waste facilities as authorized by Health and Safety Code, § 361.137.
5. **Local Air Pollution Grants Allocation.** Out of the amounts appropriated above out of the Clean Air Account No. 151 in Strategy A.1.4, Air Quality Assessment and Planning, an amount not less than \$2,800,000 in each year of the biennium shall be utilized to fund grants or cooperative agreements with eligible local air pollution programs under Health and Safety Code, § 382.0622. It is provided, however, that the combined federal and state share of the funding for any such local air pollution programs shall not exceed 67 percent of the total allocation to the programs, with the local share being based on the local dollars allocated pursuant to maintenance-of-effort requirements for federal air pollution grants.
6. **Fee Revenue: Pollution Control Equipment Exemptions.** Pursuant to Tax Code, § 11.31, included in amounts appropriated above out of the General Revenue Fund in Strategy A.1.7, Pollution Prevention and Recycling, is \$133,600 each fiscal year from fee revenue collected beginning with the effective date of this Act for the purpose of determining whether pollution control equipment is exempt from taxation.

In addition to amounts appropriated above, any amounts collected by the Texas Commission on Environmental Quality pursuant to Tax Code, § 11.31 on or after September 1, 2003, in excess of \$133,600 in each fiscal year of the biennium are hereby appropriated to the agency.
7. **Authorization: Operating Fund.** The Texas Commission on Environmental Quality (TCEQ) is hereby authorized to make transfers from any appropriation made to TCEQ into a single account in the General Revenue Fund known as the "Texas Commission on Environmental Quality Operating Fund" for the purpose of making expenditures for which appropriations were made in this Act. After the expenditures have been made from the fund and as soon as the proper strategies have been identified, TCEQ shall process adjustments to the Comptroller in summary accounts to facilitate accurate cost allocations; provided, however, that each special account and fund shall be used for the purposes as now described by law and nothing shall be done to jeopardize or divert the special accounts and funds or any portion thereof including federal aid.
8. **Appropriation: Near Non-Attainment Area Air Quality Planning.** Included in amounts appropriated above out of the Clean Air Account No. 151 in Strategy A.1.4, Air Quality Assessment and Planning, is \$5,075,000 for the biennium for air quality planning activities in areas considered to be near non-attainment for the ozone standard under the Federal Clean Air Act Amendments of 1990, which include Austin, Corpus Christi, Longview-Tyler-Marshall, San Antonio, and Victoria, and may include additional areas as designated by the US

COMMISSION ON ENVIRONMENTAL QUALITY
(Continued)

Environmental Protection Agency. These activities may include identifying, inventorying, and monitoring of current pollution levels; modeling future pollution levels; and the identification and quantification of potential pollution reduction through voluntary controls. The areas receiving funds shall coordinate with the Texas Commission on Environmental Quality (TCEQ) to ensure that these activities are consistent with agency monitoring, inventory and modeling approaches and infrastructure.

Any unexpended balances from this appropriation as of August 31, 2004, are hereby appropriated for the same purpose for the fiscal year beginning September 1, 2004.

For cash flow purposes, the TCEQ may utilize General Revenue Funds in an amount not to exceed \$2 million for the 2004-05 biennium, pending repayment through receipts and balances to the Clean Air Account No. 151. The General Revenue amounts shall be utilized to conduct air quality planning activities in areas considered to be near non-attainment for the ozone standard. Any unencumbered balances remaining in the Clean air Account No. 151 on August 31, 2005, shall be used to repay amounts transferred from the General Revenue Fund. Any transfers or repayments shall be made in accordance with procedures established by the Comptroller.

9. **Appropriations Limited to Revenue Collections: Occupational Licensing.** It is the intent of the Legislature that fees, fines and other miscellaneous revenues deposited to the Occupational Licensing Account No. 468 as authorized and generated by the agency cover, at a minimum, the cost of the appropriations made above for strategy item B.1.3, Occupational Licensing, as well as the "Other direct and indirect costs" associated with this strategy, appropriated elsewhere in this Act. "Other direct and indirect costs" for strategy item B.1.3, Occupational Licensing, are estimated to be \$449,985 for fiscal year 2004 and \$449,568 for fiscal year 2005. In the event that actual and/or projected revenue collections are insufficient to offset the costs identified by this provision, the Legislative Budget Board may direct that the Comptroller of Public Accounts reduce the appropriation authority provided above to be within the amount of revenue expected to be available.
10. **Contract with the State Office of Administrative Hearings.** Included in the amounts appropriated above is \$938,860 in fiscal year 2004 and \$938,860 in fiscal year 2005 to cover the cost of contracting with the State Office of Administrative Hearings for funding the Natural Resources Division for the purpose of conducting administrative hearings and for related expenses. The Texas Commission on Environmental Quality (TCEQ) and the State Office of Administrative Hearings may not enter into a contract for an amount less than the amounts specified herein. If the State Office of Administrative Hearings determines, at the end of each fiscal year, that the amount paid under the contract exceeds the necessary funding, it shall refund the difference to TCEQ. If the State Office of Administrative Hearings determines that the amounts are insufficient to fund the Natural Resources Division, the State Office of Administrative Hearings may enter into negotiations with TCEQ in order to renegotiate the interagency contract to provide additional funds for administrative hearings. The State Office of Administrative Hearings is not appropriated any state funds from such renegotiated contracts until it gives written notice to the Legislative Budget Board and the Governor, together with written permission of the agency.
11. **Agency Coordination.** The Texas Department of Transportation and the Texas Commission on Environmental Quality shall coordinate their efforts on the acquisition and potential uses of crumb rubber and shredded tire pieces in the various phases of highway construction. The Texas Department of Transportation and the TCEQ shall provide to the appropriate Legislative Committees a report on their progress by January 1 of each fiscal year.
12. **Petroleum Storage Tank Administration.** Out of funds appropriated above in Strategy C.1.1, Storage Tank Administration and Cleanup, not more than \$11,535,642 in fiscal year 2004 and

COMMISSION ON ENVIRONMENTAL QUALITY
(Continued)

not more than \$9,996,028 in fiscal year 2005 in gross receipts to the Petroleum Storage Tank Remediation (PSTR) Account No. 655 may be transferred to the Waste Management Account No. 549 for necessary expenses associated with the PSTR Account and the groundwater protection cleanup program, in accordance with Water Code, § 26.3573 (d)-(e). Furthermore, the Texas Commission on Environmental Quality (TCEQ) shall not transfer funds, from the PSTR Account No. 655 from Strategy C.1.1, Storage Tank Administration and Cleanup, to any other strategy.

For the purposes of implementing activities supported in Strategy C.1.1, Storage Tank Administration and Cleanup, the TCEQ is exempt from provisions of Article IX relating to the inclusion of temporary or contract workers in the calculation of the number of Full-Time Equivalent (FTE) positions by a state agency.

13. **Certification of Section 404 Permits.** Except for the review of a federal permit or license by the state that is required in order to maintain delegation of a federal program or to comply with a requirement of federal law, none of the funds appropriated above may be expended by the commission for the purpose of certification of a federal permit issued by the US Army Corps of Engineers under § 404 of the Federal Clean Water Act.
14. **Texas Parks and Wildlife Environmental Special Investigations Unit.** Included in amounts appropriated above in Strategy B.1.2, Enforcement and Compliance Support, is \$250,000 out of Waste Management Account No. 549 for each fiscal year of the biennium for the purpose of supporting the Texas Parks and Wildlife Department's Environmental Special Investigations Unit to enforce state and federal laws on illegal dumping. This appropriation is contingent on a memorandum of understanding and an interagency transfer of the funds between the Texas Parks and Wildlife Department and the Texas Commission on Environmental Quality to jointly administer the program. Any unexpended balance of this appropriation from fiscal year 2004 is appropriated for the same purpose for fiscal year 2005.
15. **Air Pollution/Haze Study.** Out of amounts appropriated above, the Texas Commission on Environmental Quality shall conduct a study of the air pollution/haze problem along the Texas/Mexico border, with particular emphasis on the air pollution/haze in Big Bend National Park. The study should include the causes of pollution/haze, the effects of such pollution/haze, as well as any potential short-term and long-term remedies. The study should be concluded and the commission shall begin implementation of the study prior to January 1, 2005.
16. **Federal Funds and Capital Budget Expenditures.** To comply with the legislative intent to maximize the use of federal funds and to fulfill grant requirements required for the receipt and expenditure of federal funds, the Texas Commission on Environmental Quality (TCEQ) is hereby exempted from the Capital Budget Rider Provisions contained in Article IX of this Act, "Limitations on Expenditures - Capital Budget", when federal funds are received in excess of amounts identified in the agency's Capital Budget Rider and such funds are federally designated solely for the purchase of specific capital items. The TCEQ shall notify the Legislative Budget Board and the Governor upon receipt of such federal funds, of the amount received and items to be purchased.
17. **Appropriation: Refinement and Enhancement of Modeling to Demonstrate Attainment with the Clean Air Act.** Included in amounts appropriated above out of the Clean Air Account No. 151 in Strategy A.1.4, Air Assessment and Planning, is \$1,500,000 in fiscal year 2004 for research to obtain the data and information to refine and enhance any model used to demonstrate attainment with the National Ambient Air Quality Standard (NAAQS) for ozone and other pollutants under the Federal Clean Air Act. These funds may also be used to collect data and for modeling to demonstrate attainment with the National Ambient Air Quality Standard for Ozone and other pollutants. The Commission on Environmental Quality may contract as necessary to carry out these activities.

COMMISSION ON ENVIRONMENTAL QUALITY
(Continued)

Any unexpended balances remaining in this appropriation on August 31, 2004 are hereby appropriated for the same purpose for the fiscal year beginning September 1, 2004.

18. **Waste Tires.** Out of amounts appropriated above, the Texas Commission on Environmental Quality shall enforce statutory requirements relating to waste, scrap, or used tires. It is the intent of the Legislature that all reasonable steps be taken to minimize the illegal storage, transport, or disposal of waste or scrap tires. The TCEQ shall audit or otherwise monitor businesses that sell, transport, or store such tires and identify illegal or improper activities as well as study methods for achieving a greater level of compliance for tire disposal within the State of Texas. The TCEQ also shall seek opportunities for coordination with other agencies, such as the Comptroller of Public Accounts, through interagency agreements or contracts. Cooperating agencies shall use routine contracts with taxpayers during audits or other activity to obtain copies of tire manifests or other information relating to tire transport or storage in accordance with Health and Safety Code, § 361.112. Such agreements shall provide that the cooperating agency transmit such records to the commission for review and analysis and should be designed to have minimal costs for the cooperating agency. The TCEQ shall submit a report not later than December 1, 2004, to the Legislative Budget Board and the Governor detailing their efforts and findings in accordance with this provision.
19. **Reallocation of Revenue and Balances for Certain Accounts.** Pursuant to Water Code, § 5.707 and notwithstanding provisions relating to Appropriation Transfers within in the General Appropriations Act, the Texas Commission on Environmental Quality is hereby authorized to reallocate not more than 7 percent of the All Funds amount identified in the Method of Finance above from the following accounts (consisting of revenues and balances) to be used for purposes identified in the above strategies.

Used Oil Recycling Account No. 146
Clean Air Account No. 151
Water Resource Management Account No. 153
Watermasters Administration Account No. 158
Occupational Licensing Account No. 468
Waste Management Account No. 549
Hazardous and Solid Waste Remediation Fee Account No. 550
Solid Waste Disposal Account No. 5000

The commission shall notify the Governor and the Legislative Budget Board of any decision to reallocate funds between accounts prior to any such reallocations.

20. **Appropriation: Low-income Vehicle Repair Assistance, Retrofit, and Accelerated Vehicle Retirement Program (LIRAP).** Included in the amounts appropriated above out of the Clean Air Account No. 151 in Strategy A.1.4, Air Quality Assessment and Planning, is \$10,496,250 in fiscal year 2004 and \$10,496,249 in fiscal year 2005 in estimated fee revenues from vehicle inspection and maintenance fees generated pursuant to Health and Safety Code, § 382.202, to fund the Low-income Vehicle Repair Assistance, Retrofit, and Accelerated Vehicle Retirement Program (LIRAP). Of the amounts, \$162,365 in each fiscal year shall be used by the Texas Commission on Environmental Quality (TCEQ) for costs associated with administering the LIRAP as authorized in Health and Safety Code, § 382.202, and \$10,333,885 in fiscal year 2004 and \$10,333,884 in fiscal year 2005, shall be used as LIRAP grants to local governments.

In addition to the amounts appropriated above, there is hereby appropriated to the TCEQ for the biennium beginning on September 1, 2003 any additional revenues from vehicle inspection and maintenance fees generated from additional counties participating in the LIRAP beginning on or after September 1, 2003. Such funds shall be used to provide grants to local governments and to cover administrative costs of the TCEQ in administering the LIRAP.

COMMISSION ON ENVIRONMENTAL QUALITY
(Continued)

21. **Statewide Implementation Plan Credit.** The Texas Commission on Environmental Quality (TCEQ) shall evaluate all state agency expenditures that result in quantifiable improvements to air quality in areas considered to be nonattainment for federal air quality standards to determine whether such expenditures could result in nitrous oxide (NOx) emissions reductions that could be used as credit in the Statewide Implementation Plan (SIP) submitted to the Environmental Protection Agency (EPA).

At least annually, the TCEQ shall notify the Texas Emissions Reductions Plan (TERP) Advisory Board of its findings regarding potential additional SIP credit. In addition, the TCEQ shall include such items in any amendments to the SIP submitted to the EPA.

22. **Appropriation: Unexpended Balances for Waste Tire Disposal Grants.** In addition to amounts appropriated above, the Commission on Environmental Quality is hereby appropriated for the biennium beginning on September 1, 2003, any unexpended balances as of August 31, 2003, from funds appropriated out of the Solid Waste Disposal Account No. 5000 for grants for the disposal of waste tires and scrap tires in Strategy A.1.7, Pollution Prevention and Recycling (estimated to be \$0). The Commission is authorized to expend these funds only for their original purpose.

23. **Appropriations Limited to Revenue Collections: Automobile Emission Inspections.** Included in amounts appropriated above out of the Clean Air Account No. 151 in Strategy item A.1.4, Air Quality Assessment and Planning, is \$1,628,200 in each fiscal year of the biennium for the operation of the vehicle emissions inspection and maintenance program pursuant to § 382.037, Health and Safety Code and Executive Order GWB96-1. These funds are for the purpose of developing, administering, evaluating, and maintaining the vehicle emissions inspection and maintenance program, including federally required reporting measures to demonstrate compliance with applicable federal and state laws.

Also included in the amounts appropriated above out of the Clean Air Account No. 151 is \$434,382 in fiscal year 2004 and \$454,259 in fiscal year 2005 in additional automobile emissions inspection and maintenance fees collected under Health and Safety Code, § 382.202 from counties that entered the program during 2002-03. The funds shall be used to support the administration and evaluation of the emissions inspections and maintenance program.

In addition, if additional counties enter the vehicle emissions inspection and maintenance program during fiscal years 2004-05, 20 percent of revenues generated from the vehicle emissions and inspections fee in the additional counties in each fiscal year are hereby appropriated to the agency for the same purposes.

It is the intent of the Legislature that 20 percent of the fees authorized and generated by the operation of the vehicle emissions inspection and maintenance program cover, at a minimum, the costs of the appropriations made above, as well as the "Other direct and indirect costs" associated with the program, appropriated elsewhere in this Act. "Other direct and indirect costs" for the vehicle emissions inspection and maintenance program are estimated to be \$162,925 for fiscal year 2004 and \$165,452 for fiscal year 2005. In the event that actual and/or projected revenue collections are insufficient to offset the costs identified by this provision, the Legislative Budget Board may direct that the Comptroller of Public Accounts reduce the appropriation authority provided above to be within the amount of revenue expected to be available.

24. **Contingency Appropriation: Fee Appropriation for Watermaster Offices.** Included in amounts appropriated above out of the Watermaster Administration Account No. 158 in Strategy A.1.2, Water Resource Permitting, is an amount not to exceed \$25,000 in each fiscal year of the biennium from revenue collected by the Texas Commission on Environmental Quality (TCEQ) from additional fees generated pursuant to § 11.329 of the Water Code due to

COMMISSION ON ENVIRONMENTAL QUALITY
(Continued)

the implementation of increased fee rates at the Rio Grande and South Texas watermaster offices, and due to new watermaster offices created on or after September 1, 2003, by petition of the affected water rights holders.

Any unexpended balances from this appropriation as of August 31, 2004, are hereby appropriated for the same purpose for the fiscal year beginning September 1, 2004.

25. **Recovered Costs and Responsible Party Payments.** Included in amounts appropriated above out of the Hazardous and Solid Waste Remediation Account No. 550 in Strategy C.1.2, Hazardous Materials Cleanup, is an amount not to exceed \$100,000 in each fiscal year of the biennium in proceeds from payments from judgments, settlements and responsible party payments deposited to the credit of Hazardous and Solid Waste Remediation Account No. 550. The funds shall be used for investigation, assessment, remediation, and operation or maintenance performed at any site being remediated.
26. **Costs Recovered for Petroleum Storage Tank Remediation.** Included in amounts appropriated above out of the Petroleum Storage Tank Remediation Account No. 655 in Strategy C.1.1, Storage Tank Administration and Cleanup, is an amount not to exceed \$100,000 in each fiscal year of the biennium in payments received from responsible parties as reimbursements and deposited to the Petroleum Storage Tank Remediation Account No. 655. These funds shall be used for costs of investigation, remediation, operation, or maintenance of leaking petroleum storage tank sites.
27. **Appropriation: Operating Permit Fees.** In calculating the amount of the fee to be collected under Health and Safety Code, § 382.0621, the commission shall include upset and maintenance emissions in the total emissions for each source.

Included in the amounts appropriated above out of the Clean Air Act No. 151 is \$520,000 in each fiscal year of the biennium in fee revenues from upset and maintenance emissions. These funds shall be used for enforcement and monitoring activities in Strategy A.1.1, Air Quality Permitting.

28. **Bosque River Water Quality Monitoring.** Out of funds appropriated above in Strategy A.1.5, Water Assessment and Planning, the Texas Commission on Environmental Quality shall conduct water quality monitoring of the Bosque River.
29. **Appropriation: Environmental Testing Laboratory Accreditation Fees.** Included in amounts appropriated above out of the Environmental Testing Laboratory Accreditation Account No. 5065 in Strategy item B.1.2, Enforcement and Compliance Support, is \$50,000 in fiscal year 2004 and \$88,000 in fiscal year 2005 in environmental testing laboratory accreditation fee revenues deposited to the credit of the Environmental Testing Laboratory Accreditation Account No. 5065. This appropriation does not include balances in the account on August 31, 2003.

In addition to the amounts appropriated above, the Commission on Environmental Quality is hereby appropriated all environmental testing laboratory accreditation fee revenues deposited to Environmental Testing Laboratory Accreditation Account No. 5065 in excess of the Comptroller's Biennial Revenue Estimate for 2004-05. Funds in this appropriation shall be used by the Commission to conduct activities relating to the accrediting of environmental testing laboratories.

30. **Appropriation: Administration Costs for the Texas River Compact Commission.** Out of the amounts appropriated above, the Commission on Environmental Quality (TCEQ) shall allocate at least \$10,700 each fiscal year to provide administrative services and support to the Texas

COMMISSION ON ENVIRONMENTAL QUALITY
(Continued)

River Compact Commissions. The TCEQ shall not require the River Compact Commissions to provide reimbursement for these services.

31. **Nuisance Surveys for the Economically Distressed Areas Program.** Out of amounts appropriated above out of the General Revenue Fund in Strategy A.1.5, Water Assessment and Planning, the Commission on Environmental Quality shall reimburse the Texas Department of Health for costs incurred by the Department in conducting nuisance surveys for applicants for financial assistance through the Economically Distressed Areas program administered by the Water Development Board. The Commission shall reimburse such costs through Interagency Contracts with the Department of Health in an amount not to exceed a total of \$250,000 for the beginning on September 1, 2003.
32. **Contingency Appropriation for House Bill 3442: Expedited Letters for Well Drilling.** Contingent upon passage of House Bill 3442, or similar legislation authorizing the Commission on Environmental Quality to assess a fee for the processing of an expedited letter for well drilling that would be deposited to the credit of the Water Resource Management Account No. 153 pursuant to Water Code, Section 5.701(r), the Commission is hereby appropriated an amount not to exceed \$225,000 each fiscal year out of the Water Resource Management Account No. 153 to cover costs associated with processing expedited letters for well drilling. In addition, the "Number of Full-Time-Equivalent Positions (FTEs)" for the Commission is hereby increased by one in each fiscal year 2004 and 2005.

In addition, the Commission shall use funds in this appropriation to work in conjunction with appropriate state agencies to study and evaluate electronic access to geologic data and surface casing depths necessary to protect usable groundwater in the state. Not later than January 1, 2005, the Commission shall provide a report to the Legislature summarizing the study and evaluation.

33. **Contingency Appropriation for House Bill 1567: Low-Level Radioactive Waste Disposal.** Contingent upon passage of House Bill 1567, or similar legislation related to the disposal of low-level radioactive waste, the Texas Commission on Environmental Quality (TCEQ) is hereby appropriated \$331,000 out of balances in the Low-Level Waste Account No. 88 as of August 31, 2003. These funds shall be used in Strategy A.1.8, Low-Level Radioactive Waste Assessment, for costs incurred in the review and evaluation of applications received for a license to operate a low-level radioactive waste disposal site. In addition, the revenues of any fees assessed by the TCEQ to recover costs in reviewing and evaluating such applications pursuant to Health and Safety Code, Chapter 401, on or after September 1, 2003 and deposited to the credit of the Low-Level Waste Account No. 88 are hereby appropriated to the TCEQ for the same purposes in Strategy A.1.8, Low-Level Radioactive Waste Assessment (estimated to be \$500,000 in fiscal year 2004 and \$926,000 in fiscal year 2005). In addition, the number of Full-Time-Equivalent Positions (FTE), indicated above for the TCEQ is hereby increased by 5 in fiscal year 2004 and 6.5 in fiscal year 2005.

Any unexpended balance remaining in this appropriation on August 31, 2004, is hereby appropriated to the Commission for the same purposes for the fiscal year beginning in September 1, 2004.

34. **Contingency Appropriation for House Bill 1567: Perpetual Care Account.** Contingent upon passage of House Bill 1567, or similar legislation relating to the disposal of low-level radioactive waste, the Commission on Environmental Quality is hereby appropriated any revenues, including the proceeds of securities, deposited to the credit of the Perpetual Care Account pursuant to Health and Safety Code, Section 401.305 (b) and Section 401.301 (d) during the biennium beginning September 1, 2003. The funds shall be used in Strategy A.1.8, Low-Level Radioactive Waste Assessment, as provided in Health and Safety Code, Section 405.305 (c)-(d).

COMMISSION ON ENVIRONMENTAL QUALITY
(Continued)

35. **Environmental Health Institute.** Out of amounts appropriated above, the Texas Commission on Environmental Quality (TCEQ) shall use up to \$500,000 out of the Hazardous and Solid Waste Remediation Fee Account No. 550 during the biennium beginning on September 1, 2003 for the support of the Texas Environmental Health Institute (TEHI) established in conjunction with the Texas Department of Health in Health and Safety Code, Chapter 427.

Any penalty amounts generated during the biennium beginning on September 1, 2003 from the TCEQ's administrative or civil enforcement actions that are invested in a Supplemental Environmental Project conducted by the TEHI or by any other organization in association with the TEHI, shall be considered an expenditure of the TCEQ for the purpose of supporting the TEHI.

36. **Contingency Appropriation for House Bill 1481: Operating Permit Fees Account.** Contingent upon passage of House Bill 1481, or similar legislation creating a separate account for fees collected under Title IV and Title V of the Federal Clean Air Act, the Commission on Environmental Quality is hereby appropriated \$32,567,834 in fiscal year 2004 and \$32,567,834 in fiscal year 2005 out of the Operating Permit Fees Account created by the bill. In addition, appropriations to the Commission out of the Clean Air Account No. 151 are hereby reduced by \$32,567,834 in fiscal year 2004 and \$32,567,834 in fiscal year 2005.

COUNCIL ON ENVIRONMENTAL TECHNOLOGY

	For the Years Ending	
	August 31, 2004	August 31, 2005
Out of the Texas Emissions Reduction Plan Account No. 5071:		
A. Goal: MITIGATE POLLUTION PROBLEMS		
Provide financial and technical support to mitigate problems associated with environmental pollution.		
Outcome (Results/Impact):		
Percent of Council-funded Technologies Certified by the US Environmental Protection Agency		
A-1.1-Strategy-GRANTS FOR NEW TECHNOLOGIES	0	20%
	\$ 1,515,149	\$ 1,547,099
Provide financial assistance in the form of grants to identify, support and evaluate new technologies to improve air quality and to facilitate the deployment of such technologies.		
Output (Volume):		
Number of New Technology Grant Proposals Reviewed	40	40
Efficiencies:		
Average Number of Days to Review a Grant Proposal	14	14
Grand Total, COUNCIL ON ENVIRONMENTAL TECHNOLOGY	\$ 1,515,149	\$ 1,547,099
Number of Full-Time-Equivalent Positions (FTE):	4.0	4.0
Object-of-Expense Informational Listing:		
Other Personnel Costs	\$ 180,594	\$ 179,513
Consumable Supplies	9,299	9,180
Utilities	2,500	2,700

COUNCIL ON ENVIRONMENTAL TECHNOLOGY
(Continued)

Travel	11,500	12,500
Grants	<u>1,311,256</u>	<u>1,343,206</u>
Total, Object-of-Expense Informational Listing	\$ <u>1,515,149</u>	\$ <u>1,547,099</u>

GENERAL LAND OFFICE AND VETERANS' LAND BOARD

	For the Years Ending	
	August 31,	August 31,
	<u>2004</u>	<u>2005</u>

A. Goal: ENHANCE STATE ASSETS

To enhance the value of state assets and the revenues they generate through prudent and innovative management of state-owned land, minerals, and other assets.

Outcome (Results/Impact):

Percent of Permanent School Fund Uplands Acreage Leased

A.1.1. Strategy: ENERGY LEASE MANAGEMENT	78%	78%
	\$ 7,475,977	\$ 6,240,984

Assess the revenue potential of state lands for energy leasing; conduct aggressive energy leasing and revenue management activities; promote the sale and use of state-owned energy resources, including renewable energy resources, to maximize the revenue generated by assets; and develop strategic public-private partnerships and programs to promote economic development.

Output (Volume):

Average Monthly Volume of In-kind Gas Sold in Thousand Cubic Feet (MCF)

2,200,000	2,200,000
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Average Monthly Volume of In-kind Oil Sold in Barrels

100,000	100,000
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Amount of Revenue Detected from Audits

4,600,000	4,600,000
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A.1.2. Strategy: SURFACE AND COASTAL LEASING

\$ 3,030,208	\$ 3,088,358
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Promote and conduct aggressive surface and coastal leasing activities for Permanent School Fund and state agency land, and monitor lease compliance.

Output (Volume):

Annual Revenue from Uplands Surface Leases

940,000	940,000
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Annual Revenue from Coastal Leases

2,260,000	2,310,000
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A.1.3. Strategy: ASSET MANAGEMENT

<u>\$ 2,485,650</u>	<u>\$ 2,464,927</u>
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Evaluate Permanent School Fund and state agency land and dispose of selected tracts through sale or trade.

Output (Volume):

Annual Value of State Agency Real Estate Transactions

20,000,000	20,000,000
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Total, Goal A: ENHANCE STATE ASSETS

<u>\$ 12,991,835</u>	<u>\$ 11,794,269</u>
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B. Goal: PROTECT THE ENVIRONMENT

To improve and protect the Texas environment and promote wise use of resources while creating new markets and jobs through environmental initiatives in partnership with the public and private sectors.

B.1.1. Strategy: COASTAL/NAT RES MANAGEMENT

\$ 3,814,096	\$ 3,819,110
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Manage and protect coastal and other natural resources by evaluating coastal permit applications and coastal communities'

GENERAL LAND OFFICE AND VETERANS' LAND BOARD
(Continued)

compliance with applicable rules and regulations; coordinating the Texas Adopt-A-Beach Program; and promoting partnerships for the use of natural gas and recycled products.		
Output (Volume):		
Number of Coastal Cleanups Conducted	54	54
B.1.2. Strategy: OIL SPILL RESPONSE	\$ 9,963,923	\$ 9,963,923
Develop and implement a comprehensive oil spill prevention and response program to monitor the integrity of oil transport through Texas coastal waters and respond quickly and efficiently to oil spills.		
Output (Volume):		
Number of Oil Spill Responses	1,188	1,173
Number of Prevention Activities - Vessels	1,729	1,729
Total, Goal B: PROTECT THE ENVIRONMENT	\$ 13,778,019	\$ 13,783,033
C. Goal: VETERANS' LAND BOARD		
To provide Texas veterans with self supporting benefit programs offering below-market interest rate loans for land, homes, and home improvements, plus high quality long term nursing home care and an honorable final resting place.		
Outcome (Results/Impact):		
Percent of Texas Veterans Reached through Outreach Efforts	33%	33%
C.1.1. Strategy: VETERANS BENEFIT PROGRAMS	\$ 17,299,265	\$ 14,539,265
Provide veterans with benefit information, below-market lending opportunities, efficient loan services, access to veterans homes and cemeteries, and manage active loan accounts and bond funds to ensure the financial integrity of the program.		
Output (Volume):		
Dollar Volume of Program Loans Serviced by Texas Veterans' Land Board	465,000,000	435,000,000
Grand Total, GENERAL LAND OFFICE AND VETERANS' LAND BOARD	\$ 44,069,119	\$ 40,116,567
Method of Financing:		
General Revenue Fund	\$ 9,635,665	\$ 9,635,666
General Revenue Fund - Dedicated		
Coastal Protection Account No. 027	11,506,712	11,506,713
Coastal Public Lands Management Fee Account No. 450	184,063	184,063
Subtotal, General Revenue Fund - Dedicated	\$ 11,690,775	\$ 11,690,776
Federal Funds	4,406,560	1,654,006
Other Funds		
Appropriated Receipts	3,716,854	2,516,854
Interagency Contracts	80,000	80,000
Veterans Land Program Administration Fund No. 522	14,539,265	14,539,265
Subtotal, Other Funds	\$ 18,336,119	\$ 17,136,119
Total, Method of Financing	\$ 44,069,119	\$ 40,116,567
Number of Full-Time-Equivalent Positions (FTE):	612.0	612.0

GENERAL LAND OFFICE AND VETERANS' LAND BOARD
(Continued)

Schedule of Exempt Positions:
Land Commissioner, Group 4

\$92,217 \$92,217

Object-of-Expense Informational Listing:

Salaries and Wages	\$ 26,988,900	\$ 26,988,900
Other Personnel Costs	971,260	971,260
Professional Fees and Services	7,747,581	3,812,258
Fuels and Lubricants	106,783	106,648
Consumable Supplies	561,874	540,968
Utilities	406,688	405,670
Travel	930,116	932,748
Rent - Building	408,978	408,980
Rent - Machine and Other	243,363	245,392
Other Operating Expense	2,935,323	3,013,239
Grants	1,407,875	1,407,875
Capital Expenditures	<u>1,360,378</u>	<u>1,282,629</u>
Total, Object-of-Expense Informational Listing	<u>\$ 44,069,119</u>	<u>\$ 40,116,567</u>

1. **Capital Budget.** Funds appropriated above may be expended for capital budget items listed below. The amounts identified for each item may be adjusted or expended on other capital expenditures, subject to the aggregate dollar restrictions on capital budget expenditures provided in the General Provisions of this Act.

	<u>2004</u>	<u>2005</u>
a. Construction of Buildings and Facilities		
(1) Oily Bilge Reclamation Systems	\$ 130,000	\$ 130,000
b. Acquisition of Information Resource Technologies		
(1) Disaster Recovery Project	95,000	95,000
(2) State Energy Marketing Program System	50,000	0
(3) Hardware/Server Rotation Project	310,700	310,700
(4) Aggregated Hardware/Software Project	<u>\$ 78,668</u>	<u>\$ 78,697</u>
Total, Acquisition of Information Resource Technologies	<u>\$ 534,368</u>	<u>\$ 484,397</u>
c. Transportation Items		
(1) Replacement Boats	79,900	118,575
(2) Replacement Vehicles	<u>\$ 315,780</u>	<u>\$ 266,618</u>
Total, Transportation Items	<u>\$ 395,680</u>	<u>\$ 385,193</u>
d. Acquisition of Capital Equipment and Items		
(1) Replacement Equipment	\$ 50,000	\$ 41,600
Total, Capital Budget	<u>\$ 1,110,048</u>	<u>\$ 1,041,190</u>

Method of Financing (Capital Budget):

General Revenue Fund	\$ 236,671	\$ 194,674
GR Dedicated - Coastal Protection Account No. 027	443,184	466,304

GENERAL LAND OFFICE AND VETERANS' LAND BOARD
(Continued)

Other Funds

Veterans Land Program Administration Fund No.		
522	380,193	380,212
Appropriated Receipts	50,000	0
Subtotal, Other Funds	<u>\$ 430,193</u>	<u>\$ 380,212</u>

Total, Method of Financing	<u>\$ 1,110,048</u>	<u>\$ 1,041,190</u>
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2. **Per Diem: Boards, Commissions, and Councils.** Citizen members of the School Land Board, Veterans' Land Board, Boards for Lease, and the Coastal Coordination Council may be paid per diem at a rate not to exceed the amount established elsewhere in this Act and actual expenses from funds appropriated above.
3. **Appropriation Source: Veterans' Land Program.** Included in amounts appropriated above in Strategy C.1.1, Veterans Benefits Programs, is \$2,083,852 in fiscal year 2004 and \$2,140,750 in fiscal year 2005 from the Veterans Land Program Administration Fund No. 522. In addition to amounts appropriated above, there is hereby appropriated from the Veterans' Land Funds, the Veterans' Housing Assistance Funds and the fund for State Veterans Homes, all amounts necessary to administer the Veterans' Land Program, Veterans' Housing Assistance Program, State Veterans Homes, and Veterans Cemeteries, including the amounts incurred in issuing bonds, in compensating a Housing Program Administrator, and in paying contracts for services rendered in administering the land and housing programs, as created and authorized by Article III, § 49b of the Texas Constitution, as amended.
4. **Appropriation of Receipts: Land Sales Expenses.** Pursuant to §§ 31.1571, 31.158 and 32.112, Natural Resources Code, there is hereby appropriated to the General Land Office receipts from land sales sufficient to cover the usual and customary costs of conducting real estate transactions as authorized to be retained by the General Land Office and the School Land Board.
5. **Transfer Authority.** Notwithstanding limitations on appropriation transfers contained in the General Provisions of this Act, the General Land Office and Veterans' Land Board, is hereby authorized to direct agency resources within the General Land Office and Veterans' Land Board, and transfer such amounts appropriated above between strategy line items.
6. **Appropriation: Defense of Title to Permanent School Fund Land and Prosecution of Mineral Lease Claims or Cases.** Included in amounts appropriated above in Strategy A.1.1, Energy Lease Management, is \$2,450,000 in fiscal year 2004 and \$1,250,000 in fiscal year 2005 in Appropriated Receipts from funds recovered for the Available School Fund by the General Land Office from the prosecution of Relinquishment Act, royalty deficiency and other mineral lease claims or cases. Such funds are to be used for the defense of title to Permanent School Fund lands, and the prosecution of Relinquishment Act, royalty deficiency and other mineral lease claims or cases.
7. **Unexpended Balances.** Any unexpended balances as of August 31, 2004 in the appropriations made herein to the General Land Office and Veterans' Land Board are hereby appropriated for the same purpose for the fiscal year beginning September 1, 2004.
8. **Veterans Home Awareness Campaign.** It is the intent of the Legislature that the General Land Office, out of funds appropriated above and pursuant to its authority under Chapter 164 of the Natural Resources Code, provide for, operate, and improve veterans homes.

GENERAL LAND OFFICE AND VETERANS' LAND BOARD
(Continued)

9. **Appropriation: Easement Fees for Use of State-owned Riverbeds.** Included above are all unencumbered balances on hand as of August 31, 2003, (not to exceed \$100,000 in General Revenue) and all amounts collected as easement fees for use of state-owned riverbeds pursuant to § 51.291, Natural Resources Code, or agency rules, during the biennium beginning September 1, 2003, for the removal or improvement of unauthorized structures on Permanent School Fund lands.

TRUSTEED PROGRAMS WITHIN THE GENERAL LAND OFFICE

	For the Years Ending	
	August 31, <u>2004</u>	August 31, <u>2005</u>
A. Goal: PRESERVE/PROTECT COASTAL AREAS		
To preserve and protect Texas beaches and coastal areas from erosion.		
Outcome (Results/Impact):		
Percent of Eroding Shorelines Maintained, Protected, or Restored for Gulf Beaches and Other Shorelines	20%	20%
A.1.1. Strategy: COASTAL EROSION CONTROL		
Develop and implement a comprehensive coastal erosion control and beach nourishment program.	\$ 16,015,985	\$ 16,799,591
B. Goal: MANAGE STATE LAND		
To purchase land for the Permanent School Fund (PSF).		
B.1.1. Strategy: PURCHASE LAND FOR PSF		
Give high priority to the purchase of agency land identified as underutilized by the Asset Management Division.	\$ 77,975,000	\$ 78,021,000
Output (Volume):		
Annual Value of Permanent School Fund Real Estate Transactions	75,000,000	75,000,000
Grand Total, TRUSTEED PROGRAMS WITHIN THE GENERAL LAND OFFICE	\$ 93,990,985	\$ 94,820,591
Method of Financing:		
GR Dedicated - Coastal Protection Account No. 027	\$ 6,100,000	\$ 6,100,000
Federal Funds	7,290,985	7,574,591
Appropriated Receipts	<u>80,600,000</u>	<u>81,146,000</u>
Total, Method of Financing	\$ 93,990,985	\$ 94,820,591
Supplemental Appropriations Made in Riders:	\$ 1,400,000	\$ 0
Object-of-Expense Informational Listing:		
Professional Fees and Services	\$ 4,200,000	\$ 4,700,000
Other Operating Expense	300,000	346,000
Grants	13,590,985	12,474,591
Capital Expenditures	<u>77,300,000</u>	<u>77,300,000</u>
Total, Object-of-Expense Informational Listing	\$ 95,390,985	\$ 94,820,591

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TRUSTEED PROGRAMS WITHIN THE GENERAL LAND OFFICE
(Continued)

1. **Unexpended Balances Between Fiscal Years.** Any unexpended balances as of August 31, 2004 in the appropriations made herein to the Trusteed Programs within the General Land Office are hereby appropriated for the same purpose for the fiscal year beginning September 1, 2004.
2. **Appropriation: Shared Project Funds.** Included in amounts appropriated above as Appropriated Receipts, estimated to be \$2,625,000 for fiscal year 2004 and \$3,125,000 for fiscal year 2005, are estimated receipts from shared project funds received in accordance with Natural Resources Code, Chapter 33, Subchapter H, § 33.603(c)(1) and § 33.604.
3. **Appropriation of Receipts: Real Property Sales and Mineral Royalties.** Included in amounts appropriated above in Strategy B.1.1, Purchase Land for PSF, is \$2,300,000 in fiscal year 2004 and \$2,300,000 in fiscal year 2005 from receipts of land sales. In addition to amounts appropriated above, pursuant to § 51.401, Natural Resources Code, the Trusteed Program for the Management of State Land in the General Land Office is hereby appropriated all additional receipts from land sales of Permanent School Fund (PSF) property conducted by the General Land Office and all receipts from the lease of PSF land for mineral development including royalties from existing and future active mineral leases of PSF lands that are necessary to purchase fee or lesser interests in real property for the use and benefit of the PSF or for the purpose of purchasing easements for access to PSF land as authorized by § 11.079, Natural Resources Code. Any of these appropriated receipts from the sale of PSF land or lease of PSF minerals which remain unexpended for more than two years are to be transferred into the PSF as required by Natural Resources Code § 51.401(d).
4. **Appropriation: Receipts and Account Balances for Surface Damages.** Included in the amounts appropriated above as Appropriated Receipts in Strategy B.1.1, Purchase Land for PSF, is \$300,000 in fiscal year 2004 and \$300,000 in fiscal year 2005 in receipts collected as surface damages pursuant to §§ 52.297, 53.155, 31.051, 51.291, 51.295, and 51.296, Natural Resources Code. Such funds are appropriated for the purpose of funding conservation or reclamation projects, making permanent improvements on Permanent School Fund land, and making grants to a lessee of Permanent School Fund land for these purposes, and for the purpose of purchasing easements for access to Permanent School Fund land, as authorized by § 11.079, Natural Resources Code. In addition to funds appropriated above, additional revenues received from surface damage receipts are hereby appropriated to the Trusteed Programs within the General Land Office for the same purposes, estimated to be \$0.
5. **Marketing, Acquisition, or Disposition of Lands Purchased by the Permanent School Fund Land.** Included in amounts appropriated above in Strategy B.1.1, Purchase Land for PSF, funds generated by the leasing of permanent school fund land surface interests, are funds necessary to pay reasonable and necessary costs (not to exceed \$375,000 in fiscal year 2004 and \$421,000 in fiscal year 2005) incurred by the Trusteed Programs within the General Land Office for the marketing, acquisition or disposition of lands purchased by the Permanent School Fund.
6. **School Land Board Acquisition of Land, Buildings, or Facilities.** If the School Land Board (SLB) acquires land, buildings, or facilities that are currently occupied by a state agency and, with the consent of the SLB, the agency continues to occupy the building or facility, all maintenance of the buildings and premises shall be funded from appropriations provided for the maintenance of the building, facility, or premises as set forth elsewhere in this act. The SLB may retain an amount equal to 3.5 percent of the purchase price, for each year of the biennium that the agency uses the land, building, or facility pro-rated on a monthly basis. The funds retained shall be deposited as rental into the Available School Fund.
7. **Sale of State Property to the Permanent School Fund.** The General Land Office shall sell state real property to be purchased by the Permanent School Fund in an amount of at least \$150

TRUSTEED PROGRAMS WITHIN THE GENERAL LAND OFFICE
(Continued)

million, and included in the amounts appropriated above for the biennium. The proceeds of the sale shall be placed in the General Revenue Fund unless otherwise directed by the state statute or constitution.

8. **Appropriation and Transfer Authority of Coastal Protection Account Funds.** Included in amounts appropriated above in Strategy A.1.1, Coastal Erosion Control, is \$5 million in receipts and an estimated \$1,100,000 in interest earnings each fiscal year out of the Coastal Protection Account No. 027.

Notwithstanding limitations on appropriation transfers contained elsewhere in this Act, the General Land Office is hereby authorized to transfer up to 40 percent of appropriations made out of the Coastal Protection Account No. 027 in Strategy A.1.1, Coastal Erosion Control, from the Trusteed Programs within the General Land Office to the General Land Office and Veterans' Land Board.

9. **Unexpended Balances Between Biennia: Coastal Erosion Control.** Any unexpended balances remaining as of August 31, 2003, from the appropriation made to Strategy A.1.1, Coastal Erosion Control (estimated to be \$1.4 million out of the Coastal Protection Account No. 027), are hereby appropriated to the Trusteed Programs within the General Land Office for the biennium beginning September 1, 2003, for the same purpose.

PARKS AND WILDLIFE DEPARTMENT

	For the Years Ending	
	August 31, 2004	August 31, 2005
A. Goal: OUTDOOR RECREATION		
To strengthen traditional services for core constituents such as hunters, anglers, park visitors, and other outdoor enthusiasts by improving habitat and access to outdoor areas, and maintaining quality and safety.		
Outcome (Results/Impact):		
Percent of State Parks Maintenance and Minor Repair Projects Completed	29%	29%
Percent of Scheduled Major Repair/Construction Projects Completed	62%	62%
A.1.1. Strategy: PUBLIC HUNTING AND FISHING	\$ 26,117,225	\$ 24,455,563
Provide public hunting and public fishing opportunities by acquiring, improving, and providing access to public fisheries, wildlife and their habitat.		
Output (Volume):		
Number of Fingerlings Stocked (In Millions)	51	51
Number of Combination Licenses Sold	619,000	644,000
A.2.1. Strategy: OPERATE STATE PARKS	\$ 49,664,594	\$ 49,587,021
Plan for proper use and operate existing state parks and wildlife management areas safely and cost effectively.		
Output (Volume):		
Number of State Parks in Operation	113	114
Number Reached through Programs from State Parks and Historical Sites	1,020,000	1,100,000
A.2.2. Strategy: CAPITAL PROGRAMS	\$ 63,209,170	\$ 17,440,254
Implement capital improvement, major repair, and cultural and natural resource management programs for existing facilities; and acquire		

PARKS AND WILDLIFE DEPARTMENT
(Continued)

identified priority natural, cultural, and recreational resources and develop according to a site management plan.		
Output (Volume):		
Number of Major Repair/Construction Projects Completed	79	21
Number of State Park Minor Repair/Maintenance Projects Completed	360	360
Total, Goal A: OUTDOOR RECREATION	\$ 138,990,989	\$ 91,482,838
B. Goal: REACH NEW CONSTITUENCIES		
To broaden efforts to reach new constituencies through natural and cultural resource education, outreach programs, and by increasing recreational opportunities.		
Outcome (Results/Impact):		
Annual Percent Change in Opportunities Provided for Target User Groups	1.5%	1.5%
B.1.1. Strategy: PUBLIC AWARENESS AND OUTREACH	\$ 11,175,138	\$ 11,175,138
Design and implement outreach programs which effectively communicate the agency's natural and cultural resource conservation messages while expanding fishing, hunting, and wildlife viewing opportunities for targeted user groups.		
Output (Volume):		
Number of Students Trained in Hunter Education	33,600	33,600
Number of Students Trained in Boater Education	8,000	8,000
B.1.2. Strategy: LOCAL PARKS	\$ 17,435,482	\$ 17,435,481
Provide grants and technical assistance to strengthen the ability of local governments and eligible nonprofit entities to provide indoor and outdoor recreation opportunities.		
Output (Volume):		
Number of Grant Assisted Projects Completed	60	60
Total, Goal B: REACH NEW CONSTITUENCIES	\$ 28,610,620	\$ 28,610,619
C. Goal: RESOURCE PROTECTION		
To protect fish and wildlife resources and their habitat and manage the natural and cultural heritage of Texas.		
Outcome (Results/Impact):		
Percent of Total Projects and Activities Requiring Department Review that Avoid or Minimize Adverse Impacts to Fish, Wildlife, or Their Habitats	90%	90%
Percent of Private Land Acreage in Texas Managed to Enhance Wildlife	10.5%	10.5%
C.1.1. Strategy: LAW ENFORCEMENT	\$ 36,697,160	\$ 36,697,160
Supervise the users of natural resources in Texas and ensure public safety on state waterways.		
Output (Volume):		
Miles Patrolled in Vehicles (in Millions)	10.5	10.5
Hours Patrolled in Boats	114,614	117,855
Number of Criminal Environmental Investigations Conducted	45	45
C.2.1. Strategy: MANAGE FISH AND WILDLIFE	\$ 33,838,867	\$ 33,838,867
Conserve and manage Texas fish, wildlife, and plant resources.		
Output (Volume):		
Number of Pollution and Fish Kill Complaints Investigated	300	300
Number of Active Management Agreements with Landowners	4,127	4,318
Number of Commercial Fishing Licenses Purchased	262	262
Total, Goal C: RESOURCE PROTECTION	\$ 70,536,027	\$ 70,536,027

PARKS AND WILDLIFE DEPARTMENT
(Continued)

D. Goal: INDIRECT ADMINISTRATION		
D.1.1. Strategy: CENTRAL ADMINISTRATION	\$ 7,351,185	\$ 7,351,187
D.1.2. Strategy: INFORMATION RESOURCES	\$ 5,899,288	\$ 5,899,288
D.1.3. Strategy: OTHER SUPPORT SERVICES	\$ 2,485,729	\$ 2,488,283
	<u>15,736,202</u>	<u>15,738,758</u>
Total, Goal D: INDIRECT ADMINISTRATION	\$	\$
	<u>15,736,202</u>	<u>15,738,758</u>
Grand Total, PARKS AND WILDLIFE DEPARTMENT	\$	\$
	<u>253,873,838</u>	<u>206,368,242</u>
Method of Financing:		
<u>General Revenue Fund</u>		
General Revenue Fund	\$ 10,314,667	\$ 10,224,767
Unclaimed Refunds of Motorboat Fuel Tax	13,977,784	13,977,784
Boat and Boat Motor Sales and Use Tax	5,300,000	5,300,000
Sporting Goods Tax - Transfer to:		
State Parks Account No. 064	15,500,000	15,500,000
Texas Local Parks, Recreation and Open Space Account No. 467	8,154,226	8,154,225
	<u>53,246,677</u>	<u>53,156,776</u>
Subtotal, General Revenue Fund	\$	\$
	<u>53,246,677</u>	<u>53,156,776</u>
<u>General Revenue Fund - Dedicated</u>		
Game, Fish and Water Safety Account No. 009	81,668,814	78,611,785
State Parks Account No. 064	18,889,395	18,704,884
Artificial Reef Account No. 679	526,442	476,442
Texas Local Parks, Recreation and Open Space Account No. 467	4,871,703	4,871,703
Non-Game and Endangered Species Conservation Account No. 506	23,315	23,315
Lifetime License Endowment Account No. 544	12,287	12,287
Texas Parks and Wildlife Capital Account No. 5004	265,160	107,000
Shrimp License Buy Back Account No. 5023	96,000	96,000
Big Bend National Park Account No. 5030	66,650	66,650
Waterfowl/Wetland Conservation License Plates Account No. 5057	33,000	33,000
	<u>106,452,766</u>	<u>103,003,066</u>
Subtotal, General Revenue Fund - Dedicated	\$	\$
	<u>106,452,766</u>	<u>103,003,066</u>
Federal Funds	46,057,629	45,327,970
<u>Other Funds</u>		
Appropriated Receipts	4,345,877	4,345,877
Texas Parks Development Fund No. 408 (General Obligation Bonds)	5,286,771	0
Interagency Contracts	250,000	250,000
Bond Proceeds - General Obligation Bonds	28,790,000	0
Bond Proceeds - Revenue Bonds	9,444,118	284,553
	<u>48,116,766</u>	<u>4,880,430</u>
Subtotal, Other Funds	\$	\$
	<u>48,116,766</u>	<u>4,880,430</u>
Total, Method of Financing	\$	\$
	<u>253,873,838</u>	<u>206,368,242</u>
Number of Full-Time-Equivalent Positions (FTE):	3,037.5	3,038.5
Schedule of Exempt Positions:		
Executive Director, Group 5	\$115,000	\$115,000
Per Diem of Commission Members	5,400	5,400
Supplemental Appropriations Made in Riders:	\$ 424,000	\$ 4,385,000
Object-of-Expense Informational Listing:		
Salaries and Wages	\$ 104,086,408	\$ 104,139,793
Other Personnel Costs	5,776,625	5,776,625

PARKS AND WILDLIFE DEPARTMENT
(Continued)

Professional Fees and Services	7,655,937	7,700,943
Fuels and Lubricants	3,049,062	3,049,062
Consumable Supplies	857,228	859,783
Utilities	7,532,506	7,532,505
Travel	2,492,023	2,492,023
Rent - Building	1,536,153	1,536,153
Rent - Machine and Other	2,469,033	2,469,033
Debt Service	5,676,350	5,577,700
Other Operating Expense	36,655,968	36,346,205
Grants	18,274,375	18,274,374
Capital Expenditures	<u>58,236,170</u>	<u>14,999,043</u>
Total, Object-of-Expense Informational Listing	\$ <u>254,297,838</u>	\$ <u>210,753,242</u>

1. **Capital Budget.** None of the funds appropriated above may be expended for capital budget items except as listed below. The amounts shown below shall be expended only for the purposes shown and are not available for expenditure for other purposes. Amounts appropriated above and identified in this provision as appropriations either for "Lease Payments to the Master Lease Purchase Program" or for items with an "(MLPP)" notation shall be expended only for the purpose of making lease-purchase payments to the Texas Public Finance Authority pursuant to the provisions of Government Code § 1232.103.

	<u>2004</u>	<u>2005</u>
a. Acquisition of Land and Other Real Property		
(1) Land Acquisition	\$ 5,050,000	\$ 5,050,000
b. Construction of Buildings and Facilities		
(1) Construction and Major Repairs	\$ 48,464,623	\$ 1,055,120
c. Acquisition of Information Resource Technologies		
(1) Mainframe upgrades, microcomputers, and other equipment	\$ 656,000	\$ 747,282
d. Transportation Items		
(1) Purchase of Replacement Vehicles	1,709,212	1,709,212
(2) Purchase of New Vehicles	<u>\$ 0</u>	<u>\$ 22,500</u>
Total, Transportation Items	<u>\$ 1,709,212</u>	<u>\$ 1,731,712</u>
e. Acquisition of Capital Equipment and Items		
(1) Office, field, marine and lab equipment	\$ 1,297,845	\$ 1,257,845
Total, Capital Budget	<u>\$ 57,177,680</u>	<u>\$ 9,841,959</u>

Method of Financing (Capital Budget):

General Revenue Fund - Dedicated

Texas Parks and Wildlife Capital Account No. 5004	\$ 158,160	\$ 0
Game, Fish and Water Safety Account No. 009	5,497,991	2,494,904
State Parks Account No. 064	600,414	441,935
Artificial Reef Account No. 679	50,000	0
Subtotal, General Revenue Fund - Dedicated	<u>\$ 6,306,565</u>	<u>\$ 2,936,839</u>
Federal Funds	7,384,779	6,655,120

PARKS AND WILDLIFE DEPARTMENT
(Continued)

<u>Other Funds</u>		
Appropriated Receipts	250,000	250,000
Bond Proceeds - General Obligation Bonds	28,790,000	0
Bond Proceeds - Revenue Bonds	9,159,565	0
Texas Parks Development Receipts	5,286,771	0
Subtotal, Other Funds	<u>\$ 43,486,336</u>	<u>\$ 250,000</u>

Total, Method of Financing	<u>\$ 57,177,680</u>	<u>\$ 9,841,959</u>
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2. **Appropriation: Escrow Accounts.** Included in the amounts appropriated above in Strategy A.1.1, Public Hunting and Fishing, are unexpended balances as of August 31, 2003, and any revenue received during this biennium (not to exceed \$793,170 each fiscal year in Game, Fish, and Water Safety Account No. 9, and \$12,287 each fiscal year in Lifetime License Endowment Account No. 544), consisting of either principal or interest, from trust or escrow accounts set up to benefit the Parks and Wildlife Department.
3. **Authorization: Purchase of Evidence.** From the amounts appropriated above, the Parks and Wildlife Department is hereby authorized to establish a cash fund, for the purchase of evidence and/or information and surveillance deemed necessary by the department for enforcement of laws under the Parks and Wildlife Code.
4. **Authorization: Acceptance of Payment with Goods and Services.** The Parks and Wildlife Department is hereby authorized to accept goods and/or services in lieu of cash for sales of products or rights on the department's public land areas. These goods and services may be on the same public land area as the product or right sold or any other public land area. In order to procure the goods and services in the amounts needed that equal the value of products or rights sold, an escrow bank account may be utilized.
5. **Commissioned Peace Officer Compensation.** The Executive Director of the Parks and Wildlife Department may not provide for the compensation of a state-commissioned peace officer at a rate less than the rate paid by any other state agency to a state-commissioned peace officer performing similar duties.
6. **Outreach Programs.** Out of amounts appropriated above in Strategy B.1.2, Local Parks, the department shall continue partnership projects by contracting an amount equal to \$800,000 in each fiscal year of the 2004-05 biennium in partnership programs for underserved populations.
7. **Appropriation: Unexpended Balance for Construction Projects.** Included in amounts appropriated above in strategies A.1.1, Public Hunting and Fishing, A.2.1, Operate State Parks, A.2.2, Capital Programs, B.2.1, Local Parks, and C.2.1, Manage Fish and Wildlife, are unexpended balances from appropriations previously made for construction, repair, acquisition, and renovation projects in House Bill No. 1, Acts of the Seventy-sixth Legislature, Regular Session and Senate Bill No. 1, Acts of the Seventy-seventh Legislature, Regular Session. These unexpended balances are appropriated for the same purposes that the appropriations were originally made, and are estimated to be \$47,409,503 out of the following funds:

General Revenue-Dedicated Accounts

Game, Fish, and Water Safety Account No. 9	\$ 3,050,297
State Parks Account No. 64	\$ 185,051
Texas Parks and Wildlife Capital Account No. 5004	\$ 158,160
Artificial Reef Account No. 679	\$ 50,000
 Federal Funds	 \$ 729,659

PARKS AND WILDLIFE DEPARTMENT
(Continued)

Other Funds

Bond Proceeds - General Obligation Bonds	\$ 34,076,771
Bond Proceeds - Revenue Bonds	\$ 9,159,565

Any unexpended balances remaining in such appropriation items at August 31, 2004, are hereby appropriated for the same purposes for the fiscal year beginning September 1, 2004. Any appropriation made in this Act to the Parks and Wildlife Department for construction and improvement projects shall include labor and all necessary costs involved in the project. It is provided, however, that the Parks and Wildlife Department shall provide the Legislative Budget Board, the Governor, and the Comptroller of Public Accounts a report by no later than December 1 of each fiscal year showing the progress and costs of all projects funded by appropriations made by the Seventy-sixth and the Seventy-seventh Legislatures.

8. **Construction and Land Owner Incentive Grants.** Funds appropriated for local parks that are utilized for grants awarded for local park construction projects in excess of \$25,000 and landowner incentive grants shall be treated as construction appropriations for the purpose of determining the life of the appropriation under the provisions of § 403.071, Government Code. It is provided, however, that the Texas Parks and Wildlife Department shall provide the Governor and the Legislative Budget Board a status report at the close of each fiscal year showing the progress and costs for any grant for local park construction projects and landowner incentive grants not completed within two years of the date the grant was awarded.
9. **State Parks, Community Concerns, and Inmate Labor.** The Parks and Wildlife Department is directed to give priority to community concerns regarding state parks, and may use inmates from the Texas Department of Criminal Justice to provide labor for park development and repair, and to provide labor for cleanup at beaches within state parks.
10. **Fund Transfer Authority.** The Parks and Wildlife Department is hereby authorized to transfer funds between any funds/accounts authorized by the Parks and Wildlife Code in order to alleviate cash flow problems during the biennium. All funds transferred must be returned to the original fund/account before the end of the biennium.
11. **Clothing Provision.** It is the intent of the Legislature that no funds may be expended to provide a clothing or cleaning allowance to any non-uniformed personnel. The department may continue to expend funds for a cleaning allowance not to exceed \$500 per year.
12. **Lease Payments.** Included in amounts appropriated above in Strategy A.2.2, Capital Programs, are lease payments of \$5,676,350 in fiscal year 2004 and \$5,577,700 in fiscal year 2005 out of the General Revenue Fund which shall be transferred to the Texas Public Finance Authority for debt service payments on revenue bonds or other revenue obligations as authorized by § 13.0045, Parks and Wildlife Code.
13. **Appropriation: State-owned Housing Authorized.** Employees designated by the department at each state park, wildlife management area and hatchery are authorized to live in state-owned housing at a rate determined by the department. Other department employees may live in state-owned housing as set forth in Article IX, § 11.09, State Owned Housing – Recover Housing Costs. It is provided, however, that the Parks and Wildlife Department will report biennially to the Legislative Budget Board and the Governor, the race, gender, and ethnicity, position title and classification, and salary of employees that reside in state-owned housing.

Included in the amounts appropriated above is rental income collected from employee housing (estimated to be \$61,000 in Appropriated Receipts each fiscal year in Strategy A.1.1, Public Hunting and Fishing, and estimated to be \$125,000 in Appropriated Receipts each fiscal year in Strategy A.2.1, Operate State Parks) for maintenance of employee housing.

PARKS AND WILDLIFE DEPARTMENT
(Continued)

14. **Indoor Recreational Facilities.** Included in the amounts appropriated above in Strategy B.1.2, Local Parks, are interest earnings accrued as of August 31, 2003, and earned through the biennium ending August 31, 2005, in the Texas Local Parks and Recreation Account No. 467. From this account, the department shall use an amount equal to \$1,275,000 of the total amounts allocated for grants in Strategy B.1.2, Local Parks for the 2004-05 biennium to fund local grants for the development of indoor recreation facilities. Any unexpended balances of such appropriations on August 31, 2004 are appropriated for the same purpose for the fiscal year beginning September 1, 2004.
15. **Appropriation: License Plate Receipts.** Included in amounts appropriated above in Strategy A.2.1, Operate State Parks, and Strategy C.2.1, Manage Fish and Wildlife, are all balances and revenue collected on or after September 1, 2003 (estimated to be \$66,650 in Big Bend National Park Account No. 5030 and \$33,000 in Waterfowl and Wetland Conservation License Plates Account No. 5057 in each fiscal year) from the sale of license plates as provided by the Texas Department of Transportation Code §§ 502.295 and 502.303.
16. **Limitation on Out-of-State Travel.** None of the funds appropriated above to the Parks and Wildlife Department may be expended for travel outside the state of Texas if such expenditures cause total out-of-state travel expenditures during each fiscal year to exceed an amount equal to 75 percent of out-of-state travel expenditures for the fiscal year ending August 31, 2000.
17. **Appropriation: Land Sale Proceeds.** Included in amounts appropriated above to the Parks and Wildlife Department in Strategy A.2.2, Capital Programs are all proceeds collected on or after September 1, 2003 and any balances as of August 31, 2003, from the sale of land (not to exceed \$500,000 in Appropriated Receipts). In accordance with Parks and Wildlife Code Sec. 13.009, the proceeds may only be used to improve or acquire other real property dedicated to the same purpose for which the land sold was dedicated.
18. **Appropriation of Receipts Out of General Revenue—Dedicated Accounts.** Of the amounts appropriated above to the Parks and Wildlife Department in the strategies listed below, the amount of \$15,753,366 in fiscal year 2004 and \$15,746,634 in fiscal year 2005 is contingent on fee increases sufficient to generate revenues, during the 2004-05 biennium, in excess of the amounts contained in the Comptroller of Public Accounts' Biennial Revenue Estimate for fiscal years 2004 and 2005 for the General Revenue—Dedicated Game, Fish, and Water Safety Account No. 9 and the General Revenue—Dedicated State Parks Account No. 64. Also, a certain number of the full-time equivalent (FTE) positions listed above (136.1 FTEs in fiscal year 2004 and 137.1 FTEs in fiscal year 2005) are contingent on fee increases sufficient to generate revenues, during the 2004-05 biennium, in excess of the amounts contained in the Comptroller of Public Accounts' Biennial Revenue Estimate for the General Revenue - Dedicated Game, Fish and Water Safety Account No. 9 by \$14,213,443 in fiscal year 2004 and by \$14,206,711 in fiscal year 2005.

	For the Years Ending	
	August 31, 2004	August 31, 2005
A.1.1, Public Hunting and Fishing	\$ 2,059,413	\$ 2,059,414
A.2.1, Operate State Parks	1,039,923	1,039,923
A.2.2, Capital Programs	1,619,408	1,618,869
B.1.1, Public Awareness and Outreach	4,674,936	4,674,936
C.1.1, Law Enforcement	2,913,413	2,913,413
C.2.1, Manage Fish and Wildlife	2,234,592	2,234,592
D.1.1, Central Administration	702,262	702,264

PARKS AND WILDLIFE DEPARTMENT
(Continued)

D.1.2, Information Resources	343,586	343,586
D.1.3, Other Support Services	<u>165,833</u>	<u>159,637</u>
Total	<u>\$ 15,753,366</u>	<u>\$ 15,746,634</u>

The department shall furnish copies of actions by the Parks and Wildlife Commission necessary to implement the fee increases, and other information supporting the estimated revenues to be generated for the 2004-05 biennium by the revised fee structure to the Comptroller of Public Accounts. If the Comptroller finds the information sufficient to support the projection of increased revenues, a finding of fact to that effect shall be issued and the contingent appropriations shall be made available for the intended purposes. Any contingent appropriations made available to the department during the 2004-05 biennium may not exceed \$31,500,000 (\$28,420,154 out of Game, Fish, and Water Safety Account No. 9, and \$3,079,846 out of State Parks Account No. 64).

The department is specifically authorized to expend these funds for purposes authorized by the Parks and Wildlife Code. Such expenditures must comply with limitations established for salary, travel, and capital expenditures, employment levels, and other provisions contained in Article IX of the Act.

If the Comptroller of Public Accounts determines that the estimated revenues are not sufficient to fund the contingent appropriations and any related employee benefit costs, the Legislative Budget Board (in consultation with the Governor) is authorized to make cumulative and incremental reductions to the following key performance measure targets, provided these adjustments do not exceed the amounts listed below:

	For the Fiscal Year Ending	
	August 31, 2004	August 31, 2005
Annual Percent Change in Opportunities for Targeted User Groups	1.5%	1.5%
Miles Patrolled in Vehicles (in Millions)	0.7	0.7
Hours Patrolled in Boats	6,877	7,071
Number of Criminal Environmental Investigations Conducted	3	3
Number of Pollution and Fish Kill Complaints Investigated	15	15

19. **Reporting Requirements: Capital Equipment.** The department shall submit a report semiannually to the Legislative Budget Board and the Governor which documents all leases, purchases, donations, or acquisitions of major capital items. The capital equipment itemized in the report shall include, at a minimum, boats, motors, and other water safety equipment; vehicles; computers; and radio equipment. The report shall identify which strategy within the agency's budget is the source of funding for the item; the method of finance for the item; the cost or value of the item; the date the item was acquired; and the law enforcement district and region or state park to which the item has been delivered.
20. **Reporting Requirements: Full-Time Equivalent Positions.** The department shall submit a semi-annual report to the Legislative Budget Board and the Governor which lists the number of authorized, budgeted, and filled positions in Strategy C.1.1, Law Enforcement. The report must include the classification of each position.

PARKS AND WILDLIFE DEPARTMENT
(Continued)

21. **Reporting Requirements: Game Warden Academies.** The department shall submit an annual plan to ensure the fulfillment of the agency's FTEs for Game Wardens. The department shall submit a report to the Legislative Budget Board and the Governor within 30 days of the completion of a Game Warden Academy which lists the total number of applicants, the number selected to attend the academy, and the number who successfully complete the academy. The report shall include the race, ethnicity, gender, prior law enforcement experience, and educational background of all applicants; the applicants selected to attend the academy; the graduates of the academy; and those graduates who accepted positions with the agency.
22. **Land Acquisition.** Included in amounts appropriated above in Strategy A.2.2, Capital Programs, is \$5,050,000 each fiscal year in federal funds and appropriated receipts to acquire land. Prior to the expenditure of any funds appropriated above for land acquisition, the department is required to report the following to the Legislative Budget Board and the Governor: the purpose, acreage and location of the acquisition; whether the acquisition is within, adjacent, or provides increased access to existing Parks and Wildlife Department lands or represents a new acquisition; the acquisition cost, including the cost per acre; and the estimated cost of operating and maintaining the land, including full-time positions, capital equipment and/or development costs. Any additional expenditures or reimbursements resulting from the acquisition of land must comply with any restrictions on expenditures or reimbursements contained in Article IX of this Act.
23. **Golden Alga.** Out of funds appropriated above in Strategy C.2.1, Manage Fish and Wildlife, a total of \$1,200,000 for the biennium is allocated from Game, Fish and Water Safety Account No. 9 from increased fees generated on or after September 1, 2003 for the coordination of interagency efforts to mitigate the adverse impact of Golden Alga (*Prymnesium parvum*) in Texas public lakes and rivers. The Parks and Wildlife Department shall use all available management strategies, including restocking to recover affected fisheries as appropriate and when success is reasonably assured.
24. **Statewide Aquatic Vegetation Control Program.** Out of funds appropriated above in Strategy C.2.1, Manage Fish and Wildlife, \$250,000 per fiscal year is allocated from Game, Fish and Water Safety Account No. 9 from increased boat registration fees generated on or after September 1, 2003 for the operation and maintenance of a statewide aquatic vegetation control program.
25. **Headquarters-based Vehicles.** It is the intent of the Legislature that at any given point and time during the 2004-05 biennium, no more than 60 vehicles be assigned to the Parks and Wildlife Department Headquarters facility located in Austin, Texas.
26. **Local Park Grant.** Out of funds appropriated above in Strategy B.1.2, Local Parks, \$750,000 per fiscal year is available for grants to metropolitan parks within a city with a population of at least 1.0 million.
27. **Appropriation of Certain Concession Receipts.** In addition to the appropriations above, concession receipts generated as a result of the efforts of volunteer groups in state parks or other agency facilities are appropriated to Strategy A.2.1, Operate State Parks (estimated to be \$150,000 in Appropriated Receipts for the biennium beginning September 1, 2003), and Strategy A.1.1, Public Hunting and Fishing (estimated to be \$100,000 in Appropriated Receipts for the biennium beginning September 1, 2003). These concession receipts shall be credited for the benefit of the specific state park or other agency facility where the funds are generated by volunteer groups. Concession receipts generated as a result of the efforts of department employees or leased concession contracts with third parties are appropriated in the strategies above and are not subject to this rider.

PARKS AND WILDLIFE DEPARTMENT
(Continued)

28. **Contingency Appropriation for House Bill 1989.** Contingent upon the passage of House Bill 1989, or similar legislation, authorizing the department to issue a freshwater fishing stamp, there is hereby appropriated out of Game, Fish and Water Safety Account No. 9 to Strategy A.1.1, Public Hunting and Fishing, an amount not to exceed \$4,260,000 for the year beginning September 1, 2004 from revenues collected from the sale of freshwater fishing stamps.

The use of these funds is limited to the purchase of fish for stocking state public waters, and for the repair, renovation, maintenance or replacement of freshwater fish hatcheries.

The department is authorized to expend these funds only to the extent that such expenditures comply with limitations established for salary, travel and capital expenditures, employment levels, and other provisions contained in Article IX of this Act.

29. **Contingency Appropriation for House Bill 2926.** Contingent upon the passage of House Bill 2926, or similar legislation, requiring mandatory licensing of marine dealers, manufacturers and distributors, there is hereby appropriated out of Game, Fish and Water Safety Account No. 9 to Strategy C.1.1, Law Enforcement, an amount not to exceed \$299,000 for the biennium beginning September 1, 2003 from licensing fees for marine dealers, distributors or manufacturers, to regulate marine dealers, distributors and manufacturers.

The department is authorized to expend these funds only to the extent that such expenditures comply with limitations established for salary, travel and capital expenditures, employment levels, and other provisions contained in Article IX of this Act.

30. **Meteor Crater Site.** Any unexpended balances as of August 31, 2003 in funds allocated for operating costs at the Meteor Crater Site are hereby appropriated for the same purpose for the biennium beginning September 1, 2003.

31. **Admiral Nimitz Historical Center.** It is the intent of the Legislature that the Parks and Wildlife Department seek contributions from private nonprofit and other philanthropic organizations to pay debt service on revenue bonds or other revenue obligations authorized by § 22.233 of the Parks and Wildlife Code and issued for the purpose of improvements to the Admiral Nimitz Museum in Fredericksburg.

RAILROAD COMMISSION

	For the Years Ending	
	August 31, 2004	August 31, 2005
A. Goal: ENVIRONMENTAL PROTECTION		
Assure that Texas fossil fuel energy production, storage and delivery is conducted to minimize harmful effects on the state's environment and to preserve natural resources.		
Outcome (Results/Impact):		
Percentage of Oil and Gas Facility Inspections That Identify Environmental Violations	25%	26%
Percentage of Known Orphaned Wells Plugged with the Use of State Funds	3.9%	2.9%
A.1.1. Strategy: MONITORING AND INSPECTIONS	\$ 11,661,475	\$ 12,004,057
Assure that permitted activities comply with applicable state and federal regulations through field inspections, witnessing tests, monitoring reports, processing applications and enforcement actions.		

RAILROAD COMMISSION
(Continued)

Output (Volume):		
Number of Oil and Gas Facility Inspections Performed	103,500	103,500
Number of Oil and Gas Environmental Permit Applications and Reports Processed	87,638	87,638
Number of Coal Mining Inspections Performed	0	0
Efficiencies:		
Average Number of Oil and Gas Facility Inspections Performed Per District Office Staff	850	850
Explanatory:		
Number of Oil and Gas Wells and Other Related Facilities Subject to Regulation	361,282	361,033
A.2.1. Strategy: REMEDIATION, RECLAMATION & PLUGGING	\$ 14,885,227	\$ 12,149,112
Protect public health and the environment by identifying, assessing and prioritizing wells, sites or mine lands that require the use of state funds for remediation or reclamation and provide assistance for operator initiated corrective actions.		
Output (Volume):		
Number of Wells Plugged with the Use of State Funds	665	486
Number of Pollution Sites Investigated, Assessed, or Cleaned up with the Use of State Funds	151	110
Total Aggregate Plugging Depth of Wells Plugged with the Use of State Funds (in Linear Feet)	1,060,000	826,000
Total, Goal A: ENVIRONMENTAL PROTECTION	\$ 26,546,702	\$ 24,153,169

B. Goal: SAFETY PROGRAMS

Advance safety in the delivery and use of Texas petroleum products and in the operation of the Texas Rail System through training, monitoring and enforcement.

Outcome (Results/Impact):

Average Number of Pipeline Safety Violations Per Equivalent 100 Miles of Pipe Identified through Inspections	3	3
B.1.1. Strategy: PIPELINE AND LP GAS SAFETY	\$ 4,193,649	\$ 4,193,776
Ensure the safe operation of pipelines and LPG/CNG/LNG businesses through licensing and permitting, field inspections, accident investigations and emergency response.		
Output (Volume):		
Number of Pipeline Safety Inspections Performed	2,750	2,750
# of LPG/LNG/CNG Safety Inspections Performed	15,000	15,000
Efficiencies:		
Average Number of Pipeline Field Inspections per Field Inspector	100	100
B.1.2. Strategy: RAIL SAFETY	\$ 1,250,957	\$ 1,249,765
Ensure safety through inspections of railroad facilities, equipment, and operations; and public education on rail grade crossings.		
Output (Volume):		
Number of Rail Units Inspected	49,000	49,000
Total, Goal B: SAFETY PROGRAMS	\$ 5,444,606	\$ 5,443,541

C. Goal: ENERGY RESOURCES

Support the development, management and use of Texas' oil and gas energy resources to protect correlative rights, provide equal and fair energy access to all entities, ensure fair gas utility rates, and promote research and education on the use of alternative fuels.

Outcome (Results/Impact):

Percent of Oil and Gas Wells That Are Active	73%	73%
C.1.1. Strategy: ENERGY RESOURCE DEVELOPMENT	\$ 3,807,838	\$ 3,807,811
Protect correlative rights and prevent waste while maximizing opportunities for the		

RAILROAD COMMISSION
(Continued)

development of oil and gas resources through well site permitting, production allowables, production rule reviews and exception processing.

Output (Volume):

Number of Wells Monitored

354,750

354,750

Efficiencies:

Average Number of Wells Monitored Per Analyst

27.288

27.269

C.2.1. Strategy: GAS UTILITY COMPLIANCE

\$ 1,539,832 \$ 1,536,047

Oversee natural gas utility rates structures that promote safe, efficient, and reliable supply at a reasonable cost and audit regulated gas utilities to ensure compliance with rate structures and submission of Gas Utility Taxes.

Output (Volume):

Number of Gas Utility Dockets Filed

80

80

C.2.2. Strategy: PROMOTE LP GAS USAGE

\$ 3,763,462 \$ 3,623,737

Develop and implement research and technical services, marketing, and a public education plan to increase the use of LP gas as an alternative fuel.

Output (Volume):

Number of Rebate and Incentive Applications Handled

4,250

4,250

Efficiencies:

Administrative Costs as a Percentage of Alternative Fuels

15.5%

15.5%

Research and Education Account Fee Revenue

Total, Goal C: ENERGY RESOURCES

\$ 9,111,132 \$ 8,967,595

D. Goal: TECHNOLOGICAL ENHANCEMENTS

Strive to maximize electronic government and to minimize paper transactions by developing technological enhancements that promote efficient regulatory programs and preserve and increase access to public information.

Outcome (Results/Impact):

Percent of Compliance Permits and Performance Reports Filed

Electronically through the Electronic Compliance and

Approval Process (ECAP) System

19%

23%

D.1.1. Strategy: ELECTRONIC GOVERNMENT

\$ 6,096,823 \$ 5,066,525

Collect, maintain, and preserve data submitted to the Commission; provide efficient public access to this information; offer regulated industries a means to conduct their business electronically rather than through paper transactions; and continue conversion of mainframe technologies to Internet-based technology.

Output (Volume):

Number of Documents Provided to Customers by Oil and Gas Information Management Services

1,095,000

1,040,000

Grand Total, RAILROAD COMMISSION

\$ 47,199,263 \$ 43,630,830

Method of Financing:

General Revenue Fund

General Revenue Fund

\$ 24,450,148 \$ 23,354,381

Earned Federal Funds

126,464 129,673

Subtotal, General Revenue Fund

\$ 24,576,612 \$ 23,484,054

RAILROAD COMMISSION
(Continued)

General Revenue Fund - Dedicated

GR Dedicated - Alternative Fuels Research and Education Account No. 101	2,051,646	1,911,355
GR Dedicated - Oil Field Cleanup Account No. 145	13,389,769	11,833,356

Subtotal, General Revenue Fund - Dedicated	<u>\$ 15,441,415</u>	<u>\$ 13,744,711</u>
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Federal Funds

Land Reclamation Fund No. 454	732,572	0
Federal Funds	4,160,100	4,113,501

Subtotal, Federal Funds	<u>\$ 4,892,672</u>	<u>\$ 4,113,501</u>
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Other Funds

Appropriated Receipts	1,716,747	1,716,747
Interagency Contracts	571,817	571,817

Subtotal, Other Funds	<u>\$ 2,288,564</u>	<u>\$ 2,288,564</u>
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Total, Method of Financing	<u>\$ 47,199,263</u>	<u>\$ 43,630,830</u>
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Number of Full-Time-Equivalent Positions (FTE):	757.9	757.9
Number of FTEs in Riders:	39.0	39.0

Schedule of Exempt Positions: Railroad Commissioner, Group 4	(3) \$92,217	(3) \$92,217
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Supplemental Appropriations Made in Riders:	\$ 3,142,425	\$ 3,133,575
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Object-of-Expense Informational Listing:

Salaries and Wages	\$ 29,223,158	\$ 29,223,159
Other Personnel Costs	872,969	872,970
Operating Costs	1,275,533	0
Professional Fees and Services	3,847,773	3,995,973
Fuels and Lubricants	411,828	411,828
Consumable Supplies	266,247	266,249
Utilities	307,227	307,226
Travel	518,035	518,033
Rent - Building	519,016	536,336
Rent - Machine and Other	448,052	448,052
Other Operating Expense	9,642,753	8,156,436
Capital Expenditures	<u>3,009,097</u>	<u>2,028,143</u>

Total, Object-of-Expense Informational Listing	<u>\$ 50,341,688</u>	<u>\$ 46,764,405</u>
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1. **Capital Budget.** Funds appropriated above may be expended for capital budget items listed below. The amounts identified for each item may be adjusted or expended on other capital expenditures, subject to the aggregate dollar restrictions on capital budget expenditures provided in the General Provisions of this Act.

	<u>2004</u>	<u>2005</u>
a. Acquisition of Information Resource Technologies		
(1) Oil and Gas Technology Migration	\$ 231,859	\$ 0
(2) Information Technology Infrastructure Upgrade	135,900	54,855
Total, Acquisition of Information Resource Technologies	<u>\$ 367,759</u>	<u>\$ 54,855</u>

RAILROAD COMMISSION
(Continued)

b. Transportation Items			
(1) Vehicle Replacements	892,124		766,374
c. Acquisition of Capital Equipment and Items			
(1) Field Office Telephone System Upgrade	30,000		0
Total, Capital Budget	\$ 1,289,883	\$	821,229
Method of Financing (Capital Budget):			
General Revenue Fund	\$ 475,433	\$	166,228
<u>General Revenue Fund - Dedicated</u>			
Alternative Fuels Research and Education			
Account No. 101	88,710		81,001
Oil Field Cleanup Account No. 145	642,390		501,000
Subtotal, General Revenue Fund - Dedicated	\$ 731,100	\$	582,001
1 Federal Funds	83,350		73,000
Total, Method of Financing	\$ 1,289,883	\$	821,229

2. **Unexpended Balance and Estimated Appropriation Authority: Alternative Fuels Research and Education Account.** Included in amounts appropriated above in Strategy C.2.2, Promote LP Gas Usage in fiscal year 2004, are balances remaining in the Alternative Fuels Research and Education (AFRED) Account No. 101 as of August 31, 2003 (estimated to be \$140,291) to be used during the biennium beginning on September 1, 2003. In addition to amounts appropriated above, the Railroad Commission is hereby appropriated any additional revenues received and deposited in the AFRED Account No. 101 in accordance with Natural Resources Code, § 113.243.
3. **Transfer Authority.** Notwithstanding limitations on appropriation transfers contained in the General Provisions of this Act, the Texas Railroad Commission is hereby authorized to direct agency resources and transfer such amounts appropriated above between appropriation line items.
4. **Appropriation: Unexpended Balances Between Fiscal Years within the Biennium.** Any unexpended balances as of August 31, 2004, in the appropriations made herein to the Railroad Commission are hereby appropriated for the same purposes for the fiscal year beginning September 1, 2004.
5. **Appropriations Limited to Revenue Collections and Contingent Revenue: LPG/CNG/LNG Fees.** It is the intent of the Legislature that revenues collected pursuant to Natural Resources Code §§ 113.082, 113.088, 113.090, 113.093, 113.094, 113.131, 116.032, 116.034, and 116.072 and deposited to Revenue Object Codes 3035, 3245, and 3246 in the General Revenue Fund, and \$60,000 each fiscal year collected pursuant to Natural Resources Code, § 113.244, and deposited to Revenue Object Code 3034 in the Alternative Fuels Research and Education Account No. 101, cover, at a minimum, the cost of the appropriations made above for the LP Gas Program in Strategy B.1.1, Pipeline and LP Gas Safety (estimated to be \$1,194,362 in fiscal year 2004 and \$1,248,308 in fiscal year 2005).

This appropriation is contingent upon the Railroad Commission assessing fees sufficient to generate, during the 2004-05 biennium, revenue to cover the appropriations. The Railroad Commission, upon completion of necessary actions to assess or increase additional fees, shall furnish copies of the Railroad Commission's minutes and other information supporting the estimated revenues to be generated for the 2004-05 biennium under the revised fee structure to

RAILROAD COMMISSION
(Continued)

the Comptroller of Public Accounts. If the Comptroller finds the information sufficient to support the projection of increased revenues, a finding of fact to that effect shall be issued and the contingent appropriation shall be made available for the intended purposes.

In the event that actual and/or projected revenue collections are insufficient to offset the costs identified by this provision, the Legislative Budget Board may direct that the Comptroller of Public Accounts reduce the appropriation authority provided above to be within the amount of revenue expected to be available.

6. **Unexpended Balance and Estimated Appropriation Authority: Oil Field Cleanup Account.** Included in amounts appropriated above in Strategy A.2.1, Remediation, Reclamation, and Plugging, is an amount not to exceed \$402,670 in balances remaining in the Oil Field Cleanup Account No. 145 as of August 31, 2003. The agency shall use these funds to carry out duties authorized by Natural Resources Code, Subchapter D, Chapter 91.

In addition to amounts appropriated above, there is hereby appropriated to the Railroad Commission for the biennium beginning on September 1, 2003, any revenues received in the Oil Field Cleanup Account No. 145 in excess of the Comptroller's Biennial Revenue Estimate for 2004-05.

7. **Fee Appropriation: Liquid Propane (LP) Gas Licensing, Training, and Examination Renewal Fees.** Included in amounts appropriated above in Strategy C.2.2, Promote LP Gas Usage, is \$331,768 in each fiscal year of the biennium in Appropriated Receipts from fees assessed and collected pursuant to Natural Resources Code, § 113.088, beginning September 1, 2003. These amounts may only be used for the purpose of providing training to licensees and certificate holders. In addition to amounts appropriated above, any additional amounts collected by the Railroad Commission pursuant to Natural Resources Code, § 113.088, on or after September 1, 2003, are hereby appropriated to the commission for the same purpose.
8. **Appropriation: Abandoned Mine Land Funds.** Included in amounts appropriated above in Strategy A.2.1, Remediation, Reclamation, and Plugging, is \$732,572 in unexpended balances remaining on August 31, 2003 in the Land Reclamation Fund Account No. 454. In addition to amounts appropriated above, the Railroad Commission is hereby appropriated any additional federal grant funds from the US Department of Interior for the purposes authorized by Natural Resources Code, Chapter 134, Subchapter G, Abandoned Mine Reclamation.
9. **Contingency Appropriation Limited to Revenue Collections and Finding of Fact Issued by the Comptroller of Public Accounts: Surface Mining Permits.** In addition to the amounts appropriated above and contingent on the Railroad Commission increasing surface mining fees collected pursuant to Natural Resources Code, § 164.055, the Commission is hereby appropriated out of the General Revenue Fund surface mining fee revenues in excess of \$365,000 each fiscal year to cover the cost of permitting and inspecting coal mining facilities. This appropriation shall not exceed \$972,331 in fiscal year 2004 and \$968,085 in fiscal year 2005. In addition, the estimated amounts of Federal Funds in the agency's Method of Financing above are hereby increased by \$979,330 in fiscal year 2004 and \$975,076 in fiscal year 2005, and the estimated amounts of Appropriated Receipts are hereby increased by \$7,000 in each fiscal year. The Railroad Commission is hereby authorized to transfer the appropriation made pursuant to this provision to the appropriate strategy items listed above.

This appropriation is contingent upon the Railroad Commission assessing fees sufficient to generate, during the 2004-05 biennium, revenue to cover the General Revenue appropriations. The Railroad Commission, upon completion of necessary actions to assess or increase additional fees, shall furnish copies of the Railroad Commission's minutes and other information supporting the estimated revenues to be generated for the 2004-05 biennium under the revised fee structure to the Comptroller of Public Accounts. If the Comptroller finds the

RAILROAD COMMISSION
(Continued)

information sufficient to support the projection of increased revenues in excess of those estimated in the Biennial Revenue Estimate, a finding of fact to that effect shall be issued and the contingent appropriation shall be made available for the intended purposes.

Also contingent on the Commission increasing fees to cover costs of permitting and inspecting coal mining facilities, the "Number of Full-Time Equivalent Positions (FTE)" figure indicated above is hereby increased by 39 in each fiscal year. In addition, amounts in the Commission's Capital Budget Rider are hereby increased for the following items and in the following amounts. In addition, the following Capital Budget Method of Financing amounts are hereby increased.

	2004	2005
a. Information Technology Infrastructure Upgrade	\$ 9,000	\$ 0
b. Vehicle Replacements	\$ 23,000	\$ 23,500

Method of Financing:

General Revenue	\$ 10,250	\$ 5,750
Federal Funds	\$ 15,750	\$ 11,750
Appropriated Receipts	\$ 6,000	\$ 6,000

In addition, the following key measure targets change reflects funding levels contingent upon the Commission raising fees to cover costs of permitting and inspecting coal mining facilities.

	2004	2005
Number of Coal Mining Inspections Performed	365	365

10. **Contingency Appropriation for Pipeline Safety Fees.** In addition to the amounts appropriated above and contingent upon the enactment of House Bill 1194 or similar legislation authorizing the Railroad Commission to assess fees on pipelines and pipeline facilities, by the Seventy-eighth Legislature, 2003, the Railroad Commission is hereby appropriated additional revenues deposited to the credit of the General Revenue Fund from fees assessed on pipelines and pipeline facilities in an amount not to exceed \$1,183,764 in fiscal year 2004 and \$1,183,414 in fiscal year 2005. These funds shall be used to operate programs in Strategy B.1.1, Pipeline and LP Gas Safety, and the geographic information systems mapping program in Strategy D.1.1, Electronic Government. The Railroad Commission is hereby authorized to transfer appropriations made pursuant to this provision to the appropriate strategy items.

These appropriations are contingent upon the Railroad Commission assessing fees sufficient to generate, during the 2004-05 biennium, revenue to cover, at a minimum the General Revenue appropriations for the Pipeline Safety program as well as "Other direct and indirect costs" for the program, appropriated elsewhere in this Act. The Railroad Commission, upon completion of necessary actions to assess or increase additional fees, shall furnish copies of the Railroad Commission's minutes and other information supporting the estimated revenues to be generated for the 2004-05 biennium under the revised fee structure to the Comptroller of Public Accounts. If the Comptroller finds the information sufficient to support the projection of increased revenues, a finding of fact to that effect shall be issued and the contingent appropriation shall be made available for the intended purposes.

RAILROAD COMMISSION
(Continued)

Contingent upon the Railroad Commission assessing fees to cover the costs of the Pipeline Safety program, the Railroad Commission may transfer appropriations made out of the General Revenue Fund in an amount not to exceed \$1,183,764 in fiscal year 2004 and not to exceed \$1,183,414 in fiscal year 2005 from Strategy B.1.1, Pipeline and LP Gas Safety, to Strategy D.1.1, Electronic Government.

Also contingent upon the Railroad Commission assessing fees to cover the costs of the Pipeline Safety program, the Railroad Commission's Capital Budget authority is hereby increased for the following item and in the following amounts.

	<u>2004</u>	<u>2005</u>
(1) Oil and Gas Migration	\$ 1,183,764	\$ 1,183,414

TEXAS RIVER COMPACT COMMISSIONS

	For the Years Ending	
	<u>August 31,</u> <u>2004</u>	<u>August 31,</u> <u>2005</u>
Out of the General Revenue Fund:		
A. Goal: CANADIAN RIVER COMPACT		
The Canadian River Compact will ensure the delivery of Texas' equitable share of quality water from the Canadian River and its tributaries as apportioned by the Canadian River Compact.		
Outcome (Results/Impact):		
The Percentage Received of Texas' Equitable Share of Quality Water Annually as Apportioned by the Canadian River Compact		
A.1.1. Strategy: WATER DELIVERY ACCOUNTING	\$ 100%	\$ 100%
Prepare and resolve the annual accounting of water stored by each compacting state.	19,622	19,622
Explanatory:		
Number of Active Interstate Disputes Regarding the Canadian River Compact Which Could Result in Litigation Involving Texas, Oklahoma, and/or New Mexico	1	1
B. Goal: PECOS RIVER COMPACT		
The Pecos River Compact will ensure delivery and maximize the availability of Texas' equitable share of quality water from the Pecos River and its tributaries as apportioned by the Pecos River Compact.		
Outcome (Results/Impact):		
The Percentage Received of Texas' Equitable Share of Quality Water Annually as Apportioned by the Pecos River Compact		
B.1.1. Strategy: WATER DELIVERY ACCOUNTING	\$ 100%	\$ 100%
Prepare and resolve the annual accounting of water deliveries to Texas by New Mexico as apportioned by the Pecos River Compact and U.S. Supreme Court Decree.	111,848	111,848
Explanatory:		
Number of Active Interstate Disputes Regarding the Pecos River Compact Which Could Result in Litigation Involving Texas and New Mexico	0	0
C. Goal: RED RIVER COMPACT		
The Red River Compact will ensure delivery of Texas' equitable share of quality water from the Red River and its tributaries as apportioned by the Red River Compact.		

TEXAS RIVER COMPACT COMMISSIONS

(Continued)

Outcome (Results/Impact):			
The Percentage Received of Texas' Equitable Share of Quality Water Annually as Apportioned by the Red River Compact			
	100%		100%
C.1.1. Strategy: WATER DELIVERY ACCOUNTING	\$ 29,166	\$	29,166
Develop and implement an annual accounting system of water deliveries to each compacting state.			
Explanatory:			
Number of Active Interstate Disputes Regarding the Red River Compact Which Could Result in Litigation Involving Texas, Oklahoma, Arkansas, and/or Louisiana			
		1	1
D. Goal: RIO GRANDE COMPACT			
The Rio Grande River Compact will ensure delivery and maximize the availability of Texas' equitable share of quality water from the Rio Grande and its tributaries as apportioned by the Rio Grande Compact.			
Outcome (Results/Impact):			
The Percentage Received of Texas' Equitable Share of Quality Water Annually as Apportioned by the Rio Grande Compact			
	100%		100%
D.1.1. Strategy: WATER DELIVERY ACCOUNTING	\$ 127,686	\$	127,686
Prepare and resolve the annual accounting of water deliveries to Texas by Colorado and New Mexico as apportioned by the Rio Grande Compact.			
Explanatory:			
Number of Active Interstate Disputes Regarding the Rio Grande Compact Which Could Result in Litigation Involving Texas, Colorado, and/or New Mexico			
		1	1
E. Goal: SABINE RIVER COMPACT			
The Sabine River Compact will ensure delivery of Texas' equitable share of quality water from the Sabine River and its tributaries as apportioned by the Sabine River Compact.			
Outcome (Results/Impact):			
The Percentage Received of Texas' Equitable Share of Quality Water Annually as Apportioned by the Sabine River Compact			
	100%		100%
E.1.1. Strategy: WATER DELIVERY ACCOUNTING	\$ 48,887	\$	48,887
Prepare and resolve the annual accounting of water diversions by Texas and Louisiana as apportioned by the Sabine River Compact.			
Explanatory:			
Number of Active Interstate Disputes Regarding the Sabine River Compact Which Could Result in Litigation Involving Texas and Louisiana			
		0	0
Grand Total, TEXAS RIVER COMPACT COMMISSIONS			
	\$ 337,209	\$	337,209
Number of Full-Time-Equivalent Positions (FTE):		7.5	7.5
Schedule of Exempt Positions:			
Red River Compact Commissioner	\$24,225		\$24,225
Rio Grande Compact Commissioner	41,195		41,195
Sabine River Compact Commissioner	(2) 8,487		(2) 8,487
Canadian River Compact Commissioner	10,767		10,767
Pecos River Compact Commissioner	32,247		32,247
Object-of-Expense Informational Listing:			
Salaries and Wages	\$ 155,173	\$	148,674
Professional Fees and Services	166,779		173,278
Utilities	2,100		2,100

TEXAS RIVER COMPACT COMMISSIONS
(Continued)

Travel	6,582	6,582
Rent - Machine and Other	1,500	1,500
Other Operating Expense	<u>5,075</u>	<u>5,075</u>
Total, Object-of-Expense Informational Listing	\$ <u>337,209</u>	\$ <u>337,209</u>

1. **Out-of-State Travel Exemption Within Compacting States.** Each of the Texas River Compact Commissions is specifically exempt from out-of-state travel expenditure limitations contained in the General Provisions of this Act for travel to any state that is a party to that commission's compact agreement.

SOIL AND WATER CONSERVATION BOARD

	For the Years Ending	
	August 31, <u>2004</u>	August 31, <u>2005</u>
A. Goal: PROTECT TEXAS FARM AND GRAZING LAND		
To protect and enhance the farm and grazing land of Texas by ensuring that a quality conservation program is available and being applied in all soil and water conservation districts and that funds are being used effectively to increase water yield in targeted areas.		
Outcome (Results/Impact):		
Percent of District Financial Needs Met by Soil and Water Conservation Board Grants		
	27%	27%
A.1.1. Strategy: PROGRAM MGMT. FINAN. & TECH ASSIST	\$ 3,315,135	\$ 3,305,135
Provide program expertise, technical guidance and assistance, and financial assistance on a statewide basis in managing and directing conservation programs.		
Output (Volume):		
Number of Contacts with Districts to Provide Conservation Education Assistance		
	9,000	- 9,500
A.1.2. Strategy: BRUSH CONTROL ASSISTANCE	<u>\$ 14,464,794</u>	<u>\$ 607,805</u>
Provide financial and technical assistance to implement brush control projects to increase water yields in targeted watersheds.		
Output (Volume):		
Number of Acres of Brush Treated		
	155,000	155,000
Total, Goal A: PROTECT TEXAS FARM AND GRAZING LAND	\$ <u>17,779,929</u>	\$ <u>3,912,940</u>
B. Goal: NONPOINT SOURCE POLLUTION ABATEMENT		
To effectively administer a program for the abatement of nonpoint source pollution caused by agricultural and silvicultural uses of the state's soil and water resources.		
Outcome (Results/Impact):		
Percent of Agricultural and Silvicultural Operations with a Potential to Cause Nonpoint Pollution in Areas with Approved Total Maximum Daily Loads Having Certified Water Quality Management Plans		
	26%	26%
B.1.1. Strategy: STATEWIDE MANAGEMENT PLAN	\$ 4,174,003	\$ 4,347,504
Implement and update as necessary a statewide management plan for the control of agricultural and silvicultural nonpoint source water pollution.		

SOIL AND WATER CONSERVATION BOARD
(Continued)

Output (Volume):		
Number of Agricultural/Silvicultural Nonpoint Source Site-specific Areas Evaluated for Potential Nonpoint Source Problems		
	12	12
B.2.1. Strategy: POLLUTION ABATEMENT PLANS	\$ 3,982,175	\$ 3,982,175
Develop and implement pollution abatement plans for agriculture/silviculture operations in identified problem areas.		
Output (Volume):		
Number of Pollution Abatement Plans Certified		
	1,100	1,100
Total, Goal B: NONPOINT SOURCE POLLUTION ABATEMENT	\$ 8,156,178	\$ 8,329,679
C. Goal: INDIRECT ADMINISTRATION		
C.1.1. Strategy: INDIRECT ADMINISTRATION		
	\$ 413,265	\$ 413,265
Grand Total, SOIL AND WATER CONSERVATION BOARD	\$ 26,349,372	\$ 12,655,884
Method of Financing:		
General Revenue Fund		
	\$ 10,735,289	\$ 8,118,299
GR Dedicated - Agricultural Soil and Water Conservation Account No. 563		
	115,000	115,000
Federal Funds		
	4,249,083	4,422,585
Interagency Contracts		
	11,250,000	0
Total, Method of Financing	\$ 26,349,372	\$ 12,655,884
Number of Full-Time-Equivalent Positions (FTE):		
	66.0	66.0
Schedule of Exempt Positions:		
Executive Director, Group 2		
	\$65,000	\$65,000
Per Diem of Board Members		
	9,000	9,000
Object-of-Expense Informational Listing:		
Salaries and Wages		
	\$ 2,168,853	\$ 2,172,853
Other Personnel Costs		
	60,745	60,945
Operating Costs		
	1,513,334	1,219,592
Professional Fees and Services		
	10,075	11,325
Fuels and Lubricants		
	11,500	12,000
Consumable Supplies		
	22,200	23,400
Utilities		
	27,690	27,925
Travel		
	318,400	318,400
Rent - Building		
	139,277	139,477
Rent - Machine and Other		
	16,650	16,900
Client Services		
	15,781,869	2,113,240
Grants		
	6,278,779	6,539,827
Total, Object-of-Expense Informational Listing	\$ 26,349,372	\$ 12,655,884
1. Matching Requirements. Funds appropriated above for conservation assistance grants for Soil and Water Conservation Districts may be expended only when matched by equal amounts from sources other than state funds or earnings from state funds, not to exceed \$7,500 in any district per fiscal year.		
2. Appropriation: Unexpended Balances between Biennia for Soil Conservation Districts. Included in amounts appropriated above in Strategy A.1.1, Program Management, Financial and Technical Assistance, in fiscal year 2004 is \$10,000 in unexpended balances in the appropriations made to Soil and Water Conservation Board for Soil Conservation Districts on		

SOIL AND WATER CONSERVATION BOARD
(Continued)

August 31, 2003. These amounts shall be used for the purposes provided for under the soil conservation statutes during the biennium beginning on September 1, 2003.

3. **Appropriation: Unexpended Balances between Fiscal Years for the Agricultural Soil and Water Conservation Account.** Any unexpended balances in the appropriation made above out of the Agricultural Soil and Water Conservation Account No. 563 as of August 31, 2004, are hereby appropriated for fiscal year 2005 for the same purposes.
4. **Allocation of Grant Funds.** It is the intent of the Legislature that an allocation of 25 percent of Technical Assistance grant funds and funds appropriated to the Soil and Water Conservation Board for the Soil and Water Conservation Districts from the Agricultural Soil and Water Conservation Account No. 653 shall be made at the beginning of each fiscal year of the 2004-05 biennium. The Soil and Water Conservation Board shall distribute the remaining balance of grant funds to districts on a reimbursement basis during the fiscal year when expenditures are incurred. Grant distributions are made contingent upon districts filing annual technical assistance expenditure summary reports with the Soil and Water Conservation Board.
5. **Appropriation: Waste Water Management Plans for Poultry Operators.** Included in amounts appropriated above in Strategy B.2.1, Pollution Abatement Plans, is \$250,000 out of the General Revenue Fund in each fiscal year 2004 and 2005 for additional administrative costs associated with the preparation of waste water management plans for poultry operators.
6. **Brush Control.** Included in amounts appropriated above in Strategy A.1.2, Brush Control Assistance, is \$3,114,794 in fiscal year 2004 and \$607,805 in fiscal year 2005 out of the General Revenue Fund for the brush control program. These funds shall be used for supporting existing and implementing new brush control projects designated by the Soil and Water Conservation Board.

Also included in amounts appropriated above in Strategy A.1.2, Brush Control Assistance, is an amount not to exceed \$100,000 in unexpended balances remaining on August 31, 2003 in the General Revenue appropriation for brush control. These funds shall be used for brush control activities during the biennium beginning on September 1, 2003.

It is estimated that the amount of General Revenue required for Debt Service Payments for General Obligation Water Bonds for Agricultural Water Conservation Bonds issued by the Water Development Board during the 2002-03 biennium will total \$5,390,590 for the 2004-05 biennium. In the event that debt service requirements are less than \$5,390,590, the difference is hereby appropriated to the Soil and Water Conservation Board for additional brush control activities in Strategy A.1.2, Brush Control Assistance.

7. **Appropriation: Agricultural Water Conservation Bonds for Brush Control.** Included in amounts appropriated above in Strategy A.1.2, Brush Control Assistance, in fiscal year 2004 is \$11,250,000 in unexpended balances in Interagency Contracts. These amounts are derived from Agricultural Water Conservation Bond proceeds made available to the agency through an interagency agreement between the Soil and Water Conservation Board and the Water Department Board. These funds shall be used for the implementation of brush control cost share projects.

Any unexpended balances from this appropriation as of August 31, 2004 are hereby appropriated for the same purpose for the fiscal year beginning September 1, 2004.

8. **Staffing Levels in Field Offices.** It is the intent of the Legislature that appropriations made above to the Soil and Water Conservation Board provide for staffing levels at each field office located outside the Temple headquarters that are, at a minimum, equal to actual staffing levels for each field office during the 2002-03 biennium.

WATER DEVELOPMENT BOARD

For the Years Ending
August 31, August 31,
2004 2005

A. Goal: WATER RESOURCE PLANNING

Plan and guide the conservation, orderly and cost-effective development, and best management of the state's water resources for the benefit of all Texans.

Outcome (Results/Impact):

Percent of Information Available to Adequately Monitor the State's Water Supplies	78.1%	78.8%
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Percent of Eligible Texas Communities and Other Entities Receiving Technical and/or Financial Assistance for Water Planning and Conservation	10%	10%
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A.1.1. Strategy: DATA COLLECTION AND DISSEMINATION

	\$ 10,019,599	\$ 10,058,723
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Operate statewide, water-related data collection, integration, dissemination, and evaluation programs that provide public access to adequate information to conduct planning of water resources projects and identify facility needs.

Output (Volume):

Number of Data Units Collected And/or Processed by Texas Water Development Board Staff in Support of Monitoring, Investigating, and Defining the State's Surface Water and Groundwater Resources	26,948	28,134
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Number of Bay and Estuary and Instream Study Elements Completed	185.2	195.2
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Number of Responses to Requests for Water Resources Information	3,000	3,000
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Explanatory:

Number of Responses to Requests for TNRIS-related Information	300,000	300,000
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A.1.2. Strategy: WATER PLANNING

	\$ 10,314,516	\$ 10,076,700
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Conduct water planning and financial assistance activities to ensure adequate long-term water supplies, wastewater treatment, and flood protection.

Output (Volume):

Number of Active Grants for Regional Water, Wastewater, Flood and Research Studies Funded from the Research and Planning Fund	120	120
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A.2.1. Strategy: CONSERVATION ASSISTANCE

	\$ 606,830	\$ 613,840
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Provide water conservation information, data, and other technical assistance and services to promote increased water use efficiency in Texas.

Output (Volume):

Number of Responses to Requests for Water Conservation Information, Data, Technical Assistance and Educational Activities Provided by the Texas Water Development Board Staff	600	600
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Total, Goal A: WATER RESOURCE PLANNING

	\$ 20,940,945	\$ 20,749,263
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B. Goal: WATER PROJECT FINANCING

Provide cost-effective financing for the development of water supply, for water quality protection and for other water-related projects.

Outcome (Results/Impact):

Total Dollars Committed as a Percent of Total Financial Assistance Dollars Available	88.3%	88.5%
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WATER DEVELOPMENT BOARD
(Continued)

Percent of Estimated Total Colonia Population Provided a Construction Funding Commitment for Water or Wastewater Services		
	65.3%	67%
B.1.1. Strategy: FINANCIAL ASSISTANCE	\$ 11,056,691	\$ 11,291,531
Provide financial assistance to save money for Texas communities for water supply, water quality protection, and other water-related projects.		
Output (Volume):		
Number of Financial Assistance/Loan Commitments Provided to Non-economically Distressed Areas	92	97
Total Dollars in Non-EDAP Financial Assistance Commitment Provided to Communities	471,000,000	461,000,000
Number of Construction Contracts Managed	325	325
B.1.2. Strategy: ECONOMICALLY DISTRESSED AREAS	\$ 1,566,293	\$ 1,745,578
Provide financial assistance to political subdivisions in economically distressed areas (colonias), providing residents access and connections to adequate water supplies and/or wastewater treatment systems and indoor plumbing improvements.		
Output (Volume):		
Number of Completed Colonia or Economically Distressed Areas (Colonia) Projects	66	70
Total, Goal B: WATER PROJECT FINANCING	\$ 12,622,984	\$ 13,037,109
C. Goal: INDIRECT ADMINISTRATION		
C.1.1. Strategy: CENTRAL ADMINISTRATION	\$ 2,675,975	\$ 2,681,455
C.1.2. Strategy: INFORMATION RESOURCES	\$ 861,478	\$ 861,478
C.1.3. Strategy: OTHER SUPPORT SERVICES	\$ 557,953	\$ 557,815
Total, Goal C: INDIRECT ADMINISTRATION	\$ 4,095,406	\$ 4,100,748
Grand Total, WATER DEVELOPMENT BOARD	\$ 37,659,335	\$ 37,887,120
Method of Financing:		
<u>General Revenue Fund</u>		
General Revenue Fund	\$ 18,956,131	\$ 19,148,898
Earned Federal Funds	469,904	465,586
Subtotal, General Revenue Fund	\$ 19,426,035	\$ 19,614,484
GR Dedicated - Agricultural Soil and Water Conservation Account No. 563	115,000	115,000
Federal Funds	3,814,787	3,819,052
<u>Other Funds</u>		
Agricultural Trust Fund No. 562	232,413	232,413
Appropriated Receipts	12,615,122	11,793,051
Interagency Contracts	224,122	234,314
Water Assistance Fund No. 480	1,231,856	2,078,806
Subtotal, Other Funds	\$ 14,303,513	\$ 14,338,584
Total, Method of Financing	\$ 37,659,335	\$ 37,887,120
Number of Full-Time-Equivalent Positions (FTE):	311.5	311.5

WATER DEVELOPMENT BOARD
(Continued)

Schedule of Exempt Positions:
Executive Administrator, Group 4
Per Diem of Board Members

	\$108,000	\$108,000
	5,400	5,400

Object-of-Expense Informational Listing:

Salaries and Wages	\$ 16,119,865	\$ 16,205,290
Other Personnel Costs	281,141	292,961
Professional Fees and Services	1,133,913	1,130,913
Fuels and Lubricants	89,950	89,950
Consumable Supplies	226,993	226,992
Utilities	218,738	218,738
Travel	469,587	469,586
Rent - Building	376,923	376,923
Rent - Machine and Other	152,732	152,732
Other Operating Expense	2,891,075	2,047,655
Grants	12,974,125	13,970,076
Capital Expenditures	<u>2,724,293</u>	<u>2,705,304</u>
Total, Object-of-Expense Informational Listing	<u>\$ 37,659,335</u>	<u>\$ 37,887,120</u>

1. **Capital Budget.** None of the funds appropriated above may be expended for capital budget items except as listed below. The amounts shown below shall be expended only for the purposes shown and are not available for expenditure for other purposes. Amounts appropriated above and identified in this provision as appropriations either for "Lease Payments to the Master Lease Purchase Program" or for items with an "(MLPP)" notation shall be expended only for the purpose of making lease-purchase payments to the Texas Public Finance Authority pursuant to the provisions of Government Code, § 1232.103.

	<u>2004</u>	<u>2005</u>
a. Acquisition of Information Resource Technologies		
(1) Acquisition of Information Resource Technologies	\$ 523,228	\$ 529,659
(2) Strategic Mapping Pool	<u>\$ 1,933,869</u>	<u>\$ 1,933,868</u>
Total, Acquisition of Information Resource Technologies	<u>\$ 2,457,097</u>	<u>\$ 2,463,527</u>
b. Transportation Items		
(1) Purchase of Vehicles and Boats	\$ 318,500	\$ 274,013
c. Acquisition of Capital Equipment and Items		
(1) Gauging and Other Equipment	\$ 253,543	\$ 278,543
d. Other Lease Payments to the Master Lease Purchase Program (MLPP)		
(1) Other Lease Payment to the Master Lease Purchase Program, 2002-03	\$ 105,658	\$ 105,023
Total, Capital Budget	<u>\$ 3,134,798</u>	<u>\$ 3,121,106</u>

Method of Financing (Capital Budget):

<u>General Revenue Fund</u>		
General Revenue Fund	\$ 1,652,929	\$ 1,641,424
Earned Federal Funds	29,453	24,500
Subtotal, General Revenue Fund	<u>\$ 1,682,382</u>	<u>\$ 1,665,924</u>

WATER DEVELOPMENT BOARD
(Continued)

Federal Funds	828,399	828,399
Other Funds		
Agricultural Trust Fund No. 562	26,938	26,938
Appropriated Receipts	536,912	539,678
Interagency Contracts	60,167	60,167
Subtotal, Other Funds	<u>\$ 624,017</u>	<u>\$ 626,783</u>
 Total, Method of Financing	 <u>\$ 3,134,798</u>	 <u>\$ 3,121,106</u>

2. **Transfer Authorized.** Included in amounts appropriated above in Strategy A.1.2, Water Planning, is \$3,630,000 in fiscal year 2004 and \$3,770,000 in fiscal year 2005 out of the General Revenue Fund to be transferred to the Water Assistance Fund No. 480, for the sole purpose of making grants to regional planning groups pursuant to Water Code, § 15.4061. The Texas Water Development Board is authorized to transfer these funds from the Water Assistance Fund to other accounts as authorized under Water Code, § 15.011 as needed to support the regional planning process.

3. **Safe Drinking Water Act State Revolving Fund.** Included in amounts appropriated above in Strategy B.1.1, Financial Assistance, is up to \$3,593,256 out of the General Revenue Fund in each fiscal year of the biennium for the state match portion of the community/non-community water system and economically disadvantaged community accounts established under the Safe Drinking Water Act State Revolving Fund.

4. **Appropriation: Water Assistance Fund.** Included in the amounts appropriated above are balances in the Water Assistance Fund No. 480 as of August 31, 2003 (estimated to be 1,231,856 in fiscal year 2004 and \$2,078,806 in fiscal year 2005). In addition to amounts appropriated above, there is hereby appropriated all revenues accruing to the Water Assistance Fund No. 480 during the biennium beginning on September 1, 2003, including receipts from the Water Resources Finance Authority, and any additional balances on hand as of September 1, 2003, in the Fund. These funds shall be used as authorized in Chapter 15, Water Code.

5. **Appropriation: Water Resources Fund.** In addition to amounts appropriated above any monies deposited into the Texas Water Resources Fund No. 591, including but not limited to proceeds from revenue bond sales, investment earnings, and loan repayments, are hereby appropriated to the Board for the biennium beginning with the effective date of this Act.

6. **Appropriation: Agricultural Water Conservation Fund.** In addition to amounts appropriated above any monies deposited into the Agricultural Water Conservation Fund No. 358, including but not limited to proceeds from agricultural water conservation bond sales, investment earnings, and loan repayments, are hereby appropriated to the Board for the biennium beginning with the effective date of this Act, for use pursuant to § 50-d of Article III of the Texas Constitution and Water Code, Chapter 17, Subchapter J. There are hereby appropriated such amounts as may be necessary to pay the principal and interest on such bonds that mature or become due during the biennium beginning with the effective date of this Act, pursuant to § 50-d of Article III of the Texas Constitution and Water Code, Chapter 17, Subchapter J, to be transferred to the Agricultural Water Conservation Interest and Sinking Fund No. 359.

7. **Coordination with the Office of Rural and Community Affairs.** The Texas Water Development Board (TWDB) and the Office of Rural and Community Affairs (ORCA) shall continue to coordinate funds out of the Economically Distressed Areas Program (EDAP) administered by the TWDB and the Colonia Fund administered by ORCA as outlined in a

WATER DEVELOPMENT BOARD
(Continued)

Memorandum of Understanding (MOU) to maximize delivery of the funds and minimize administrative delay in their expenditure. At the beginning of each fiscal year of the 2004–05 biennium, the TWDB shall provide the ORCA a list of EDAP-funded areas whose colonia residents cannot afford the cost of service lines, hook-ups, and plumbing improvements associated with being connected to an EDAP-funded system. No later than September 15, 2004, the TWDB and the ORCA shall submit a joint report to the Legislative Budget Board that describes and analyzes the effectiveness of projects funded as a result of coordinated Colonia Fund/EDAP efforts, including an estimate of the amount each agency has saved by reduced duplication of efforts.

8. **Fee Appropriation: State Revolving Fund Program Operation.** Included in the amounts appropriated above is \$6,938,673 in fiscal year 2004 and \$6,949,317 in fiscal year 2005 in Appropriated Receipts fee revenue collected for the administration and operation of the State Revolving Fund (SRF) Program or additional state revolving funds created under Water Code, Chapter 15, Subchapter J. In addition to the amounts appropriated above, the Water Development Board is hereby appropriated any additional fee revenue collected for administration and operation of revolving fund programs for the biennium beginning September 1, 2003.

All fee revenue collected pursuant to the SRF program and additional state revolving funds may be deposited into an operating fund held in the Texas Treasury Safekeeping Trust Company. Monies in the SRF or additional SRFs operating fund, including interest, may be used only for the purposes of reimbursing expenditures from appropriations in this Act. Such reimbursement shall include both direct expenditures for salaries and other expenditures and fringe benefits. In addition, the Texas Water Development Board may transfer amounts from the operating fund to the SRF or additional SRFs for uses pursuant to the Water Code, Chapter 15, Subchapter J.

9. **Appropriation: Unexpended Balances in Agricultural Soil and Water Conservation Account.** Any unexpended balances in the appropriation made above out of the Agricultural Soil and Water Conservation Account No. 563 as of August 31, 2004, are hereby appropriated for the fiscal year beginning September 1, 2004.
10. **Use of Texas Water Resources Finance Authority (TWRFA) Funds.** Included in the amounts appropriated above in Strategy A.1.2, Water Planning, is \$174,903 in fiscal year 2004 and \$178,763 in fiscal year 2005 in Appropriated Receipts derived from cash flows from the Texas Water Resources Finance Authority (TWRFA). Also included in amounts appropriated above in Strategy B.1.1, Financial Assistance, is \$443,852 in Appropriated Receipts in each year of the biennium derived from cash flows and reserved as operating costs of TWRFA and used to reimburse TWDB for administrative expenditures incurred by TWDB in administering the TWRFA portfolio.
11. **Appropriation: Unexpended Balances in the Groundwater District Loan Assistance Fund.** In addition to amounts appropriated above, the Texas Water Development Board is hereby appropriated any unexpended balances in the Groundwater District Loan Assistance Fund No. 363 as of August 31, 2003. Any unexpended balances as of August 31, 2004 are hereby appropriated for the fiscal year beginning September 1, 2004.
12. **Appropriation: Playa Lakes Recharge Characteristics.** Included in the amounts appropriated above in Strategy A.1.2, Water Planning, is up to \$275,000 for the fiscal year beginning September 1, 2003 to be used for research and studies relating to increasing the aquifer recharge characteristics of the Playa Lakes, existing Natural Resource Conservation Service dams, and other water retention structures across the High Plains of Texas under Water Code, §§ 16.012 and 16.015. Pursuant to Water Code, § 16.019, the Board may enter into contracts for research, permitting and other activities necessary to increase the storage capacity of such reservoirs to allow the studies to be conducted.

WATER DEVELOPMENT BOARD
(Continued)

Any unexpended balances remaining in this appropriation on August 31, 2004 are hereby appropriated for the same purposes for the fiscal year beginning September 1, 2004.

13. **Rural Community Water and Wastewater Loan Program.** Included in the amounts appropriated above in Strategy B.1.1, Financial Assistance, is \$830,000 in Appropriated Receipts in fiscal year 2004 from proceeds from the sale of the Texas Water Development Board's portfolio to the Texas Water Resources Finance Authority (TWRFA) to be used as loans for the Rural Community Water and Wastewater Loan (RCWWL) program. Any balances remaining in this appropriation on August 31, 2004 are hereby appropriated for the same purposes for the fiscal year beginning September 1, 2004.

In addition to amounts appropriated above, any balances remaining on August 31, 2003, from appropriations made to the RCWWL program, are hereby appropriated for the same purpose for the biennium beginning September 1, 2003.

14. **Appropriation: Cost Recovery for the State Participation Program.** Included in the amounts appropriated above to the Texas Water Development Board in Strategy B.1.1, Financial Assistance, is \$127,541 in Appropriated Receipts in each fiscal year of the 2004-05 biennium in revenues collected for the administration and operation of the State Participation Program to be used for those purposes.

In addition to the amounts appropriated above, there is hereby appropriated to the Texas Water Development Board any additional revenues collected for the administration and operation of the State Participation Program for the same purposes.

15. **Appropriation: Colonia Self-Help Account.** Out of amounts appropriated above out of the Water Assistance Fund No. 480 in Strategy B.1.2, Economically Distressed Areas, the Texas Water Development Board may transfer funds to the Colonia Self-Help Account No. 5076. These amounts are hereby appropriated to the agency for the purpose of reimbursing entities for expenses incurred in association with self-help projects, pursuant to Subchapter P, Chapter 15, Water Code.
16. **Desalination Grants.** Out of amounts appropriated above, the Water Development Board is hereby authorized to use up to \$1.5 million out of the Water Assistance Fund No. 480 during the biennium beginning on September, 1, 2003, for competitively awarded grants for desalination projects, research, and regional studies.
17. **Rural Water Assistance Fund.** In addition to the amounts appropriated above, there is hereby appropriated to the Texas Water Development Board (TWDB) available balances in the Rural Water Assistance Fund, money that TWDB may place into the Rural Water Assistance Fund from any sources legally available, including but not limited to proceeds from bonds issued by the Board, money transferred to the fund, and any revenues that may accrue to the Rural Water Assistance Fund (estimated to be \$29,800,000 in fiscal year 2004 and \$31,500,000 in fiscal year 2005 in bond proceeds and loan payments).
18. **Economically Disadvantaged Community Account.** Funds previously appropriated to the Texas Water Development Board for the Community/Noncommunity Water System Financial Assistance Account of the Safe Drinking Water Revolving Fund (SDWRF) and any interest earned on such funds may be transferred by the Board in whole or in part to the Economically Disadvantaged Community Account of the SDWRF for authorized use.
19. **Appropriation: Financial Assistance to Unincorporated Communities.** Out of amounts appropriated above out of Water Assistance Fund No. 480, the Water Development Board is hereby authorized to use \$400,000 in funds originally appropriated to the agency by the Seventy-sixth Legislature to provide grants to counties for the relocation of residents unable to

WATER DEVELOPMENT BOARD
(Continued)

utilize funds as originally intended. These funds shall be used to serve unincorporated communities located in a county with a population of greater than 2 million but less than 2.5 million, based on the 2000 US Census data.

20. **Nuisance Surveys for the Economically Distressed Areas Program.** Out of amounts appropriated above out of the General Revenue Fund in Strategy B.1.2, Economically Distressed Areas, the Water Development Board shall reimburse the Texas Department of Health for costs incurred by the Department in conducting nuisance surveys for applicants for financial assistance through the Economically Distressed Areas program administered by the Board. The Board shall reimburse such costs through Interagency Contracts with the Department of Health in an amount not to exceed a total of \$250,000 for the biennium beginning on September 1, 2003.
21. **Contingency Appropriation: House Bill 1370.** Contingent upon passage of House Bill 1370, or similar legislation relating to the study and implementation of seawater desalination, by the Seventy-eighth Legislature, Regular Session, the Water Development Board shall use \$15,450 out of funds appropriated above in Strategy A.1.2, Water Planning, in fiscal year 2004 to conduct research, feasibility and facility planning studies, investigations, and surveys to further the development of cost-effective water supplies from seawater desalination.

DEBT SERVICE PAYMENTS - NON-SELF SUPPORTING G.O. WATER BONDS

	For the Years Ending	
	August 31, 2004	August 31, 2005
	<u> </u>	<u> </u>
A. Goal: GEN OBLIGATION BOND DEBT SERVICE		
Fulfill all general obligation bond debt service payments for the Economically Distressed Areas Program (EDAP), State Participation Program, and the Agricultural Water Conservation Program.		
A.1.1. Strategy: EDAP DEBT SERVICE	\$ 13,909,453	\$ 16,647,899
Make general obligation bond debt service payments for the Economically Distressed Areas Program.		
A.1.2. Strategy: STATE PARTICIPATION DEBT SERVICE	\$ 7,796,266	\$ 7,790,597
Make general obligation bond debt service payments for the State Participation Program.		
A.1.3. Strategy: AG WATER CONSERVATION DEBT SERVICE	\$ 2,694,320	\$ 2,696,270
Make general obligation bond debt service payments for the Agricultural Water Conservation Program.		
 Total, Goal A: GEN OBLIGATION BOND DEBT SERVICE	 \$ 24,400,039	 \$ 27,134,766
 Grand Total, DEBT SERVICE PAYMENTS - NON-SELF SUPPORTING G.O. WATER BONDS	 \$ 24,400,039	 \$ 27,134,766

DEBT SERVICE PAYMENTS - NON-SELF SUPPORTING G.O. WATER BONDS
(Continued)

Method of Financing:			
General Revenue Fund	\$	19,787,616	\$ 21,759,827
<u>Other Funds</u>			
Economically Distressed Areas Bond Payment Account No. 357		2,247,057	2,512,370
State Participation Program Bond Payment Account		2,365,366	2,862,569
Subtotal, Other Funds	\$	<u>4,612,423</u>	\$ <u>5,374,939</u>
Total, Method of Financing	\$	<u>24,400,039</u>	\$ <u>27,134,766</u>
Object-of-Expense Informational Listing:			
Debt Service	\$	<u>24,400,039</u>	\$ <u>27,134,766</u>
Total, Object-of-Expense Informational Listing	\$	<u>24,400,039</u>	\$ <u>27,134,766</u>

1. **Payment of Debt Service: Economically Distressed Areas Bonds.** All monies received by the Texas Water Development Board and deposited to the Economically Distressed Areas Bond Payment Account No. 357 are hereby appropriated for the payment of principal and interest on bonds issued to provide financial assistance for water and wastewater infrastructure through the Economically Distressed Areas Program that mature or become due during the biennium beginning with the effective date of this Act, pursuant to §§ 49-c, 49-d-7, and 49-d-8 of Article III of the Texas Constitution and Water Code, Chapter 17, Subchapters C and L, including amounts issued prior to the effective date of this Act, as well as additional amounts issued in 2004-05, estimated to be \$25 million. The amounts identified above in the Method of Financing as the Economically Distressed Areas Bond Payment Account No. 357 are estimated amounts to be received from repayments of loan principal and interest on such bonds that mature or become due during the biennium.

The actual amount of funds to be paid from the General Revenue Fund shall be the total amount of debt service obligations due in each fiscal year less the amount available in the Economically Distressed Areas Bond Payment Account No. 357 for Debt Service Payments for the Economically Distressed Areas Program. The provisions contained herein shall not be construed, however, to abrogate the obligation of the State under §§ 49-c and 49-d-8 of Article III of the Texas Constitution to provide for the payment in full of the principal and interest on such bonds that mature or become due during the biennium.

2. **Payment of Debt Service: State Participation Bonds.** All monies received by the Texas Water Development Board and deposited to the State Participation Program Bond Payment Account are hereby appropriated for the payment of principal and interest on bonds issued to provide financial assistance for State Participation projects that mature or become due during the biennium beginning with the effective date of this Act, pursuant to §§ 49-c, 49-d-7, and 49-d-8 of Article III of the Texas Constitution and Water Code, Chapter 17, Subchapters C and L, including amounts issued prior to the effective date of this Act, as well as additional amounts issued during the 2004-05 biennium. The amounts identified above in the Method of Financing as the State Participation Program Bond Payment Account are estimated amounts of payments received from political subdivisions representing the purchase of the state's ownership interest in projects dedicated to the payment of principal and interest on such bonds that mature or become due during the biennium.

The actual amount of funds to be paid from the General Revenue Fund shall be the total amount of debt service obligations due in each fiscal year less the amount available in the State Participation Program Bond Payment Account for Debt Service Payments for the State Participation Program. The provisions contained herein shall not be construed, however, to

DEBT SERVICE PAYMENTS - NON-SELF SUPPORTING G.O. WATER BONDS
(Continued)

abrogate the obligation of the State under §§ 49-c and 49-d-8 of Article III of the Texas Constitution to provide for the payment in full of the principal and interest on such bonds that mature or become due during the biennium.

3. **Agricultural Water Conservation Bonds.** The amounts listed above in Strategy A.1.3, Agricultural Water Conversation Debt Service, are the estimated amounts of debt service anticipated to be required out of the General Revenue Fund in each fiscal year for the repayment of Texas Agricultural Water Conservation Bonds issued during the 2002-03 biennium to provide financial assistance under Texas Water Code, § 17.894(b)(2) for the following projects: \$15 million in financial assistance to the Soil and Water Conservation Board for brush control projects and \$1 million in financial assistance to the Department of Agriculture for saltcedar removal along the Pecos River. The provisions contained herein shall not be construed, to abrogate the obligation of the state under § 50-d of Article III of the Texas Constitution to provide for the payment in full of the principal and interest on such bonds that mature or become due during the biennium.

RETIREMENT AND GROUP INSURANCE

	For the Years Ending	
	August 31, 2004	August 31, 2005
A. Goal: EMPLOYEES RETIREMENT SYSTEM		
A.1.1. Strategy: RETIREMENT CONTRIBUTIONS Provide an actuarially sound level of funding as defined by state law. Estimated.	\$ 20,686,432	\$ 20,893,296
A.1.2. Strategy: GROUP INSURANCE Provide a basic health care and life insurance program for general state employees. Estimated.	\$ 45,757,179	\$ 46,320,156
Total, Goal A: EMPLOYEES RETIREMENT SYSTEM	\$ 66,443,611	\$ 67,213,452
Grand Total, RETIREMENT AND GROUP INSURANCE	\$ 66,443,611	\$ 67,213,452
Method of Financing:		
General Revenue Fund, estimated	\$ 21,729,814	\$ 22,065,295
General Revenue Dedicated Accounts, estimated	35,269,989	35,606,967
Federal Funds, estimated	7,031,244	7,103,633
Other Special State Funds, estimated	2,412,564	2,437,557
Total, Method of Financing	\$ 66,443,611	\$ 67,213,452

SOCIAL SECURITY AND BENEFIT REPLACEMENT PAY

	For the Years Ending	
	August 31, 2004	August 31, 2005
	<u> </u>	<u> </u>
A. Goal: SOCIAL SECURITY/BENEFIT REPLACEMENT		
To provide funding to the Comptroller of Public Accounts for Social Security Contributions and Benefit Replacement Pay.		
A.1.1. Strategy: STATE MATCH – EMPLOYER	\$ 25,618,544	\$ 25,874,729
Provide an employer match for Social Security contributions. Estimated.		
A.1.2. Strategy: BENEFIT REPLACEMENT PAY	\$ 4,474,131	\$ 4,245,950
Provide Benefit Replacement Pay to eligible employees. Estimated.		
Total, Goal A: SOCIAL SECURITY/BENEFIT REPLACEMENT	<u>\$ 30,092,675</u>	<u>\$ 30,120,679</u>
Grand Total, SOCIAL SECURITY AND BENEFIT REPLACEMENT PAY	<u>\$ 30,092,675</u>	<u>\$ 30,120,679</u>
Method of Financing:		
General Revenue Fund, estimated	\$ 9,801,205	\$ 9,809,816
General Revenue Dedicated Accounts, estimated	16,016,801	16,032,502
Federal Funds, estimated	3,184,067	3,185,654
Other Special State Funds, estimated	<u>1,090,602</u>	<u>1,092,707</u>
Total, Method of Financing	<u>\$ 30,092,675</u>	<u>\$ 30,120,679</u>

BOND DEBT SERVICE PAYMENTS

	For the Years Ending	
	August 31, 2004	August 31, 2005
	<u> </u>	<u> </u>
A. Goal: FINANCE CAPITAL PROJECTS		
To provide funding to the Texas Public Finance Authority for the payment of general obligation bond debt service requirements.		
A.1.1. Strategy: BOND DEBT SERVICE	\$ 7,374,074	\$ 7,796,848
Make general obligation bond debt service payments in compliance with bond covenants.		& UB
Grand Total, BOND DEBT SERVICE PAYMENTS	<u>\$ 7,374,074</u>	<u>\$ 7,796,848</u>
Method of Financing:		
General Revenue Fund	\$ 3,235,904	\$ 3,654,533
Current Fund Balance	<u>4,138,170</u>	<u>4,142,315</u>
Total, Method of Financing	<u>\$ 7,374,074</u>	<u>\$ 7,796,848</u>

LEASE PAYMENTS

For the Years Ending	
August 31, <u>2004</u>	August 31, <u>2005</u>

Out of the General Revenue Fund:

A. Goal: FINANCE CAPITAL PROJECTS

To provide funding to the Building and Procurement Commission for payment to the Texas Public Finance Authority for the payment of revenue bond debt service requirements.

A.1.1. Strategy: LEASE PAYMENTS

Make lease payments to the Texas Public Finance Authority on facilities financed through the Texas Public Finance Authority.

\$	1,091,657	\$	1,092,409 & UB
Grand Total, LEASE PAYMENTS	<u>\$ 1,091,657</u>	<u>\$ 1,092,409</u>	

**RECAPITULATION - ARTICLE VI
NATURAL RESOURCES
(General Revenue)**

	For the Years Ending	
	August 31, 2004	August 31, 2005
	<u>2004</u>	<u>2005</u>
Department of Agriculture	\$ 45,942,909	\$ 41,707,010
Rider Appropriations	200,000	0
Total	<u>46,142,909</u>	<u>41,707,010</u>
Animal Health Commission	8,484,704	8,484,704
Commission on Environmental Quality	27,900,446	26,619,164
General Land Office and Veterans' Land Board	9,635,665	9,635,666
Parks and Wildlife Department	53,246,677	53,156,776
Railroad Commission	24,576,612	23,484,054
Contingency Appropriations	2,156,095	2,151,499
Total	<u>26,732,707</u>	<u>25,635,553</u>
Texas River Compact Commissions	337,209	337,209
Soil and Water Conservation Board	10,735,289	8,118,299
Water Development Board	19,426,035	19,614,484
Debt Service Payments - Non-Self Supporting G.O. Water Bonds	<u>19,787,616</u>	<u>21,759,827</u>
Subtotal, Natural Resources	<u>\$ 222,429,257</u>	<u>\$ 215,068,692</u>
Retirement and Group Insurance	21,729,814	22,065,295
Social Security and Benefit Replacement Pay	<u>9,801,205</u>	<u>9,809,816</u>
Subtotal, Employee Benefits	<u>\$ 31,531,019</u>	<u>\$ 31,875,111</u>
Bond Debt Service Payments	3,235,904	3,654,533
Lease Payments	<u>1,091,657</u>	<u>1,092,409</u>
Subtotal, Debt Service	<u>\$ 4,327,561</u>	<u>\$ 4,746,942</u>
TOTAL, ARTICLE VI - NATURAL RESOURCES	<u>\$ 258,287,837</u>	<u>\$ 251,690,745</u>

**RECAPITULATION - ARTICLE VI
NATURAL RESOURCES
(General Revenue - Dedicated)**

	For the Years Ending	
	August 31, 2004	August 31, 2005
Department of Agriculture	\$ 11,177,115	\$ 177,115
Commission on Environmental Quality	263,715,108	262,487,248
Contingency Appropriations	<u>1,056,000</u>	<u>1,151,000</u>
Total	264,771,108	263,638,248
Council on Environmental Technology	1,515,149	1,547,099
General Land Office and Veterans' Land Board	11,690,775	11,690,775
Trusted Programs Within the General Land Office	6,100,000	6,100,000
Rider Appropriations	<u>1,400,000</u>	<u>0</u>
Total	7,500,000	6,100,000
Parks and Wildlife Department	106,452,766	103,003,066
Contingency Appropriations	<u>299,000</u>	<u>4,260,000</u>
Total	106,751,766	107,263,066
Railroad Commission	15,441,415	13,744,711
Soil and Water Conservation Board	115,000	115,000
Water Development Board	<u>115,000</u>	<u>115,000</u>
Subtotal, Natural Resources	<u>\$ 419,077,328</u>	<u>\$ 404,391,015</u>
Retirement and Group Insurance	35,269,989	35,606,967
Social Security and Benefit Replacement Pay	<u>16,016,801</u>	<u>16,032,502</u>
Subtotal, Employee Benefits	<u>\$ 51,286,790</u>	<u>\$ 51,639,469</u>
TOTAL, ARTICLE VI - NATURAL RESOURCES	<u>\$ 470,364,118</u>	<u>\$ 456,030,484</u>

**RECAPITULATION - ARTICLE VI
NATURAL RESOURCES
(Federal Funds)**

	For the Years Ending	
	August 31, 2004	August 31, 2005
Department of Agriculture	\$ 1,479,025	\$ 1,479,025
Animal Health Commission	3,065,094	3,038,674
Commission on Environmental Quality	42,581,768	40,440,767
General Land Office and Veterans' Land Board	4,406,560	1,654,006
Trusteed Programs Within the General Land Office	7,290,985	7,574,591
Parks and Wildlife Department	46,057,629	45,327,970
Railroad Commission	4,892,672	4,113,501
Contingency Appropriations	979,330	975,076
Total	<u>5,872,002</u>	<u>5,088,577</u>
Soil and Water Conservation Board	4,249,083	4,422,585
Water Development Board	<u>3,814,787</u>	<u>3,819,052</u>
Subtotal, Natural Resources	<u>\$ 118,816,933</u>	<u>\$ 112,845,247</u>
Retirement and Group Insurance	7,031,244	7,103,633
Social Security and Benefit Replacement Pay	<u>3,184,067</u>	<u>3,185,654</u>
Subtotal, Employee Benefits	<u>\$ 10,215,311</u>	<u>\$ 10,289,287</u>
TOTAL, ARTICLE VI - NATURAL RESOURCES	<u>\$ 129,032,244</u>	<u>\$ 123,134,534</u>

**RECAPITULATION - ARTICLE VI
NATURAL RESOURCES
(Other Funds)**

	For the Years Ending	
	August 31, 2004	August 31, 2005
Department of Agriculture	\$ 2,731,434	\$ 1,729,541
Commission on Environmental Quality	4,526,839	4,095,309
General Land Office and Veterans' Land Board	18,336,119	17,136,119
Trusted Programs Within the General Land Office	80,600,000	81,146,000
Parks and Wildlife Department	48,116,766	4,880,430
Rider Appropriations	<u>125,000</u>	<u>125,000</u>
Total	<u>48,241,766</u>	<u>5,005,430</u>
Railroad Commission	2,288,564	2,288,564
Contingency Appropriations	<u>7,000</u>	<u>7,000</u>
Total	<u>2,295,564</u>	<u>2,295,564</u>
Soil and Water Conservation Board	11,250,000	0
Water Development Board	14,303,513	14,338,584
Debt Service Payments - Non-Self Supporting		
G.O. Water Bonds	<u>4,612,423</u>	<u>5,374,939</u>
Subtotal, Natural Resources	<u>\$ 186,897,658</u>	<u>\$ 131,121,486</u>
Retirement and Group Insurance	2,412,564	2,437,557
Social Security and Benefit Replacement Pay	<u>1,090,602</u>	<u>1,092,707</u>
Subtotal, Employee Benefits	<u>\$ 3,503,166</u>	<u>\$ 3,530,264</u>
Bond Debt Service Payments	<u>4,138,170</u>	<u>4,142,315</u>
Subtotal, Debt Service	<u>\$ 4,138,170</u>	<u>\$ 4,142,315</u>
Less Interagency Contracts	<u>\$ 17,775,922</u>	<u>\$ 6,104,583</u>
TOTAL, ARTICLE VI - NATURAL RESOURCES	<u>\$ 176,763,072</u>	<u>\$ 132,689,482</u>

**RECAPITULATION - ARTICLE VI
NATURAL RESOURCES
(All Funds)**

	For the Years Ending	
	August 31, 2004	August 31, 2005
Department of Agriculture Rider Appropriations	\$ 61,330,483	\$ 45,092,691
Total	<u>200,000</u>	<u>0</u>
	61,530,483	45,092,691
Animal Health Commission	11,549,798	11,523,378
Commission on Environmental Quality Contingency Appropriations	338,724,161	333,642,488
Total	<u>1,056,000</u>	<u>1,151,000</u>
	339,780,161	334,793,488
Council on Environmental Technology General Land Office and Veterans' Land Board	1,515,149	1,547,099
	44,069,119	40,116,567
Trusted Programs Within the General Land Office Rider Appropriations	93,990,985	94,820,591
Total	<u>1,400,000</u>	<u>0</u>
	95,390,985	94,820,591
Parks and Wildlife Department Rider Appropriations	253,873,838	206,368,242
Contingency Appropriations	125,000	125,000
Total	<u>299,000</u>	<u>4,260,000</u>
	254,297,838	210,753,242
Railroad Commission Contingency Appropriations	47,199,263	43,630,830
Total	<u>3,142,425</u>	<u>3,133,575</u>
	50,341,688	46,764,405
Texas River Compact Commissions	337,209	337,209
Soil and Water Conservation Board	26,349,372	12,655,884
Water Development Board	37,659,335	37,887,120
Debt Service Payments - Non-Self Supporting G.O. Water Bonds	<u>24,400,039</u>	<u>27,134,766</u>
Subtotal, Natural Resources	\$ <u>947,221,176</u>	\$ <u>863,426,440</u>
Retirement and Group Insurance Social Security and Benefit Replacement Pay	66,443,611	67,213,452
	<u>30,092,675</u>	<u>30,120,679</u>
Subtotal, Employee Benefits	\$ <u>96,536,286</u>	\$ <u>97,334,131</u>
Bond Debt Service Payments	7,374,074	7,796,848
Lease Payments	<u>1,091,657</u>	<u>1,092,402</u>
Subtotal, Debt Service	\$ <u>8,465,731</u>	\$ <u>8,889,257</u>
Less Interagency Contracts	\$ <u>17,775,922</u>	\$ <u>6,104,583</u>
TOTAL, ARTICLE VI - NATURAL RESOURCES	\$ <u>1,034,447,271</u>	\$ <u>963,545,245</u>
Number of Full-Time-Equivalent Positions (FTE)	8,581.9	8,584.4

ARTICLE VII

BUSINESS AND ECONOMIC DEVELOPMENT

Sec 1. The several sums of money herein specified, or so much thereby as may be necessary, are appropriated out of any funds in the State Treasury not otherwise appropriated, or out of special funds as indicated, for the support, maintenance, or improvement of the designated business and economic development agencies.

TEXAS AEROSPACE COMMISSION

	For the Years Ending	
	August 31, <u>2004</u>	August 31, <u>2005</u>
Out of the General Revenue Fund:		
A. Goal: EXPAND AEROSPACE INDUSTRY		
Maintain and expand aerospace industry resources, investment and jobs while enhancing business and public awareness and recognition of the space and aviation industries and their benefit to the people and economy of Texas.		
Outcome (Results/Impact):		
Number of New Jobs Announced in the Aerospace Industry in Texas Attributed to the Activities of the Texas Aerospace Commission	1,450	1,600
Number of Newly Created or Expanded Aerospace Facilities Announced in Texas Attributed to the Activities of the Texas Aerospace Commission	4	5
A.1.1. Strategy: ATTRACT AEROSPACE INDUSTRY	\$ 199,779	\$ 199,779
Work with industry, government and academe to attract aspects of space and aviation industry to Texas and to implement a plan to enhance the recognition of the industry in Texas.		
Output (Volume):		
Number of Business Opportunities Pursued	4	4
Number of Joint Projects With Other Entities, Including Those Supporting Aerospace Education and Research	3	3
Number of Information Projects Completed	10	10
Efficiencies:		
Average Cost Per New Job Announced in the Aerospace Industry in Texas Attributed to the Activities of the Texas Aerospace Commission	100	100
Average Cost Per \$1,000 in Value of Newly Created or Expanded Aerospace Facilities Announced in Texas Attributed to the Activities of the Texas Aerospace Commission	150	150
Explanatory:		
Number of Contacts With Industry and Government Entities to Affect Decisions to Base Aerospace Business Activity in Texas	280	310
Grand Total, TEXAS AEROSPACE COMMISSION	\$ <u>199,779</u>	\$ <u>199,779</u>
Number of Full-Time-Equivalent Positions (FTE):	3.0	3.0
Schedule of Exempt Positions:		
Executive Director, Group 3	\$75,000	\$75,000
Object-of-Expense Informational Listing:		
Salaries and Wages	\$ 152,000	\$ 152,000
Operating Costs	16,245	16,245

TEXAS AEROSPACE COMMISSION
(Continued)

Consumable Supplies	16,749	16,749
Travel	14,785	14,785
	199,779	199,779
Total, Object-of-Expense Informational Listing	\$ 199,779	\$ 199,779

- 1. Appropriations Limited to Revenue Collections.** It is the intent of the Legislature that fees collected from the sale of Texas Aerospace Commission license plates as authorized by Transportation Code § 502.271, and generated by the agency, cover \$35,000 of the cost of the General Revenue appropriations made above for the strategy items in Goal A., Expand Aerospace Industry. In the event that actual and/or projected revenue collections are insufficient to offset the costs identified by this provision, the Legislative Budget Board may direct that the Comptroller of Public Accounts reduce the appropriation authority provided above to be within the amount of revenue expected to be available. All license plate fees deposited in excess of \$35,000 per year are hereby appropriated for the 2004-05 biennium for the economic development of the aerospace industry consistent with the provision of Government Code § 482.003.
- 2. Coordination of Spaceport Initiatives.** It is the intent of the Legislature that the Texas Aerospace Commission, the Texas Department of Economic Development, and the Texas Department of Transportation, or their successor agencies, coordinate efforts and spending related to developing a reusable launch facility or Spaceport. These agencies shall maintain and adhere to a memorandum of understanding that is established January 1, 2004, that details the specific responsibilities of each agency and continues to provide interagency coordination and support to achieve the objective of establishing a Spaceport and developing Texas' low cost launch capabilities.

Should federal economic development block grant funds be available, \$975,000 of such funds shall be used by the Texas Aerospace Commission or its successor agencies for the purpose of awarding grants or assisting with other proposal development costs to selected local Texas communities which may compete for the location of such a facility. A portion of certain geographically dedicated funds provided for economic development under the community development block grant program shall be used to proportionately reduce the amount of Spaceport funding provided to any site, if such funds are available and eligible for that purpose. Expenditure of these funds is conditioned upon the participation by the Comptroller of Public Accounts in the development of guidelines for the grant application process and contract awards as a means of assuring that all applicable state procurement laws and other processes are followed. The Comptroller shall provide assistance in the final grant or contract review and recommendation process and shall recommend other participants as may be required. All such grants or contracts shall be subject to approval by the Comptroller and awarded based upon individual site progress toward Spaceport development as determined by the Texas Aerospace Commission or its successor agencies, and the Comptroller.
- 3. Sunset Contingency.** Funds appropriated above for fiscal year 2005 for the Texas Aerospace Commission are made contingent on the continuation of the Texas Aerospace Commission by the Seventy-eighth Legislature. In the event that the agency is not continued, the funds appropriated for fiscal year 2004 or as much thereof as may be necessary are to be used to provide for the phase out of agency operations.

TEXAS DEPARTMENT OF ECONOMIC DEVELOPMENT

	For the Years Ending	
	August 31, 2004	August 31, 2005
A. Goal: ECONOMIC DEVELOPMENT		
A.1.1. Strategy: ECONOMIC DEVELOPMENT	\$ 36,800,171	\$ 29,174,813
Grand Total, TEXAS DEPARTMENT OF ECONOMIC DEVELOPMENT	<u>\$ 36,800,171</u>	<u>\$ 29,174,813</u>
Method of Financing:		
<u>General Revenue Fund</u>		
General Revenue Fund	\$ 3,006,537	\$ 2,981,911
GR - Hotel Occupancy Tax Deposits Account No. 5003	19,700,000	19,900,000
Subtotal, General Revenue Fund	<u>\$ 22,706,537</u>	<u>\$ 22,881,911</u>
GR Dedicated - Capital Access Account No. 5035	430,251	438,727
Department of Economic Development Federal Fund No. 596	5,584,610	3,611,402
<u>Other Funds</u>		
Appropriated Receipts	425,773	425,773
Texas Leverage Program Fund No. 851	3,553,000	1,817,000
Smart Jobs Fund No. 891	4,100,000	0
Subtotal, Other Funds	<u>\$ 8,078,773</u>	<u>\$ 2,242,773</u>
Total, Method of Financing	<u>\$ 36,800,171</u>	<u>\$ 29,174,813</u>
Number of Full-Time-Equivalent Positions (FTE):	72.5	72.5
Object-of-Expense Informational Listing:		
Salaries and Wages	\$ 2,927,943	\$ 2,935,618
Other Personnel Costs	56,735	56,734
Professional Fees and Services	1,235,566	1,321,702
Consumable Supplies	62,282	66,003
Utilities	10,837	10,956
Travel	160,722	170,052
Rent - Building	90,187	98,345
Rent - Machine and Other	71,599	76,974
Other Operating Expense	10,818,741	10,902,107
Client Services	118,082	123,426
Grants	<u>21,247,477</u>	<u>13,412,896</u>
Total, Object-of-Expense Informational Listing	<u>\$ 36,800,171</u>	<u>\$ 29,174,813</u>

1. **Appropriation: Fees.** Included above, Business Filing Fees (Object Code 3133) that the Texas Department of Economic Development or its successor agency is authorized to collect as Appropriated Receipts, shall not exceed \$151,500 in fiscal year 2004 and \$160,500 in fiscal year 2005, for the specific purpose named in statute for the biennium beginning September 1, 2003.
2. **Appropriation: Texas Small Business Industrial Development Corporation.** The Texas Department of Economic Development or its successor agency shall review the financial statements of the Texas Small Business Industrial Development Corporation to determine the net earnings of the Corporation, and shall make such determination no later than January 1,

TEXAS DEPARTMENT OF ECONOMIC DEVELOPMENT
(Continued)

2004, and January 1, 2005. The department or its successor agency shall ensure that the net earnings, of an amount not to exceed \$75,000 shall be transferred to a special fund in the State Treasury during each fiscal year of the 2004–05 biennium to be used to finance activities. Any net earnings in excess of \$150,000 for the 2004–05 biennium shall be deposited into the General Revenue Fund and 25 percent of that amount over \$150,000 is appropriated to the Department of Economic Development or its successor agency for administration of small and minority business finance programs.

3. Administration: Foreign Offices.

a. It is the intent of the Legislature that the Texas Department of Economic Development or its successor agency provide services to develop trade investment and tourism in strategic world markets with specific emphasis to benefit small businesses in the State of Texas. Offices may be operated in Mexico and in other foreign markets including Canada, Europe, the Pacific Rim, and Latin America coinciding with market opportunities for Texas business. The offices shall be named the "State of Texas Office" and their services shall be available to other state agencies through interagency contracts. Foreign office trade investment and tourism development efforts, as well as location of the offices, shall be based on analysis of the current world market opportunities. The department or its successor agency shall expend funds for the Mexico offices out of any funds available, but shall not expend any funds appropriated under this Act for any office or staff at any other foreign offices established by the department or its successor agency. The department or its successor agency may seek and use alternative funding sources other than funds appropriated under this Act for offices in locations other than Mexico City.

b. The Department of Economic Development or its successor agency shall maintain a tracking system that documents the direct benefits that result from the operation of each foreign office. The department or its successor agency shall utilize the tracking system to file a quarterly report with the Governor and the Legislative Budget Board regarding the activities of each office. The report shall contain, at a minimum, information detailing the number of contacts with foreign and domestic businesses, the name of each business, the nature of the contact, the results of each contact, and expenditures by each office. The report shall also contain the name of each Texas community assisted, and information regarding the nature and results of the assistance. Each report shall be submitted within 60 days of the end of each quarter, and must be accompanied by supporting documentation as specified by the Legislative Budget Board and the Governor.

4. **Unexpended Balances: Dedicated Hotel Occupancy Tax Deposits Account No. 5003.** Any unexpended balances as of August 31, 2004, in the appropriations of the amounts specified above in the method of financing out of the dedicated Hotel Occupancy Tax Deposits Account No. 5003 to the department or its successor agency are hereby appropriated for fiscal year 2005 for the same purposes.

5. **Transfer: Promotion of Historical Sites.** From the amounts appropriated above, the Texas Department of Economic Development or its successor agency, pursuant to Government Code § 481.172, shall transfer \$300,000 during the biennium beginning September 1, 2003, to the Texas Historical Commission to encourage travel to the state's historical attractions.

6. **Defense Infrastructure Support.** It is the intent of the Legislature that the Department of Economic Development or its successor agency prepare an annual Master Plan of how the department or its successor agency shall support the defense infrastructure of the Texas economy. The plan shall contain at a minimum, information detailing the department's or its successor agency's proactive strategy for providing support to the Texas defense industry, how the strategy will be implemented, what results shall be achieved and how shall the results be measured and evaluated. The plan shall be made available to the Legislature at the beginning of

TEXAS DEPARTMENT OF ECONOMIC DEVELOPMENT
(Continued)

each fiscal year. In addition, the department or its successor agency shall prepare a quarterly statement detailing the economic impact of the defense industry (military and civilian) on the Texas economy.

7. **Unexpended Balance: Capital Access Account No. 5035.** Any unexpended balances as of August 31, 2004, in the appropriations of the amounts specified above to the department or its successor agency in the method of financing out of the Capital Access Account No. 5035 are hereby appropriated for fiscal year 2005 for the purpose of implementation and administration of the Capital Access Program.
8. **Dedicated Hotel Occupancy Tax Deposits Account No. 5003.** Of the amounts appropriated above out of the dedicated Hotel Occupancy Tax Deposits Account No. 5003, the Department of Economic Development or its successor agency shall use no more than \$5,255,016 in 2004 and \$5,276,541 in 2005 for expenditures other than Advertising Services (Object Code 7281).
9. **Appropriation: Licensing and Merchandising Fees.** Fees that the Texas Department of Economic Development Tourism Division or its successor agency is authorized to collect pursuant to Government Code § 481.021 (a) (7), up to \$40,000 in fiscal year 2004 and up to \$60,000 in fiscal year 2005 in General Revenue, are included above to the department or its successor agency for the biennium beginning September 1, 2003, to be used for tourism advertising and marketing activities of the department or its successor agency. In the event that actual and/or projected revenue collections are insufficient to offset the costs identified by this provision, the Legislative Budget Board may direct that the Comptroller of Public Accounts reduce the appropriation authority provided above to be within the amount of revenue expected to be available.
10. **Coordination of Spaceport Initiatives.** It is the intent of the Legislature that the Texas Aerospace Commission, the Texas Department of Economic Development or its successor agency, and the Governor coordinate their efforts and spending related to developing a reusable launch facility or Spaceport. These agencies shall develop, maintain, and adhere to a memorandum of understanding by January 1, 2004, that details the specific responsibilities of each agency and continues to provide interagency coordination and support to achieve the objective of establishing a Spaceport.
11. **Community Development Grants.** Out of funds appropriated above to the department or its successor agency from Capital Access Account No. 5035, the department or its successor agency shall expend \$250,000 per year to make grants to eligible community development financial institutions to make grants or loans in distressed areas of the state.
12. **Cash Flow Contingency.** Contingent upon the receipt of Hotel/Motel tax collections by the Comptroller of Public Accounts, the department or its successor agency may temporarily utilize additional Hotel/Motel allocations from the general revenue fund into Hotel Occupancy Tax Deposits Account No. 5003 in an amount not to exceed \$2 million per fiscal year. These funds shall be utilized only for the purpose of temporary cash flow needs when expenditures for tourism marketing exceed monthly Hotel/Motel tax revenue received. The transfer and reimbursement of funds shall be made under procedures established by the Comptroller of Public Accounts to ensure all borrowed funds are reimbursed by the department or its successor agency to the general fund from hotel/motel tax revenues collected on or before August 31 of each fiscal year and deposited before September 30 of the following fiscal year.
13. **Sunset Contingency.** Funds appropriated above for fiscal year 2005 for the Texas Department of Economic Development are made contingent on the continuation of the Texas Department of Economic Development by the Seventy-eighth Legislature. In the event the agency is not continued, the funds appropriated for fiscal year 2004 or as much thereof as may be necessary are to be used to provide for the phase out of agency operations.

TEXAS DEPARTMENT OF ECONOMIC DEVELOPMENT
(Continued)

14. Transfer of Funds: Energy Center.

- a. The Texas Department of Economic Development or its successor agency may transfer to the Texas Energy Center up to \$400,000 by October 1, 2003, up to \$1,200,000 from January 1, 2004 to January 1, 2005, and up to \$2,000,000 from January 1, 2005 through August 1, 2005 from General Revenue funds appropriated above. In addition, the Texas Department of Economic Development or its successor agency may provide up to \$2,500,000 in General Revenue from amounts appropriated above for use as matching funds for the purpose of attracting the federal program for ultra-deep and onshore unconventional natural gas research and development to be administered by the Texas Energy Center.
- b. The Texas Department of Economic Development or its successor agency may transfer to the Texas Energy Center the following amounts from General Revenue funds appropriated above:
 - (1) up to \$15,000,000 in funding for the development of a multi-institutional, statewide fuel cell industry and infrastructure development program to support the Texas Consortium for Advanced Fuel Cell Research, to develop, demonstrate, and evaluate hydrogen fuel infrastructure and fuel cell technology, to leverage private and federal funding for development of this technology in Texas, and to attract leaders of this growing industry to this state; and
 - (2) up to \$10,000,000 of matching funds to be made available for a technology development team housed in the Texas Energy Center, in order to enhance its ability to compete for development of the federally funded FutureGen project and other federal hydrogen and Clean Coal technology development or demonstration projects.

15. Unexpended Balances, Smart Jobs, Fund for Business Location and Incentives. Any unexpended balances as of August 31, 2003 in Smart Jobs Fund 891 are appropriated and included above (estimated to be \$4,100,000) for the 2004-05 biennium to the Department of Economic Development or its successor agency for economic development purposes. In addition, any unexpended balances as of August 31, 2003 in appropriations made by Senate Bill 15, Acts of the 78th Legislature, are hereby appropriated for the 2004-05 biennium for the purposes identified in Senate Bill 15 to the Department of Economic Development or its successor agency related to Smart Jobs appropriations during the 2002-03 biennium and including appropriations made by Senate Bill 15 (Toyota), Acts of the 78th Legislature.

16. Appropriation: Texas Leverage Program Fund. All balances on hand on August 31, 2003, estimated to be \$1,980,000 interest paid, investment earnings, and fees received in the Texas Leverage Program Fund No. 851 during the 2004-05 biennium, are hereby appropriated to the Department of Economic Development or its successor agency and included above for the biennium beginning September 1, 2003, for the purposes of implementation and administration of Chapter 481, Government Code relating to business development estimated to be \$1,573,000 in 2004 and \$1,817,000 in 2005.

DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

	For the Years Ending	
	August 31, 2004	August 31, 2005
A. Goal: AFFORDABLE HOUSING		
To increase and preserve the availability of safe, decent, and affordable housing for very low, low and moderate income persons and families.		
Outcome (Results/Impact):		
Percent of Households/Individuals of Very Low, Low, and Moderate Income Needing Affordable Housing That Subsequently Receive Housing or Housing-related Assistance	1.37%	1.37%
Percent of Households/Individuals of Very Low Income Needing Affordable Housing That Subsequently Receive Housing or Housing-related Assistance	1.16%	1.16%
Percent of Households/Individuals of Low Income Needing Affordable Housing That Subsequently Receive Housing or Housing-related Assistance	2.26%	2.26%
Percent of Households/Individuals of Moderate Income Needing Affordable Housing That Subsequently Receive Housing or Housing-related Assistance	.17%	.17%
A.1.1. Strategy: HOUSING TRUST FUND	\$ 9,247,460	\$ 3,239,744
Provide state housing loans and grants through the Housing Trust Fund for very low and low income households.		
Output (Volume):		
Projected Number of Very Low and Low Income Households Benefiting from Housing Trust Fund Loans and Grants	1,686	1,686
A.1.2. Strategy: HOME PROGRAM	\$ 40,416,870	\$ 40,409,604
Provide federal housing loans and grants through the HOME Investment Partnership (HOME) Program for very low and low income families, focusing on the construction of single family and multifamily housing units in rural areas of the state through partnerships with the private sector.		
Output (Volume):		
Projected Number of Very Low and Low Income Households Benefiting from HOME Investment Program Loans and Grants	2,300	2,300
A.1.3. Strategy: SECTION 8 RENTAL ASSISTANCE	\$ 9,841,136	\$ 9,812,078
Provide federal rental assistance through Section 8 certificates and vouchers for very low income households.		
Output (Volume):		
Number of Very Low Income Households Receiving Section 8 Certificates and Vouchers	2,200	2,200
A.1.4. Strategy: FEDERAL TAX CREDITS	\$ 1,687,697	\$ 1,711,873
Provide federal tax credits to develop rental housing for very low and low income households.		
Output (Volume):		
Number of Rental Units Projected to Be Set Aside for Very Low and Low Income Households as a Result of Federal Tax Credits Provided through TDHCA	10,763	10,763
Explanatory:		
Number of Federal Tax Credit Allocations Made by TDHCA	73	73
A.1.5. Strategy: MRB PROGRAM - SINGLE FAMILY	\$ 1,666,037	\$ 1,675,503
Provide federal mortgage loans, through the department's Mortgage Revenue Bond (MRB) Program, which are below the conventional market interest rates to very low, low, and moderate income homebuyers.		

DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
(Continued)

Output (Volume):		
Number of Very Low and Low Income Households That Received Loans through the MRB Program	1,560	1,560
Number of Moderate Income Households That Received Loans through the MRB Program	210	210
A.1.8. Strategy: MRB PROGRAM-MULTIFAMILY	\$ 341,484	\$ 344,298
Provide federal mortgage loans through the department's Mortgage Revenue Bond (MRB) program for the acquisition, rehabilitation, construction and preservation of multifamily rental units for very low, low and moderate income families.		
Output (Volume):		
Number of Multifamily Rental Units Acquired, Rehabilitated, Constructed or Preserved through the MRB Program	1,999	1,999
Total, Goal A: AFFORDABLE HOUSING	\$ 63,200,684	\$ 57,193,100
B. Goal: COLONIA INITIATIVES		
To improve the living conditions and lives of border residents in Texas.		
B.1.1. Strategy: COLONIA SERVICE CENTERS	\$ 713,186	\$ 680,177
To provide technical assistance to colonias through field offices.		
Output (Volume):		
Number of On-site Technical Assistance Visits Conducted Annually from the Field Offices	747	747
C. Goal: POOR AND HOMELESS PROGRAMS		
Improve living conditions for the poor and homeless and reduce the cost of home energy for very low income Texans.		
Outcome (Results/Impact):		
Percent of Persons in Poverty That Received Homeless and Poverty-related Assistance	14.6%	14.6%
Percent of Very Low Income Households Receiving Energy Assistance	6%	6%
C.1.1. Strategy: POVERTY-RELATED FUNDS	\$ 36,142,360	\$ 36,143,659
Administer homeless and poverty-related funds through a network of community action agencies and other local organizations so that poverty-related services are available to very low income persons throughout the state.		
Output (Volume):		
Number of Persons Assisted through Homeless and Poverty-related Funds	440,000	440,000
Number of Persons Assisted That Achieve Incomes above Poverty Level	1,314	1,314
Number of Shelters Assisted	70	70
C.2.1. Strategy: ENERGY ASSISTANCE PROGRAMS	\$ 43,314,701	\$ 43,235,356
Administer the state energy assistance programs by providing grants to local organizations for energy related improvements to dwellings occupied by very low income persons and for assistance to very low income households for heating and cooling expenses and energy-related emergencies.		
Output (Volume):		
Number of Households Assisted through the Comprehensive Energy Assistance Program	69,736	69,736
Number of Dwelling Units Weatherized by the Department	3,734	3,734
Total, Goal C: POOR AND HOMELESS PROGRAMS	\$ 79,457,061	\$ 79,379,015

DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
(Continued)

D. Goal: ENSURE COMPLIANCE

Ensure compliance with Department of Housing and Community Affairs federal and state program mandates.

Outcome (Results/Impact):

Percent of Multifamily and/or Single Family Rental Properties Monitored Annually	100%	100%
Percent of Federally-funded Sub-recipients Monitored Annually	100%	100%

D.1.1. Strategy: REVIEW PROPERTY DOCUMENTS

To review housing property documents to ensure long-term affordability standards.	\$ 2,595,901	\$ 2,549,780
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Output (Volume):

Number of On-site Reviews Conducted	659	659
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Explanatory:

Total Number of Units Administered	179,955	188,956
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D.1.2. Strategy: REVIEW FINANCIAL DOCUMENTS

Review the financial documents of sub-recipients of federal and state grants/loans for financial accountability and fiscal responsibility.	\$ 476,749	\$ 442,094
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Review the financial documents of sub-recipients of federal and state grants/loans for financial accountability and fiscal responsibility.

Output (Volume):

Number of On-site Financial Reviews Conducted	644	644
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Number of Single Audit Reviews Conducted	332	332
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Explanatory:

Number of Sub-recipients Funded by TDHCA	624	624
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Total, Goal D: ENSURE COMPLIANCE	\$ 3,072,650	\$ 2,991,874
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E. Goal: MANUFACTURED HOUSING

To protect the public by regulating the manufactured housing industry in accordance with state and federal laws.

Outcome (Results/Impact):

Percent of Consumer Complaint Inspections Conducted within 30 Days of Request	99%	99%
Percent of Complaints Resulting in Disciplinary Action	22%	22%

E.1.1. Strategy: TITLING AND LICENSING

Provide titling and licensing services in a timely and efficient manner.	\$ 1,324,841	\$ 1,332,150
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Output (Volume):

Number of Manufactured Housing Titles Issued	115,000	115,000
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Number of Licenses Issued	5,700	5,700
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Explanatory:

Number of Manufactured Homes Titled in Texas	760,000	790,000
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E.1.2. Strategy: INSTALLATION INSPECTIONS

Conduct installation inspections of manufactured homes in a timely and efficient manner.	\$ 1,939,839	\$ 1,942,959
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Conduct installation inspections of manufactured homes in a timely and efficient manner.

Output (Volume):

Number of Routine Installation Inspections Conducted	13,500	13,500
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Explanatory:

Number of Installation Reports Received	30,000	30,000
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E.1.3. Strategy: ENFORCEMENT

To process consumer complaints, conduct investigations, and take administrative actions to protect the general public and consumers.	\$ 1,539,456	\$ 1,548,900
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To process consumer complaints, conduct investigations, and take administrative actions to protect the general public and consumers.

Output (Volume):

Number of Complaints Resolved	1,710	1,620
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Efficiencies:

Average Time for Complaint Resolution (Days)	200	200
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Explanatory:

Number of Jurisdictional Complaints Received	1,800	1,900
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Total, Goal E: MANUFACTURED HOUSING	\$ 4,804,136	\$ 4,824,009
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DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
(Continued)

F. Goal: INDIRECT ADMIN AND SUPPORT COSTS

Indirect administrative and support costs.

F.1.1. Strategy: CENTRAL ADMINISTRATION	\$ 5,012,749	\$ 5,032,249
F.1.2. Strategy: INFORMATION RESOURCE TECHNOLOGIES	\$ 1,169,102	\$ 1,163,728
F.1.3. Strategy: OPERATING/SUPPORT	\$ 509,138	\$ 504,505

Total, Goal F: INDIRECT ADMIN AND SUPPORT COSTS \$ 6,690,989 \$ 6,700,482

Grand Total, DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS \$ 157,938,706 \$ 151,768,657

Method of Financing:

<u>General Revenue Fund</u>	\$ 11,484,471	\$ 5,485,384
General Revenue Fund	850,077	867,481
Earned Federal Funds		

Subtotal, General Revenue Fund \$ 12,334,548 \$ 6,352,865

Community Affairs Federal Fund No. 127 131,040,487 130,979,680

Other Funds

Appropriated Receipts	14,480,704	14,353,145
Interagency Contracts	82,967	82,967

Subtotal, Other Funds \$ 14,563,671 \$ 14,436,112

Total, Method of Financing \$ 157,938,706 \$ 151,768,657

Number of Full-Time-Equivalent Positions (FTE): 313.0 313.0

Schedule of Exempt Positions:

Executive Director, Group 4 \$112,352 \$112,352

Object-of-Expense Informational Listing:

Salaries and Wages	\$ 14,344,367	\$ 14,326,563
Other Personnel Costs	246,491	246,491
Operating Costs	6,208,292	6,280,032
Professional Fees and Services	348,635	183,151
Consumable Supplies	142,400	143,602
Utilities	122,476	126,436
Travel	533,261	534,950
Rent - Building	666,695	680,567
Rent - Machine and Other	57,751	64,751
Other Operating Expense	630,432	627,502
Client Services	8,877,976	8,877,976
Grants	124,913,125	118,987,750
Capital Expenditures	846,805	688,886

Total, Object-of-Expense Informational Listing \$ 157,938,706 \$ 151,768,657

- Capital Budget.** None of the funds appropriated above may be expended for capital budget items except as listed below. The amounts shown below shall be expended only for the purposes shown and are not available for expenditure for other purposes. Amounts appropriated above and identified in this provision as appropriations either for "Lease Payments to the Master Lease Purchase Program" or for items with an "(MLPP)" notation shall be expended only for the purpose of making lease-purchase payments to the Texas Public Finance Authority

DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
(Continued)

pursuant to Government Code § 1232.103. Upon approval from the Legislative Budget Board, capital budgeted funds listed below under "Acquisition of Information Resource Technologies" may be used to lease information resources hardware and/or software versus the purchase of information resources hardware and/or software, if determined by agency management to be in the best interest of the State of Texas.

	<u>2004</u>	<u>2005</u>
a. Acquisition of Information Resource Technologies		
(1) Normal Growth/Intergrate Systems	\$ 175,000	\$ 170,000
(2) PeopleSoft Accounting System	60,000	40,000
(3) Disaster Recovery	15,000	15,000
(4) Enhancements to Compliance System	135,000	110,000
(5) Central Database Project	135,000	125,000
(6) Weatherization Assistance Program Software Development Project	<u>\$ 60,000</u>	<u>\$ 40,000</u>
Total, Acquisition of Information Resource Technologies	<u>\$ 580,000</u>	<u>\$ 500,000</u>
Total, Capital Budget	<u>\$ 580,000</u>	<u>\$ 500,000</u>

Method of Financing (Capital Budget):

Community Affairs Federal Fund No. 127	\$ 187,460	\$ 161,360
Appropriated Receipts	<u>392,540</u>	<u>338,640</u>
Total, Method of Financing	<u>\$ 580,000</u>	<u>\$ 500,000</u>

2. **Reporting Requirements.** Within 90 days following the conclusion of a contract issued by the Department of Housing and Community Affairs or, at the option of the contracting party, within 90 days following the conclusion of the contracting party's fiscal year during which a contract was in force, the contracting party shall provide to the Executive Director a full accounting of state funds expended under the terms of the contract. This requirement shall be a part of any contract entered into by the department and contracting entities. Failure of a contracting party to provide full accounting of state funds expended under the terms of any contract under the conditions stated above shall be sufficient reason to terminate that contract and for the department to deny any future contracts to that contracting party.
3. **Housing Assistance.** The housing finance division shall adopt an annual goal to apply no less than \$30,000,000 of the division's total housing funds toward housing assistance for individuals and families in which the annual family income does not exceed the following amounts based on the number of persons in the family:

Number of Persons in the Family	Maximum Annual Income
1 Person	\$13,000
2 Persons	\$16,000
3 Persons	\$17,000
4 Persons	\$19,000
5 Persons	\$21,000

For each additional person add \$1,500. No less than 20 percent of the division's total housing funds shall be spent for individuals and families earning between 31 percent and 60 percent of median family income. In those counties where the median family income is lower than the state average median family income, the department shall use the average state median income in interpreting this rider. The department shall provide a quarterly report to the Legislative Budget Board documenting its expenditures in each income category.

DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
(Continued)

4. **Local Site Visits.** From monies appropriated above, when the Department of Housing and Community Affairs receives a letter from the mayor or county judge of an affected city or county opposing an application for a federal tax incentive to develop rental housing, a site visit by an employee of the Department of Housing and Community Affairs with the mayor or county judge or their designated representative shall take place within 30 days following notification. The site visit must occur before the incentive can be approved. The Department of Housing and Community Affairs is authorized to obtain reimbursement from the applicant for a federal tax incentive for necessary travel and expenses at a rate not to exceed the federally authorized rate.
5. **Low/Moderate Income Housing Construction.** Out of the funds appropriated above, not less than \$500,000 each year of the biennium shall be expended on low/moderate income housing construction in enterprise zone areas.
6. **Low Income Assistance: Scoring Criteria.** It is the intent of the Legislature that the department add to its contract award scoring criteria for the construction, acquisition, or rehabilitation of single and multi-family housing, and for the operation of multi-family housing, a system that gives increased points for comprehensive services to low-income citizens, such as case management, home-buyer assistance, and family budgeting. The department is also encouraged to develop a sliding scale fee schedule for the low-income tax credit program and the 501c(3) bond program to encourage increased participation by non-profit entities such as community development housing organizations.
7. **Limitation on Expenditure.** Under Strategy A.1.4, Federal Tax Credits, no funds shall be used for processing or approving applications for allocations unless the department adopts or amends administrative rules containing the following:
 - a. All representations made by an applicant for an allocation are enforceable by the department, including enforcement by administrative penalties for failure to perform as stated in the representations and enforcement by inclusion in deed restrictions to which the department is a party.
 - b. The department will require inspections of all construction for quality during the construction process while defects can reasonably be corrected.
 - c. A general contractor hired by an applicant or an applicant, if the applicant serves as general contractor, must demonstrate a history of constructing similar types of housing without the use of federal tax credits.
 - d. The department shall give notice of a proposed project to the state representative and senator representing the area where a project would be located. The state representative or senator may hold a community meeting at which the department shall provide appropriate representation.
 - e. The department shall allocate credits among as many different entities as practicable without diminishing the quality of the housing that is built.
8. **Appropriations Limited to Revenue Collections.** It is the intent of the Legislature that fees, fines, and other miscellaneous revenues as authorized and generated by the agency cover, at a minimum, the cost of the appropriations made above for the strategy items in Goal E, Manufactured Housing, the cost of the appropriations required for manufactured housing consumer claims payments according to the Occupations Code § 1201, Manufactured Housing Standards Act, as well as the "other direct and indirect costs" associated with this goal, appropriated elsewhere in this Act. "Other direct and indirect costs" for Goal E, Manufactured Housing, are estimated to be \$914,539 for fiscal year 2004 and \$978,830 for fiscal year 2005. In

DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
(Continued)

the event that actual and/or projected revenue collections are insufficient to offset the costs identified by this provision, the Legislative Budget Board may direct that the Comptroller of Public Accounts reduce the appropriation authority provided above to be within the amount of revenue expected to be available.

9. **Mortgage Revenue Bond Program.** The Department of Housing and Community Affairs shall operate the First-Time Homebuyer Mortgage Revenue Bond Program in a manner that maximizes the creation of very low-income single family housing by ensuring that at least 30 percent of the lendable bond proceeds are set aside for a period of one year for individuals and families at 60 percent and below the area median family income (AMFI), while assuring the highest reasonable bond rating. In an effort to facilitate the origination of single family mortgage loans to individuals and families at 60 percent and below the AMFI, the department shall utilize down payment and closing cost assistance or other assistance methods.
10. **Conversions of Executory Contracts.** Out of the funds appropriated above, the department shall spend not less than \$4,000,000 for the biennium for the sole purpose of contract for deed conversions for families that reside in a colonia and earn 60 percent or less of the applicable area median family income. It is the intent of the Legislature that the department complete at least 400 contract for deed conversions by August 31, 2005.
11. **Colonia Annual Assessment.** The department shall collect information on the demand for contract for deed conversion, self-help housing, consumer education, and other colonia resident services in counties within 150 miles of the Texas-Mexico border. The department shall include the assessment of colonias needs in its annual state low income housing plan and report listing policy goals for its colonia programs, the strategies to meet the goals, and the expected outcomes.
12. **Bond Refinancing.** The department shall transfer any funds acquired through refinancing of bonds to the Housing Trust Fund. The first \$3 million each fiscal year in savings from the refinancing of any bonds shall be used to fund mortgage loans under the Bootstrap Self-Help Housing Loan Program.
13. **Colonia Set-Aside Program Allocation.** The Office of Rural Community Affairs shall allocate 2.5 percent of the yearly allocation of Community Development Block Grant (CDBG) monies to support the operation of the Colonia Self-Help Centers and shall transfer such funds to the Department of Housing and Community Affairs on September 1 each year of the biennium.

Consistent with federal rules and regulations, the funds provided from ORCA to the Colonia Self-Help Center in El Paso county shall be used to provide Internet access and training for parents and their children attending elementary schools in Colonias, to establish Technology Centers within those elementary school libraries, to purchase wireless devices and laptop computers to loan out from the Technology Centers, and improve Internet access for students and parents.

In operating the Colonia Self-Help Centers, the Department of Housing and Community Affairs shall provide \$2.5 million each year except CDBG funds to fund the administration and operations of the Colonia Self-Help Centers.
14. **Appropriation: Housing Trust Fund Interest Earnings and Loan Repayments.** Interest earnings and loan repayments received from loans made through the Housing Trust Fund program from the General Revenue Fund are included above in Strategy A.1.1, Housing Trust Fund, estimated to be \$350,000 each year.
15. **Unexpended Balances, Grants, and Contracts.** Unexpended general revenue balances remaining in Strategy A.1.1, Housing Trust Fund, as of August 31, 2003, are included above in

DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
(Continued)

the same strategy for the fiscal year beginning September 1, 2003 (estimated to be \$6,000,000). Any general revenue balances remaining in Strategy A.1.1, Housing Trust Fund, as of August 31, 2004, are appropriated to the same strategy beginning on September 1, 2004.

16. **Emergency Nutrition and Temporary Relief Program (ENTERP).** Out of the amounts appropriated above, \$342,860 in fiscal year 2004 and \$350,160 in fiscal year 2005 in Federal Funds shall be used for the Emergency Nutrition and Temporary Relief Program (ENTERP) to provide relief to needy low-income Texans if allowed under federal regulations.
17. **Sunset Contingency.** Funds appropriated above for fiscal year 2005 for the Department of Housing and Community Affairs are made contingent on the continuation of the Department of Housing and Community Affairs by the Seventy-eighth Legislature. In the event the agency is not continued, the funds appropriated for fiscal year 2004 or as much thereof as may be necessary are to be used to provide for the phaseout of agency operations.
18. **Appropriation: Manufactured Homeowner Consumer Claims.** Included above in Goal E, Manufactured Housing, the Manufactured Housing Division of the Department of Housing and Community Affairs is appropriated an amount, not to exceed \$100,000 per year for the biennium, required for the purpose of paying manufactured housing consumer claims according to the Occupations Code § 1201, Manufactured Housing Standards Act, from title transaction fees involving manufactured housing collected and deposited in the General Revenue Fund during the 2004-05 biennium.

TEXAS LOTTERY COMMISSION

	For the Years Ending	
	August 31, 2004	August 31, 2005
A. Goal: OPERATE LOTTERY		
Efficiently operate a lottery that is self-supporting, revenue producing, and secure.		
Outcome (Results/Impact):		
Percent of Retailers Satisfied with Lottery Commission	80%	80%
State Revenue Received Per Advertising Dollar Expended	26.23	26.23
A.1.1. Strategy: LOTTERY OPERATIONS	\$ 110,250,101	\$ 108,662,516
License lottery retailers, maintain and monitor retailer accounts and collections; ensure vendor and retailer compliance with contracts and policies, and operate 22 claim centers; oversee payments on contracts to primary vendors for instant ticket manufacturing, vending machines, warehousing and distribution of instant scratch off tickets and other lottery retailing services.		
Output (Volume):		
Number of Retailer Business Locations Licensed	16,800	16,800
Efficiencies:		
Average Cost Per Retailer Location License Issued	135	140
A.1.2. Strategy: MARKETING, RESEARCH, AND PROMOTION	\$ 7,116,267	\$ 6,840,427
Determine the interests, opinions, awareness levels and purchase behaviors of adult Texans for the planning, development and implementation of effective games; educate players and provide opportunities to learn about lottery products; broadcast lottery		

TEXAS LOTTERY COMMISSION
(Continued)

drawings to ensure the integrity of the lottery's numbers games; communicate game information, marketing ideas and operational information to lottery retailers; recruit new retailers; measure retailer satisfaction with lottery operations and service.

Output (Volume):

Number of Surveys Issued to Retailers 77,600 77,600

Efficiencies:

Average Cost Per Survey Issued 2.56 2.56

A.1.3. Strategy: ADVERTISING \$ 34,000,000 \$ 34,000,000

Inform adult Texans by mass media (television, radio, newspaper, billboards), point-of-sale materials and merchandising regarding lottery games; provide consumers and retailers with notice of end-of-game dates; provide information regarding procurement opportunities for minority vendors.

Output (Volume):

Dollar Amount of Advertising Budget Spent on Television (Millions) 14.28 14.28

Efficiencies:

Percentage of Adult Texans Aware of Lottery Advertising 57% 57%

A.1.4. Strategy: SECURITY \$ 5,636,763 \$ 5,786,799

Protect and maintain the security and integrity of lottery games, systems and drawings; assure the physical security of all Commission operating sites; and investigate possible criminal and regulatory violations.

Output (Volume):

Number of Lottery Complaints Resolved 550 550

Efficiencies:

Average Cost Per Complaint Resolved 112 112

A.1.5. Strategy: CENTRAL ADMINISTRATION \$ 10,146,293 \$ 10,004,433

Execute and support all functions of the Texas Lottery Commission through executive management, accounting, systems administration, information systems support, communications, legal services, purchasing support, budgeting and human resources.

Total, Goal A: OPERATE LOTTERY \$ 167,149,424 \$ 165,294,175

B. Goal: ENFORCE BINGO LAWS

Timely and fairly enforce all statutes and regulations relating to charitable bingo to ensure the fair conduct of charitable bingo games and that all proceeds derived from bingo are used for a lawful purpose.

Outcome (Results/Impact):

Percent of Complaints Resulting in Disciplinary Action 8% 8%

Net Bingo Games Revenue Received by Charitable Organizations (in Millions) 34.5 34.5

Percentage of Organizations Who Fail to Meet 35% Charitable Distribution Requirement 5% 5%

B.1.1. Strategy: BINGO LICENSING \$ 871,406 \$ 870,070

Determine the eligibility of bingo applications and process bingo license applications in a timely manner.

Output (Volume):

Number of Licenses Renewed to Individuals and Organizations 1,760 1,750

Efficiencies:

Average Cost Per Original License Issued 800 800

TEXAS LOTTERY COMMISSION
(Continued)

B.1.2. Strategy: BINGO EDUCATION AND DEVELOPMENT	\$	129,186	\$	131,018
Provide training seminars, publish informational newsletters, and disseminate relevant information relating to regulatory requirements. Provide informational programs regarding the conduct of bingo for fundraising purposes to appropriate organizations.				
Efficiencies:				
Average Cost of Bingo Operator Training Class		885		895
B.1.3. Strategy: BINGO LAW COMPLIANCE	\$	1,409,288	\$	1,437,366
Conduct inspections, reviews, audits, and complaint investigations and take appropriate disciplinary action. Test bingo products used in the state of Texas.				
Output (Volume):				
Number of Bingo Complaints Resolved		265		265
Efficiencies:				
Average Cost Per Bingo Complaint Resolved		75		75
B.1.4. Strategy: BINGO PRIZE FEE ALLOC & ACCOUNTING	\$	<u>10,002,886</u>	\$	<u>9,891,425</u>
Manage charitable bingo financial data regarding collections and allocations of revenue in a manner that ensures funds are disbursed to appropriate entities and notify organizations of regulatory matters in a timely manner. Improve voluntary compliance with the tax laws by maximizing the efficiency of the delinquent taxpayer contact and collection program.				
Output (Volume):				
Number of Days to Allocate Payments to Local Jurisdictions		41		38
 Total, Goal B: ENFORCE BINGO LAWS	 \$	 <u>12,412,766</u>	 \$	 <u>12,329,879</u>
 Grand Total, TEXAS LOTTERY COMMISSION	 \$	 <u>179,562,190</u>	 \$	 <u>177,624,054</u>
 Method of Financing:				
General Revenue Fund	\$	12,412,766	\$	12,329,879
GR Dedicated - Lottery Account No. 5025		<u>167,149,424</u>		<u>165,294,175</u>
Total, Method of Financing	\$	<u>179,562,190</u>	\$	<u>177,624,054</u>
 Number of Full-Time-Equivalent Positions (FTE):		 325.0		 325.0
 Schedule of Exempt Positions:				
Executive Director, Group 5		\$110,000		\$110,000
 Object-of-Expense Informational Listing:				
Salaries and Wages	\$	14,545,240	\$	14,736,527
Other Personnel Costs		224,282		226,037
Operating Costs		34,000,000		34,000,000
Professional Fees and Services		5,947,085		6,226,946
Fuels and Lubricants		18,762		18,762
Consumable Supplies		208,513		214,613
Utilities		842,541		842,739
Travel		540,120		542,827
Rent - Building		2,666,701		2,673,594
Rent - Machine and Other		4,119,742		4,097,838

TEXAS LOTTERY COMMISSION
(Continued)

Other Operating Expense	115,805,204	113,921,171
Capital Expenditures	<u>644,000</u>	<u>123,000</u>
Total, Object-of-Expense Informational Listing	\$ <u>179,562,190</u>	\$ <u>177,624,054</u>

1. **Capital Budget.** None of the funds appropriated above may be expended for capital budget items except as listed below. The amounts shown below shall be expended only for the purposes shown and are not available for expenditure for other purposes. Amounts appropriated above and identified in the provision as appropriations either for "Lease Payments to the Master Equipment Purchase Program" or for items with an "(MLPP)" notation shall be expended only for the purpose of making lease-purchase payments to the Texas Public Finance Authority pursuant to the provisions of Government Code § 1232.103. Upon approval from the Legislative Budget Board, capital budgeted funds listed below under "Acquisition of Information Resource Technologies" may be used to lease information resources hardware and/or software versus the purchase of information resources hardware and/or software, if determined by commission management to be in the best interest of the State of Texas.

	<u>2004</u>	<u>2005</u>
Out of the GR Dedicated - Lottery Account No. 5025:		
a. Acquisition of Information Resource Technologies		
(1) Lottery System Hardware and Software	\$ 135,000	\$ 0
b. Acquisition of Capital Equipment and Items		
(1) Other Capitalized Equipment	\$ 391,000	\$ 0
Total, Capital Budget	\$ <u>526,000</u>	\$ <u>0</u>

2. **Appropriation, Operate Lottery.** Pursuant to Government Code, Chapter 466, appropriations made to Goal A, Operate Lottery, shall not exceed twelve percent of the gross revenue from the sale of lottery tickets. This appropriation shall be used for the administration of the lottery and for retailer commissions.
3. **Appropriation, Payment of Prizes.** In addition to the amounts appropriated above for the administration of the Lottery and retailer commissions, there is hereby appropriated pursuant to Government Code, Chapter 466, out of the State Lottery Account in the General Revenue Fund, sufficient funds for the payment of prizes to the holders of winning tickets.
4. **Appropriation of Increased Revenues.** In addition to the amounts appropriated above, there is hereby appropriated pursuant to Government Code, Chapter 466, out of the State Lottery Account in the General Revenue Fund, an amount equal to 5 percent of the amount by which gross sales exceed \$2.755 billion in fiscal year 2004 and \$2.681 billion in fiscal year 2005 for the purpose of paying retailer commissions; and, there is hereby appropriated an amount equal to 4.19 percent of the amount by which gross sales exceed \$2.755 billion in fiscal year 2004 and the amount by which gross sales exceed \$2.681 billion in fiscal year 2005 for the purpose of fulfilling contractual obligations and other administrative costs in administration of the Lottery.
5. **Limitation on Transfer Authority.** Funds appropriated above in Strategy A.1.3, Advertising, may be transferred into other items in the Lottery Commission appropriations, but none of the funds appropriated in other items may be transferred into Strategy A.1.3, Advertising.
6. **Limitation, Pooled Reserve Fund.** Pursuant to Government Code, Chapter 466, the Executive Director of the Texas Lottery Commission shall maintain balances in a pooled reserve fund to cover the potential loss of state revenue as a result of lottery retailer defaults. The Executive

TEXAS LOTTERY COMMISSION
(Continued)

Director of the Texas Lottery Commission shall transfer all pooled reserve fund revenues and balances that exceed \$5 million to the Foundation School Fund No. 193 quarterly.

7. **Limitation: Out-of-Country, Out-of-State and In-State Travel.** Notwithstanding any other provisions included in this Act, it is the intent of the Legislature that the Texas Lottery Commission shall not be allowed to travel out-of-country, with the exception of travel to Mexico or Canada which is reimbursable by a third party. In addition, the Texas Lottery Commission shall not exceed amounts expended on out-of-state or in-state travel, for each fiscal year of the biennium, by an amount equal to 80 percent of travel expenditure amounts for fiscal year 1998.
8. **Appropriation, Limited to Revenue Collections.** It is the intent of the Legislature that fees, fines, and other miscellaneous revenues as authorized and generated by the operation of charity bingo cover, at a minimum, the cost of the appropriations made above for the strategy items in Goal B, Enforce Bingo Laws, as well as the "other direct and indirect costs" associated with this goal, appropriated elsewhere in this Act. "Other direct and indirect costs" for Goal B, Enforce Bingo Laws, are estimated to be \$424,652 for fiscal year 2004 and \$429,274 for fiscal year 2005. In the event that actual and/or projected revenue collections are insufficient to offset the costs identified by this provision, the Legislative Budget Board may direct that the Comptroller of Public Accounts reduce the appropriation authority provided above to be within the amount of revenue expected to be available.
9. **Petty Cash Fund Authorized.** The Texas Lottery Commission is authorized to establish a petty cash fund to be used by Commission employees for the purchase of evidence and/or information and other expenses deemed necessary for agency security and enforcement activities, including audits and expenses, incurred by auditing. The petty cash fund, not to exceed \$1,500, may be maintained in cash or at a local bank and shall be subject to such rules and regulations as the executive director may recommend and the commission may adopt.
10. **Sunset Contingency.** Funds appropriated above for fiscal year 2005 for the Lottery Commission are made contingent on the continuation of the Lottery Commission by the Seventy-eighth Legislature. In the event that the agency is not continued, the funds appropriated for fiscal year 2004 or as much thereof as may be necessary are to be used to provide for the phase out of agency operations.
11. **Contingent Appropriation.** Out of the amounts appropriated above from General Revenue Dedicated - Lottery Account No. 5025, \$7,700,049 in 2004 and \$10,469,703 in 2005 is contingent on Comptroller certification of increased lottery deposits to the Foundation School Fund Account of \$56,426,420 over \$840,401,000 in fiscal year 2004 and \$68,838,106 over \$781,544,000 in fiscal year 2005. The Lottery Commission, upon completion of necessary actions to increase such Lottery sales, shall furnish copies of the Lottery Commission's minutes and other information supporting the estimated increase in sales to be generated for the 2004-05 biennium under the revised lottery structure to the Comptroller of Public Accounts. If the Comptroller finds the information sufficient to support the projection of increased sales, a finding of fact to that effect shall be issued and the contingent appropriation shall be made available for the intended purposes.
12. **Local Bingo Prize Fees.** The amounts appropriated above in B.1.4. Strategy: Bingo Prize Fee Allocation & Accounting, include an estimated \$9,853,500 in 2004 and \$9,739,500 in 2005 from bingo prize fees collected pursuant to the Texas Occupations Code, Chapter 2001, § 2001.504, for allocation to counties and municipalities as required by the Texas Occupations Code, Chapter 2001, § 2001.503.

OFFICE OF RURAL COMMUNITY AFFAIRS

	For the Years Ending	
	August 31, 2004	August 31, 2005
A. Goal: COMMUNITY ECONOMIC DEVELOPMENT		
Better Texas communities by supporting community/economic development projects.		
Outcome (Results/Impact):		
Percent of the Small Communities' Population Benefitting from Public Facility, Economic Development, Housing Assistance and Planning Projects		
	33%	33%
A.1.1. Strategy: PROVIDE GRANTS	\$ 90,082,777	\$ 89,996,558
Provide grants for community and economic development projects.		
Output (Volume):		
Number of New Community/Economic Development Contracts Awarded		
	316	316
Number of Projected Beneficiaries from New Community/Economic Development Contracts Awarded		
	375,000	375,000
Number of Onsite Technical Assistance Visits Conducted		
	563	563
Number of Programmatic Monitoring Visits Conducted		
	300	300
A.1.2. Strategy: PROVIDE ASSISTANCE TO COLONIAS	\$ 100,000	\$ 100,000
Provide technical assistance to colonias through field offices.		
Total, Goal A: COMMUNITY ECONOMIC DEVELOPMENT	\$ 90,182,777	\$ 90,096,558
B. Goal: EQUITABLE ACCESS TO MEDICAL CARE		
Promote equitable access to medical care and eliminate disparities.		
Outcome (Results/Impact):		
Ratio of Primary Care Practitioners to Population in Rural Counties		
	150	150
B.1.1. Strategy: PRIMARY CARE ACCESS PROGRAMS	\$ 2,233,901	\$ 2,144,936
Develop programs to increase access to primary health care in rural areas.		
Output (Volume):		
Number of Primary Care Practitioners Recruited to Rural Communities		
	72	72
B.2.1. Strategy: HEALTH FACILITY CAPITAL IMPROVEMENT	\$ 2,190,000	\$ 2,190,000
Rural health facility capital improvements.		
Output (Volume):		
Number of Low Interest Loans and/or Grants Awarded		
	35	35
Total, Goal B: EQUITABLE ACCESS TO MEDICAL CARE	\$ 4,423,901	\$ 4,334,936
C. Goal: INDIRECT ADMINISTRATION		
C.1.1. Strategy: CENTRAL ADMINISTRATION	\$ 311,366	\$ 399,443
C.1.2. Strategy: INFORMATION RESOURCES	\$ 51,910	\$ 51,160
Total, Goal C: INDIRECT ADMINISTRATION	\$ 363,276	\$ 450,603
Grand Total, OFFICE OF RURAL COMMUNITY AFFAIRS	\$ 94,969,954	\$ 94,882,097
Method of Financing:		
<u>General Revenue Fund</u>		
General Revenue Fund	\$ 1,215,858	\$ 1,221,058
Earned Federal Funds	128,276	215,603
GR Match for Community Development Block Grants	1,743,486	1,800,986
Subtotal, General Revenue Fund	\$ 3,087,620	\$ 3,237,647

OFFICE OF RURAL COMMUNITY AFFAIRS
(Continued)

GR Dedicated - Permanent Fund Rural Health Facility Capital Improvement	2,250,000	2,250,000
Federal Funds	89,519,834	89,281,950
Permanent Endowment Fund for Rural Communities Health Care Investment Program	112,500	112,500
Total, Method of Financing	\$ 94,969,954	\$ 94,882,097
Number of Full-Time-Equivalent Positions (FTE):	70.0	70.0
Schedule of Exempt Positions:		
Executive Director, Group 3	\$85,000	\$85,000
Per Diem of Committee Members (9)	2,160	2,160
Object-of-Expense Informational Listing:		
Salaries and Wages	\$ 2,882,432	\$ 2,993,903
Other Personnel Costs	16,100	16,100
Operating Costs	100,000	100,000
Professional Fees and Services	800,749	800,749
Consumable Supplies	118,100	138,100
Travel	198,375	198,375
Rent - Building	9,576	14,576
Rent - Machine and Other	5,376	5,376
Other Operating Expense	270,960	354,129
Grants	90,493,286	90,260,789
Capital Expenditures	<u>75,000</u>	<u>0</u>
Total, Object-of-Expense Informational Listing	\$ 94,969,954	\$ 94,882,097

1. **Capital Budget.** None of the funds appropriated above may be expended for capital budget items except as listed below. The amounts shown below shall be expended only for the purposes shown and are not available for expenditure for other purposes. Amounts appropriated above and identified in the provision as appropriations either for "Lease Payments to the Master Equipment Purchase Program" or for items with an "(MLPP)" notation shall be expended only for the purpose of making lease-purchase payments to the Texas Public Finance Authority pursuant to Government Code § 1232.103. Upon approval from the Legislative Budget Board, capital budgeted funds listed below under "Acquisition of Information Resource Technologies" may be used to lease information resources hardware and/or software versus the purchase of information resources hardware and/or software, if determined by agency management to be in the best interest of the State of Texas.

	<u>2004</u>	<u>2005</u>
a. Acquisition of Information Resource Technologies		
(1) Financial Accounting System	\$ 75,000	\$ 0
Total, Capital Budget	\$ <u>75,000</u>	\$ <u>0</u>
Method of Financing (Capital Budget):		
General Revenue Fund	\$ 15,000	\$ 0
Federal Funds	<u>60,000</u>	<u>0</u>
Total, Method of Financing	\$ <u>75,000</u>	\$ <u>0</u>

OFFICE OF RURAL COMMUNITY AFFAIRS
(Continued)

2. **Reporting Requirements.** Within 90 days following the conclusion of a contract issued by the Office of Rural Community Affairs (ORCA) or, at the option of the contracting party, within 90 days following the conclusion of the contracting party's fiscal year during which a contract was in force, the contracting party shall provide to the Executive Director a full accounting of state funds expended under the terms of the contract. This requirement shall be a part of any contract entered into by ORCA and contracting entities. Failure of a contracting party to provide full accounting of state funds expended under the terms of any contract under the conditions stated above shall be sufficient reason to terminate that contract and for ORCA to deny any future contracts to that contracting party.
3. **Coordination with Texas Water Development Board.** The Office of Rural Community Affairs (ORCA) and the Texas Water Development Board (TWDB) shall continue to coordinate funds as outlined in a Memorandum of Understanding (MOU) so as to assure that none of the funds appropriated above are expended in a manner that aids the proliferation of colonias or are otherwise used in a manner inconsistent with the intent of the Economically Distressed Areas Program (EDAP) operated by the Texas Water Development Board (TWDB); and maximize delivery of the funds and minimize administrative delay in their expenditure. The MOU shall be amended, if necessary, prior to the distribution of the Colonia Fund in fiscal years 2004 and 2005. In distributing funds out of the Colonia Fund, ORCA shall provide top funding priority to those projects that are in EDAP-funded areas and which assist colonia residents who cannot afford the cost of service lines, hook-ups, and plumbing improvements associated with being connected to an EDAP-funded system. None of the funds appropriated above for Strategy A.1.1, Provide Grants, may be expended in EDAP-eligible counties that have not adopted, or not enforcing, the Model Subdivision Rules established pursuant to § 16.343 of the Water Code. No later than September 15, 2004, ORCA and the TWDB shall submit a joint report to the Legislative Budget Board that describes and analyzes the effectiveness of projects funded as a result of coordinated Colonia Fund/EDAP efforts including an estimate of the amount each agency has saved by reduced duplication of efforts. If there is an insufficient number of TWDB EDAP projects ready for Colonia Economically Distressed Areas Program (CEDAP) connection funding within 12 months after ORCA receives the federal letter of credit, the CEDAP funds may be transferred at ORCA's discretion as stated within the current Community Development Block Grant action plan.
4. **Administrative Allocation: Councils of Governments.** From the federal administrative monies made available to the Office of Rural Community Affairs under the Community Development Block Grant Program, an amount up to 19 percent of such monies shall be allocated for the councils of government, based upon agreements between the Office of Rural Community Affairs and each council of government, to continue staff support to the 24 Regional Review Committees of local elected officials appointed by the Governor and/or for other technical assistance services so long as the staff support activities comply with the rules, policies, and standards established by the US Department of Housing and Urban Development.
5. **Colonia Set-Aside Program Allocation.** The Office of Rural Community Affairs (ORCA) shall continue the Community Development Block Grant (CDBG) Colonia Set-Aside Program by allocating not less than 10 percent of the yearly allocation of CDBG funds for eligible activities to assist in providing for the housing, planning, and infrastructure needs in colonias. From this 10 percent yearly allocation, \$2,000,000 shall be reserved to provide financial assistance to units of general local government located in economically distressed areas as defined by § 17.921, Water Code, to pay for residential service lines, hookups, and plumbing improvements associated with being connected to a water supply or sewer service system, any part of which is financed under the economically distressed areas program established under Subchapter J, Chapter 16, Water Code and Subchapter K, Chapter 17, Water Code. ORCA by rule shall provide that an application for assistance under the program hereby authorized may be submitted after construction of the water supply or sewer service system begins. ORCA shall approve or disapprove a timely application before construction of the water supply or sewer

OFFICE OF RURAL COMMUNITY AFFAIRS
(Continued)

service is completed in order to eliminate delay in connection once construction is completed. ORCA shall coordinate the application process with the Texas Water Development Board to avoid duplication of effort and the necessity for applicants to submit dual applications.

In addition, ORCA shall allocate 2.5 percent of the CDBG monies to support the operation of the Colonia Self-Help Centers and shall transfer such funds to the Department of Housing and Community Affairs on September 1 of each year of the biennium.

Consistent with federal rules and regulations, the funds provided from ORCA to the Colonia Self-Help Center in El Paso county shall be used to provide Internet access and training for parents and their children attending elementary schools in Colonias, to establish technology Centers within those elementary school libraries, to purchase wireless devices and laptop computers to loan out from the Technology Centers, and improve internet access for students and parents.

In operating the Colonia Self-Help Centers, the Department of Housing and Community Affairs shall provide the \$2.5 million each year except CDBG funds to fund the administration and operations of the Colonia Self-Help Centers.

6. Estimated Appropriation and Unexpended Balance.

- a. The estimated amounts appropriated above out of the Permanent Endowment Fund for Rural Communities Healthcare Investment Program, are out of the amounts available for distribution or investment returns of the funds. Amounts available for distribution or investment returns in excess of the amounts estimated above are also appropriated to the Office of Rural Community Affairs. In the event that amounts available for distribution or investment returns are less than the amounts estimated above, this Act may not be construed as appropriating funds to make up the difference. Any unexpended appropriations made above as of August 31, 2004, are hereby appropriated for the same purposes for fiscal year 2005.
- b. The estimated amounts appropriated above out of the Permanent Fund for Rural Health Facility Capital Improvement are out of the available earnings of the fund. Available earnings in excess of the amounts estimated above are appropriated to the Office of Rural Community Affairs. In the event that amounts available for distribution or investment returns are less than the amounts estimated above, this Act may not be construed as appropriating funds to make up the difference. Any unexpended appropriations made above as of August 31, 2004, are hereby appropriated for the same purposes for fiscal year 2005.

7. Limitation on Use of Funds.

- a. State agencies that are appropriated funds from the receipts collected pursuant to the Comprehensive Tobacco Settlement Agreement and Release, including distributions from funds, shall submit a budget by November 1 of each year of the biennium to the Legislative Budget Board and the Governor. This budget shall describe the purposes and amounts for which such funds will be expended by the state agency. No funds described in this budget may be expended by the state agency or institution of higher education until the Legislative Budget Board and the Governor receive the budget.
- b. Authorized managers of permanent funds and endowments whose earnings are appropriated to the Office of Rural Community Affairs shall provide a copy of year end financial reports to the Legislative Budget Board and the Governor by November 1 of each year of the biennium. These reports should include, at a minimum, an income statement and balance sheet for each fund, and a summary of the investment return of the fund during the preceding fiscal year.

OFFICE OF RURAL COMMUNITY AFFAIRS
(Continued)

8. **Administration of Public Health Funds.** Funds are appropriated above out of the Permanent Fund for Rural Health Facility Capital Improvement for the purpose of implementing House Bill 1676, Seventy-sixth Legislature, 1999. In no event shall the administrative costs to implement the provisions of the bill exceed three percent. Grants and program costs must compose at least 97 percent of the expenditures to implement the provisions of the bill.
9. **Informational Listing - Permanent Funds and Endowments.** The following is an informational list of the amounts used to capitalize certain Permanent Funds and Endowments created by House Bill 1676, Seventy-sixth Legislature and by Senate Bill 126, Seventy-seventh Legislature, and does not make appropriations.
- | | |
|--|---------------|
| Permanent Fund for Rural Health Facility Capital Improvement (Rural Hospital Infrastructure) | \$ 50,000,000 |
| Permanent Endowment Fund for the Rural Communities Healthcare Investment Program | \$ 2,500,000 |
10. **Unexpended Balances, Grants, and Contracts.** Any unexpended and unobligated general revenue balances remaining from appropriations as of August 31, 2004 are hereby reappropriated to the Office of Rural Community Affairs for the fiscal year beginning September 1, 2004. The unexpended funds can be carried forward between fiscal years of the biennium.

DEPARTMENT OF TRANSPORTATION

	For the Years Ending	
	August 31, 2004	August 31, 2005
A. Goal: TRANSPORTATION PLANNING		
To provide for the planning, design, research, management of a safe, comprehensive, durable, and economically maintainable and for the timely acquisitions of right-of-ways for a transportation system that is environmentally sensitive and supportive of economic growth and social prosperity.		
Outcome (Results/Impact):		
Project to Funding Ratio	1.1	1.1
Percent of Projects Awarded on Schedule	90%	90%
A.1.1. Strategy: PLAN/DESIGN/MANAGE	\$ 609,454,232	\$ 612,860,021
Plan, design, and manage highway projects.		
Output (Volume):		
Number of Construction Project Preliminary Engineering Plans Completed	803	803
Dollar Volume of Construction Contracts Awarded in Fiscal Year (Millions)	2,564	2,564
Number of Projects Awarded	864	864
A.1.2. Strategy: RIGHT-OF-WAY ACQUISITION	\$ 300,000,000	\$ 325,000,000
Optimize timing of highway right-of-way acquisition.		
A.1.3. Strategy: RESEARCH	\$ 22,101,060	\$ 22,617,952
Fund and participate with state-supported colleges and universities in research and development programs that can improve transportation operations.		
Total, Goal A: TRANSPORTATION PLANNING	\$ 931,555,292	\$ 960,477,973

DEPARTMENT OF TRANSPORTATION
(Continued)

B. Goal: TRANSPORTATION CONSTRUCTION

To provide for the construction, reconstruction, and rehabilitation of the state highway system and general aviation infrastructures in an economically safe and comprehensive manner that is effective, efficient, and environmentally sensitive.

Outcome (Results/Impact):

Percent of Construction Projects Completed on Budget	75%	77%
Percent of Two-lane Highways with Improved Shoulders	40%	40.5%
Percent of Railroad Crossings with Signalization	44%	45%
Percent of Construction Projects Completed on Time	78%	80%
Urban Congestion Index	1.35	1.35
Statewide Congestion Index	1.07	1.09

B.1.1. Strategy: HIGHWAY CONSTRUCTION

\$ 2,795,950,500	\$ 2,801,470,708
	& UB

Contract for the construction of the highway system and facilities (estimated).

B.1.2. Strategy: AVIATION SERVICES

\$ 87,470,414	\$ 62,089,014
	& UB

Support and promote general aviation.

Output (Volume):

Number of Airports Selected for Financial Assistance	165	165
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Efficiencies:

Administration and Support Costs as a Percent of Facility Grant Funds Expended	3.9%	3.9%
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Total, Goal B: TRANSPORTATION CONSTRUCTION

\$ 2,883,420,914	\$ 2,863,559,722
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C. Goal: MAINTENANCE AND PRESERVATION

To provide for the systematic preservation of the highway system, fulfill non-federal sponsorship responsibilities for the Gulf Intracoastal Waterway, preserve and control state ferry systems, and control outdoor advertising and junkyards along interstate and primary Texas highways.

Outcome (Results/Impact):

Percent of Bridges Rated in Good Condition or Higher	82%	83%
Statewide Maintenance Assessment Program Condition Score	79	80
Statewide Traffic Assessment Program Condition Score	75	76

C.1.1. Strategy: CONTRACTED MAINTENANCE

\$ 546,374,620	\$ 566,815,372
	- & UB

Contract for highway maintenance program.

Output (Volume):

Number of Lane Miles Contracted for Resurfacing	18,174	18,671
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C.1.2. Strategy: ROUTINE MAINTENANCE

\$ 489,105,158	\$ 504,365,825
	& UB

Provide for routine maintenance and operation of the state highway system and control outdoor advertising, junkyards, and auto graveyards.

Output (Volume):

Number of Oversize/Overweight Permits Issued	420,840	429,257
Number of Highway Lane Miles Resurfaced by State Forces	8,266	8,515

C.1.3. Strategy: GULF WATERWAY

\$ 1,596,791	\$ 248,969
	& UB

Support the gulf intracoastal waterway.

C.1.4. Strategy: FERRY SYSTEM

\$ 33,299,001	\$ 26,399,903
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Maintain and operate ferry systems in Texas.

Total, Goal C: MAINTENANCE AND PRESERVATION

\$ 1,070,375,570	\$ 1,097,830,069
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D. Goal: OPTIMIZE SERVICES AND SYSTEMS

To effectively and efficiently optimize transportation services, systems, programs, and resources.

Outcome (Results/Impact):

Percent Change in the Number of Public Transportation Trips	1.3%	1.3%
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DEPARTMENT OF TRANSPORTATION
(Continued)

Percent of Motor Vehicle Consumer Complaints Resolved	70%	70%
Number of Fatalities Per 100,000,000 Miles Traveled	1.7	1.6
D.1.1. Strategy: PUBLIC TRANSPORTATION	\$ 105,701,258	\$ 1,660,285 & UB
Support and promote public transportation.		
Efficiencies:		
Administration and Support Costs as a Percent of Grant Expended	2.27%	2.28%
D.1.2. Strategy: REGISTRATION & TITLING	\$ 65,045,646	\$ 64,724,617
Administer the provisions of the motor vehicle registration and titling statutes.		
Output (Volume):		
Number of Vehicle Titles Issued	6,446,402	6,704,258
Number of Vehicles Registered	18,885,708	19,225,651
D.1.3. Strategy: VEHICLE DEALER REGULATION	\$ 4,853,928	\$ 4,904,859
Administer the provisions of the Texas Motor Vehicle Commission Code.		
Output (Volume):		
Number of Motor Vehicle Consumer Complaints Resolved	950	950
Efficiencies:		
Average Number of Weeks to Resolve a Motor Vehicle Complaint Resolution	20	20
D.2.1. Strategy: TRAFFIC SAFETY	\$ 37,436,740	\$ 34,704,247 & UB
Identify problem areas and implement projects to reduce the number of and severity of traffic accidents through the Statewide Traffic Safety Program.		
D.3.1. Strategy: TRAVEL INFORMATION	\$ 19,199,221	\$ 19,831,794 & UB
Support and promote tourism.		
D.4.1. Strategy: AUTOMOBILE THEFT PREVENTION	\$ 10,432,265	\$ 10,022,990 & UB
Reduce the incidence of vehicle theft in Texas through prevention efforts and supporting motor vehicle theft laws.		
Output (Volume):		
Number of Cars Stolen Per 100,000	585	585
Efficiencies:		
Administration and Support Costs as Percentage of Total Expenditures	5.2%	- 5.2%
Total, Goal D: OPTIMIZE SERVICES AND SYSTEMS	\$ <u>242,669,058</u>	\$ <u>135,848,792</u>
E. Goal: INDIRECT ADMINISTRATION		
E.1.1. Strategy: CENTRAL ADMINISTRATION	\$ 36,534,501	\$ 34,522,677
E.1.2. Strategy: INFORMATION RESOURCES	\$ 32,283,807	\$ 28,606,495
E.1.3. Strategy: OTHER SUPPORT SERVICES	\$ 38,056,451	\$ 35,174,277
E.1.4. Strategy: REGIONAL ADMINISTRATION	\$ 62,772,109	\$ 67,584,604
Total, Goal E: INDIRECT ADMINISTRATION	\$ <u>169,646,868</u>	\$ <u>165,888,053</u>
Grand Total, DEPARTMENT OF TRANSPORTATION	\$ <u>5,297,667,702</u>	\$ <u>5,223,604,609</u>
Method of Financing:		
General Revenue Fund	\$ 520,246	\$ 38,246
GR Dedicated - Texas Highway Beautification Account No. 071	603,844	615,434
Federal Funds	2,359,491,828	2,301,738,663
Other Funds		
Appropriated Receipts	310,000	310,000
Bond Proceeds - General Obligation Bonds	35,000,000	30,000,000

DEPARTMENT OF TRANSPORTATION
(Continued)

State Highway Fund No. 006, estimated	2,901,741,784	2,890,902,266
Subtotal, Other Funds	<u>\$ 2,937,051,784</u>	<u>\$ 2,921,212,266</u>
Total, Method of Financing	<u>\$ 5,297,667,702</u>	<u>\$ 5,223,604,609</u>
Number of Full-Time-Equivalent Positions (FTE):	14,723.0	14,721.0
Number of FTEs in Riders:	172.0	172.0
Schedule of Exempt Positions:		
Executive Director, Group 6	\$155,000	\$155,000
Commissioner	(3) 15,914	(3) 15,914
Supplemental Appropriations Made in Riders:	\$ 55,900,261	\$ 55,902,491
Object-of-Expense Informational Listing:		
Salaries and Wages	\$ 561,408,662	\$ 571,706,063
Other Personnel Costs	16,964,730	18,041,751
Operating Costs	1,041,746,038	1,074,255,708
Professional Fees and Services	8,733,500	8,904,000
Consumable Supplies	54,575	53,675
Utilities	733,558	859,367
Travel	465,557	438,867
Rent - Building	402,784	407,805
Rent - Machine and Other	209,892	216,393
Other Operating Expense	34,349,687	36,495,197
Client Services	400,000	400,000
Grants	250,254,578	118,575,926
Capital Expenditures	<u>3,437,844,402</u>	<u>3,449,152,348</u>
Total, Object-of-Expense Informational Listing	<u>\$ 5,353,567,963</u>	<u>\$ 5,279,507,100</u>

1. **Capital Budget.** Notwithstanding the capital budget provisions in the General Provisions of this act, none of the funds appropriated above may be expended for capital budget items except as listed below. The amounts shown below shall be expended only for the purposes shown and are not available for expenditure for other purposes. No additional funds may be transferred to the capital budget items listed below without first obtaining written approval from the Legislative Budget Board and the Governor. Amounts appropriated above and identified in this provision as appropriations either for "Lease payments to the Master Lease Purchase Program" or for items with an "(MLPP)" notation shall be expended only for the purpose of making lease-purchase payments to the Texas Public Finance Authority pursuant to the provisions of Government Code, § 1232.103. Upon approval from the Legislative Budget Board, capital budgeted funds listed below under "Acquisition of Information Resource Technologies" may be used to lease information resources hardware and/or software versus the purchase of information resources hardware and/or software, if determined by agency management to be in the best interest of the State of Texas.

	<u>2004</u>	<u>2005</u>
Out of the State Highway Fund No. 006:		
a. Acquisition of Land and Other Real Property	\$ 1,350,000	\$ 2,845,000
b. Construction of Buildings and Facilities	5,170,330	9,428,501
c. Repair or Rehabilitation of Buildings and Facilities	17,365,500	17,315,500

DEPARTMENT OF TRANSPORTATION
(Continued)

d. Acquisition of Information Resource Technologies	21,222,536	14,132,021
e. Transportation Items	8,625,937	10,488,468
f. Acquisition of Capital Equipment and Items	47,290,462	46,815,276
Total, Capital Budget	\$ 101,024,765	\$ 101,024,766

2. **Transfer Authority.** The Department of Transportation is hereby authorized to transfer appropriations from any Strategy into Strategy C.1.1, Contracted Maintenance, Strategy A.1.2, Right-of-Way Acquisition, and Strategy B.1.1, Highway Construction. In addition, funds may be transferred between Strategies, except that no funds may be transferred out of Strategies C.1.1, Contracted Maintenance, or A.1.2, Right-of-Way Acquisition, or B.1.1, Highway Construction, except that transfers may be made between those Strategies. The department may transfer an amount not to exceed 10 percent of the amounts appropriated in Strategy A.1.1, Plan/Design/Manage, in fiscal year 2004 and 10 percent of the amounts appropriated in Strategy A.1.1, Plan/Design/Manage, in 2005 from strategies C.1.1, Contracted Maintenance, A.1.2, Right-of-Way Acquisition, or B.1.1, Highway Construction, into Strategy A.1.1, Plan/Design/Manage, upon receiving written approval from the Legislative Budget Board and the Governor. Appropriations transferred upon approval may not be transferred to any other Strategy.
3. **Public Transportation Financing.** Funds appropriated above to Strategy D.1.1, Public Transportation include \$59,475,789 for the biennium from State Highway Fund No. 006. Of such funds, \$27,363,388 shall be allocated to § 5311 rural transportation contractors and \$10,118,747 shall be allocated to § 5307 urban public transportation contractors, and shall be exempt from the formula provisions provided by Chapter 456 of the Transportation Code.
4. **Magazine Appropriations.** The Department of Transportation Commission is directed to set subscription rates and other charges for Texas Highways Magazine at a level that will generate receipts approximately sufficient to cover the costs incurred in the production and distribution of the magazine. In addition to funds appropriated above, the department is hereby appropriated to Strategy D.3.1, Travel Information, any magazine revenues generated above \$5,177,266 for the 2004 fiscal year and \$5,203,415 for the 2005 fiscal year. Funds may be utilized only for the purpose of magazine costs. The Department of Transportation may transfer to Strategy D.3.1, from revenue available from prior years subscription fees, in the event of unforeseen or unusual expenditures associated with the production costs of the Texas Highways Magazine. The Department of Transportation is hereby appropriated all revenue collected from the sale of promotional items as authorized by VACS, Article 6144e.
5. **Road Utility District Provision.** The Comptroller of Public Accounts is authorized to transfer to State Highway Fund No. 006 all receipts deposited in the General Revenue Fund pursuant to Transportation Code § 441.011. Such funds are hereby appropriated for the biennium beginning with the effective date of this act for the purpose of defraying the costs of hearing and processing Road Utility District petitions. Any balance remaining after defraying such costs may be used by the department for the maintenance and construction of highways.
6. **Holiday Pay Provision.** Notwithstanding other provisions of this bill, the Department of Transportation is authorized to grant compensatory time off or to pay hourly employees for work performed on official state holidays in addition to any applicable holiday pay.
7. **Compensatory Pay Provision.** In order to operate in the most economical manner, when inclement weather or other circumstances beyond the control of the department prevent construction or maintenance employees from performing their normal duties, the Department of Transportation is authorized to grant such employees time off with pay with the hours charged

DEPARTMENT OF TRANSPORTATION
(Continued)

to the Compensatory Time Taken Account, provided that such advanced time must be repaid by the employee at a time, and in the most appropriate manner as determined by the department within the following twelve months or at termination, whichever is sooner.

8. **Standby Pay.** It is expressly provided that the Department of Transportation, to the extent permitted by law, may pay compensation for on-call time at the following rates: credit for one hour worked per day on-call during the normal work week, and two hours worked per day on-call during weekends and holidays; this credit would be in addition to actual hours worked during normal duty hours or while on-call. Nonexempt employees who work a normal 40 hour work week, and also work on-call duty, will receive FLSA overtime rates for the on-call duty.
9. **Pay for Regular Compensatory Time.** It is expressly provided that the Department of Transportation, to the extent permitted by law, may pay FLSA exempt and FLSA nonexempt employees on a straight-time basis for work on a holiday or for regular compensatory time hours when the taking of regular compensatory time off would be disruptive to normal business functions.
10. **Underwater Bridge Inspections.** To more adequately compensate employees who perform hazardous duties for the state, the Department of Transportation is authorized to compensate employees who perform underwater bridge inspections an additional rate of pay of up to \$25 per hour for actual time spent performing underwater bridge inspections.
11. **Equal Employment.** To the maximum extent feasible, the department shall implement its Equal Employment Opportunity Plan to hire and promote qualified minority employees into vacant supervisory and management positions.
12. **Limitation on Residences.** None of the funds appropriated herein above may be expended for the purchase, construction, or maintenance of residences for employees of the Department of Transportation except maintenance camps in isolated areas and bridge tenders' buildings.
13. **Court Costs.** Any necessary amounts appropriated above may be used by the Department of Transportation to pay refunds authorized by law, and to pay court costs in suits involving the Department of Transportation. Such costs shall include payments for judgments, settlements, and other costs associated with right-of-way acquisition and inverse condemnation.
14. **License Plate Contracts.** Any necessary amounts appropriated above may be used by the Department of Transportation to reimburse the Department of Criminal Justice for the cost of manufacturing motor vehicle license plates, and the Department of Criminal Justice shall be reimbursed as license plates are delivered and invoices are rendered to the department. At the time manufacture is started, the Texas Building and Procurement Commission shall fix a price to be paid per license plate, and shall use as the basis for such price the costs of steel, paints and other material purchased, the inmate maintenance cost per day, overhead expense, miscellaneous charges, and the amount of profit previously approved for such work.
15. **Appropriation Balances.** Any unobligated balance remaining after the first year of the biennium in Strategy D.1.2, Registration and Titling, above for the purpose of purchasing vehicle license plates and vehicle registration validation stickers, and enhancing the automated registration and titling system in accordance with the provisions of Transportation Code, Chapter 502, may be used for the same purpose during the second year of the biennium.
16. **Internal Audit.** The Department of Transportation shall maintain an internal auditing program in compliance with the provisions of the Texas Internal Auditing Act, which shall incorporate, at a minimum, the assignment of an internal auditor at each district office and within each division of the department. Each internal auditor assigned pursuant to this provision shall report

DEPARTMENT OF TRANSPORTATION
(Continued)

either directly to the Commissioners of the Department of Transportation or to the internal auditor appointed pursuant to Government Code § 2102.006.

An internal auditor whose duty station is assigned pursuant to this provision may consider suggestions from a District Engineer in developing proposals for the department's annual audit plan.

17. **Minimum Wage Contracts.** In contracting for maintenance and construction contract work with the private sector, the Department of Transportation shall require that contractors and subcontractors are paying all employees and contract labor at a rate at least equal to the federal minimum wage. The department shall withhold payments to contractors until their contractual obligations for paying employees and the contract labor have been fulfilled.
18. **Road Materials.** From amounts appropriated above to the Texas Department of Transportation from State Highway Fund No. 006, the department shall provide eligible counties with road materials during each fiscal year of the biennium. The amount of road materials provided by the department to each eligible county shall be in an amount equal to twice the amount each eligible county would be eligible to receive, pursuant to Transportation Code § 621.353. This section does not make an appropriation to the Comptroller for the purposes of Transportation Code, § 621.353.
19. **Appropriation of Loan Fund Balances.** Out of funds appropriated above in Strategy B.1.2, Aviation Services, to the Texas Department of Transportation from the General Revenue Fund, an amount not to exceed \$482,000 in fiscal year 2004 is contingent upon balances of the same amount remaining in Strategy B.1.2, Aviation Services, as of August 31, 2003. Also in Strategy B.1.2, Aviation Services, amounts not to exceed \$38,246 each year in General Revenue from revenues estimated to accrue in the department's special aviation loan fund are contingent upon revenues of the same amount being available during each year of the biennium. In the event that actual and/or projected balances and revenues are insufficient for appropriations identified for the purpose above, the Comptroller is hereby directed to reduce the appropriation authority provided by this Act to Texas Department of Transportation to be within the amount expected to be available each year.
20. **Appropriation Grant Funds.** Out of funds appropriated above in Strategy B.1.2, Aviation Services, to the Texas Department of Transportation from State Highway Fund No. 006, an amount not to exceed \$25,000,000 in fiscal year 2004 is contingent upon balances of the same amount remaining in Strategy B.1.2, Aviation Services, as of August 31, 2003, from appropriations made to the department for airport development grants in the 2002-03 biennium. In the event that actual and/or projected balances are insufficient for appropriations identified above for this purpose, the Comptroller is hereby directed to reduce the appropriation authority provided by this Act to Texas Department of Transportation to be within the amount expected to be available each year.
21. **Transportation Fee Rates.** The Texas Department of Transportation shall maintain rules providing for the following transportation fees at the rates specified to defray a portion of the state's cost of registering "For Hire" Ground Transportation:

Vehicle Registration Fee	\$ 10.00
Specialized Motor Carrier	\$ 100.00
Insurance Filing Fee, per carrier	\$ 100.00
International Stamps, per trip/per vehicle	\$ 10.00

All fee collections are to be deposited into the General Revenue Fund.

DEPARTMENT OF TRANSPORTATION
(Continued)

22. **International Stamp Fees.** It is the intent of the Legislature that the Texas Department of Transportation shall collect the International Stamp Fees specified in Rider No. 21 above in a uniform, consistent and equitable manner at all points of entry along the Texas and Mexico border. All fee collections are to be deposited in the General Revenue Fund.
- Only if an insurance agent elects to file evidence of a master liability policy under which temporary insurance policies are issued, or to issue temporary insurance, may the department require an insurance agent to obtain international registration stamps as provided by department rules.
23. **Appropriation: Motor Carrier Audit Fees.** The Texas Department of Transportation, under the provisions of Transportation Code, Chapters 643 and 645, may bill out-of-state trucking firms for all expenses relative to conducting motor carrier registration and insurance compliance audits. All audit proceeds are hereby appropriated to the Texas Department of Transportation and may be expended for the associated expenses in conducting audits. Employees performing out of state audits are authorized actual reimbursement of travel expenses.
24. **Registering Tow Trucks.** Out of the funds appropriated above in Strategy D.1.2, Registration and Titling, and pursuant to Transportation Code § 643.053, \$310,000 in fiscal year 2004 and \$310,000 in fiscal year 2005, from appropriated receipts, shall be used for the administration of registering tow trucks.
25. **Interagency Agreements.** Out of funds appropriated in Strategy D.3.1, Travel Information, \$670,000 through interagency contracts with the Commission on the Arts and \$500,000 through interagency contracts with the Texas Historical Commission each fiscal year, shall be used to showcase the arts, culture, and historical diversity in Texas to promote tourism.
26. **Project Status.** The Department of Transportation shall provide to each member of the House and Senate, unless a member requests it not be provided, a status report on all highway construction projects, by legislative district, currently under contract or awaiting funding. The report shall include projects that would be funded fully or in part by state, federal, or toll funds. The report shall be filed prior to January 1, each fiscal year. In addition, 90 days prior to any loan being granted by the department for any project, all members of the district shall be notified on the status of the project and how other projects in any district would be affected.
27. **Trust Fund 927.** The Department of Transportation is hereby authorized to receive and hold funds in Trust Fund No. 927 (county or political subdivision road participation account) from governmental and private entities for purposes of reimbursing State Highway Fund No. 006 for expenses incurred with transportation projects, including highway and aviation.
28. **State Highway Fund Reimbursement.** To the extent that funds are made available from local governments under Transportation Code § 22.055(b), the department is hereby appropriated amounts as necessary from State Highway Fund No. 006 for purposes authorized by Chapter 22 of the Texas Transportation Code. Funds made available to the department under Transportation Code § 22.055(b) are to be used only for the purpose of reimbursing State Highway Fund No. 006.
29. **District Discretionary Funds.** Out of the funds appropriated above in Strategy B.1.1, Highway Construction, the Department of Transportation shall allocate a minimum of \$2.5 million for each district to the State District Discretionary Category each fiscal year. These funds may not be used for highway construction project cost overruns or shortfalls.
30. **Travel Information.** If the department determines that it cannot meet anticipated production and distribution for the Texas State Travel Guide and related travel literature from funds

DEPARTMENT OF TRANSPORTATION
(Continued)

appropriated in Strategy D.3.1, Travel Information, the department shall transfer sufficient funds to meet demand for each year of the biennium.

31. **Local Government Assistance.** The Texas Department of Transportation, pursuant to Texas Transportation Code § 201.706, may assist cities with the maintenance of city streets by providing engineering/maintenance expertise on roadway maintenance and when surplus materials are available, the department shall make available the surplus materials to any local government needing such materials.

For those cities that adopt or have adopted either a street use fee for maintenance or a specialized fee for street accessibility improvements as part of their local utility fees, the Department is authorized to coordinate its accessibility programs with those cities including providing engineering expertise where possible.

32. **Full-time Equivalent: Summer Hire Program.** Full-time Equivalent (FTE) positions associated with the Summer Hire Program of the Department of Transportation, in an amount not to exceed 1,200 FTEs, shall be exempt from the Article IX provision establishing a limitation on state agency employment levels for the third and fourth quarters of each fiscal year. It is the intent of the Legislature that this provision will not change the "Number of Full-time Equivalent Positions (FTE)" listed elsewhere in this Act. The Department of Transportation shall provide to the Legislative Budget Board, the Governor, and the State Auditor's Office a report of the number of FTEs associated with the Summer Hire Program each fiscal year. Out of individuals hired for the Summer Hire Program, the department shall hire no less than 10 interns each year for the Texas Prefreshman Engineering Program (TexPREP).

33. **Clothing Provision.** The department may provide a cleaning allowance for Travel Counselors not to exceed \$500 per year.

34. **Special License Plate Information.** Out of funds appropriated above to the Texas Department of Transportation in Strategy D.1.2, Registration and Titling, the agency shall include in the annual registration information sent to registrants, information on the department's special license plates.

35. **Reporting Requirements.** The Texas Department of Transportation shall provide a report to department's border district legislators and to the respective metropolitan planning organizations on department's trade transportation activities in such border districts during the 2004-05 biennium. The department shall report annually no later than January 1, each year of the biennium. The report shall also be provided to the Governor and the Legislative Budget Board.

The Texas Department of Transportation shall submit a monthly revenue report to the Legislative Budget Board and the Governor on state and federal funds received in State Highway Fund No. 006 as specified by the Legislative Budget Board. At any time, if the department becomes aware of any variances to estimated amounts appropriated above out of state and federal funds received in State Highway Fund No. 006, the department shall notify the Legislative Budget Board and the Governor in writing specifying the affected funds and the reason for the anticipated change.

36. **Trade Transportation Projects.** From funds appropriated above to the Texas Department of Transportation the department shall:
- a. Consider significant increases to the department's North American Free Trade Agreement (NAFTA) Discretionary Fund;

DEPARTMENT OF TRANSPORTATION
(Continued)

- b. Retain any funds replaced by allocation through § 1119 of the Transportation Equity Act for the twenty-first century for use by the department on high priority trade transportation related projects;
 - c. Consider immediate relief from local contribution requirements for the Texas Department of Transportation designated border trade transportation projects;
 - d. Consider allocating additional department resources to the planning, design and construction activities related to high priority border trade transportation projects in the border districts; and
 - e. Consider more aggressive State Infrastructure Bank loan terms for the Texas Department of Transportation designated high priority trade transportation projects in the Texas Department of Transportation border districts.
37. **Agency Coordination.** The Texas Department of Transportation and the Texas Commission on Environmental Quality shall coordinate their efforts on the acquisition and potential uses of crumb rubber and shredded tire pieces in the various phases of highway construction. The Texas Department of Transportation and the Texas Commission on Environmental Quality shall provide to the appropriate Legislative Committees a report on their progress by January 1, of each fiscal year.
38. **Projects for Traffic from International Trade.** The department annually shall review its proposed road and maintenance projects to determine whether the projects and maintenance are adequate to allow for the projected impact of overweight trucks on state highways, resulting from international trade.
39. **Light Pollution.** None of the funds appropriated to the Texas Department of Transportation may be used to install or replace an outdoor lighting fixture located in Brewster, Jeff Davis, Pecos, Presidio or Reeves county unless:
- a. the new or replacement outdoor lighting fixture is a fully shielded outdoor lighting fixture that allows no direct light to travel upward into the night sky if the rated output of the outdoor lighting fixture is greater than 1,800 lumens; or
 - b. full consideration has been given to conserving energy, reducing glare, preserving the natural night environment, and minimizing night sky glow caused by the scattering of artificial light in the atmosphere.
 - c. Subsections a or b do not apply if:
 - (1) a federal law, rule, or regulation preempts state law;
 - (2) the outdoor lighting fixture is used on a temporary basis because emergency personnel require additional illumination for emergency procedures;
 - (3) the light is necessary for special events or situations, including night-time construction, which require additional illumination; or
 - (4) a compelling safety interest exists that cannot be addressed by another method.
40. **Auto Theft Prevention.** The Texas Department of Transportation shall prioritize awarding Auto Theft Prevention program grants to areas of the state based on a geographic distribution and shall include language in grant applications clarifying that funding from each grant is only guaranteed for the life of the grant.

DEPARTMENT OF TRANSPORTATION
(Continued)

41. **Aviation Education.** Out of the amounts of non-constitutionally dedicated State Highway Fund No. 006 dollars appropriated above to the Texas Department of Transportation in Strategy B.1.2, Aviation Services, the department may use an amount not to exceed \$100,000 during each year of the biennium for Aviation Education purposes.
42. **Public Transportation Funding.** All State Highway Fund No. 006 appropriations above in Strategy D.1.1, Public Transportation, are made from non-constitutionally dedicated revenue.
43. **Waste Tire Recycling.** It is the intent of the Legislature that the Texas Department of Transportation communicate and work with industries in all counties to maximize the use of tire recycling projects including but not limited to, civil engineering, highway construction, and land reclamation projects.

The department shall evaluate its progress and report to the Legislature and the Legislative Budget Board by January 1, 2005.

44. **Green Ribbon Project Expansion.** It is the intent of the Legislature that the Department of Transportation expand the Green Ribbon Project, a public-private partnership initiative to enhance the appearance of public highways by incorporating in the design and improvement of public highways the planting of trees and shrubs, emphasizing natural beauty and greenspace, integrating public art, and highlighting cultural uniqueness of neighborhoods, to other areas of the state.

Furthermore, in non-attainment and near non-attainment areas, in connection with a contract for a highway project, the department shall allocate to the district or districts in which the project is located an amount equal to not less than one half of one and not to exceed 1 percent of the amount to be spent under the contract for construction, maintenance, or improvement of the highway. If two or more districts share an allocation under this section, the districts shall divide the allocation according to the portion of the amount under the contract that will be spent in each district. A district that receives an allocation under this rider shall spend not less than one half of the allocation for landscaping and other enhancements included in the Green Ribbon program as improvements associated with the project that was the subject of the contract. The district may spend the allocated money that is not used for landscaping improvements associated with the project that was the subject of the contract for landscaping improvements associated with another highway or highway segment located in the district.

For purposes of this rider, landscape improvements means planting of indigenous or adapted trees and other plants that are suitable for the climate in which they will be located, and preparing the soil and installing irrigation systems for the growth of the trees and plants. In non-attainment and near non-attainment areas, the district or districts shall, to the extent possible, use trees and plants that help mitigate the effects of air pollution.

45. **Highway Safety Improvements.** From funds appropriated above the Texas Department of Transportation shall create a new State Funded Category labeled Highway Safety Improvement Projects, and designate funds to that category.
46. **Discretionary Funding Report.** From funds appropriated the Department of Transportation shall pursue every opportunity to increase its discretionary funding equivalent to 3 percent of its apportioned funding. The department shall report to the Governor and the Legislative Budget Board the status of attaining this goal no later than December 1, 2004.
47. **Tourist Information Center.** From funds appropriated above, the Texas Department of Transportation shall allocate \$100,000 each year of the biennium for the establishment of a tourist information center in the Rio Grande Valley contingent on the donation of property and a facility by a local municipality. The tourist information center must be located on a major highway.

DEPARTMENT OF TRANSPORTATION
(Continued)

48. **Loan Guarantee.** Out of funds appropriated above, the department may guarantee a loan in an amount not to exceed \$1,700,000 to support upgrades to Amtrak passenger rail service between Dallas and Shreveport. Pursuant to Transportation Code, Chapter 456, the department may enter into a loan agreement for this purpose and may require security for said loan guarantee.
49. **Causeway Construction.** Out of funds appropriated above in Strategy B.1.1. Highway Construction, the department may allocate \$10 million for South Padre Causeway construction costs during the biennium.
50. **Reimbursement Revenue Appropriation.** The Texas Turnpike Authority shall pay the Texas Department of Transportation an interest rate of 6 percent per year on amounts advanced for toll projects received during the biennium.

Out of amounts appropriated above from State Highway Fund No. 006 to the Texas Department of Transportation in fiscal year 2004, \$16,420,533 is contingent upon toll project reimbursements being received and \$985,232 is contingent upon interest payments being received from amounts advanced for toll projects in Strategy A.1.1. Plan/Design/Manage. Any balances remaining from the \$16,420,533 in reimbursements and \$985,232 in interest payments after the first year of the biennium may be used for the same purpose during the second year of the biennium. In the event that actual and/or projected balances and revenues are insufficient for appropriations identified for the purpose above, the Comptroller is hereby directed to reduce the appropriation authority provided by this Act to Texas Department of Transportation to be within the amount expected to be available each year.

51. **Auto Theft Appropriation.** All fees collected in excess of \$15,773,000 in fiscal year 2004, and \$14,622,000 in fiscal year 2005, pursuant to VTCS, Title 70, Article 4413 (37), from General Revenue (Object Code 3206) in the Comptroller's Biennial Revenue Estimate (estimated to be \$0) are hereby appropriated to Strategy D.4.1, Automobile Theft Prevention.
52. **Border Safety Inspection Facilities.** Out of funds appropriated, the department shall develop border safety inspection facilities that can be retrofitted with the elements of the one-stop border port prototype in amounts not to exceed \$25,000,000 per facility. Monies appropriated above shall be spent on acquisition of land, planning and development of facilities, constructing the stations, encompassing Intelligent Transportation System (ITS) technologies and weigh-in motion scales to support regulatory enforcement functions. These projects may be developed in phases as the technologies are defined and developed by the state and federal entities that will operate the facilities.
53. **Public Transportation Report.** The Texas Department of Transportation shall develop and submit an annual report to the Legislature on public transportation activities in Texas. The report shall at a minimum include monthly data on industry utilized standards which best reflect: ridership, mileage, revenue by source, and percent consumed of available capacity.
54. **Selective Traffic Enforcement Program (STEP).** Funds appropriated above to Strategy D.2.1, Traffic Safety, include \$10,000,000 in fiscal year 2004 and \$10,000,000 in fiscal year 2005 from State Highway Fund No. 006 and shall be used to provide funding for the Selective Traffic Enforcement Program at the Texas Department of Public Safety.
55. **Contingency Appropriation for House Bill 3588 or Senate Bill 1952.** Contingent upon the passage of House Bill 3588, Senate Bill 1952, or similar legislation authorizing the Department of Transportation to enter into an agreement that includes the design and construction of the Department's Houston District office headquarters facility, the Department of Transportation is authorized to expend funds from appropriations in the appropriate strategies listed above to construct the Houston District office headquarters facility on Department owned real property leased to the entity contracted to construct that facility, and to lease/purchase buildings that are

DEPARTMENT OF TRANSPORTATION
(Continued)

part of that facility. Also contingent upon the enactment of House Bill 3588, Senate Bill 1952, or similar legislation, the capital budget rider amount each year is hereby increased by \$3 million.

56. **Contingency Appropriation for Transportation Services.** Contingent upon the enactment of House Bill 2292, House Bill 3343, or similar legislation by the Seventy-eighth Legislature, Regular Session, authorizing the coordination of statewide public transportation, the Texas Department of Transportation is hereby appropriated from the State Highway Fund the additional amounts necessary in fiscal year 2004 and 2005, to Strategy D.1.1, Public Transportation, to be used to provide client transportation services as required by federal and state programs affected by House Bill 2292, House Bill 3343, or similar legislation. Also contingent upon the enactment of House Bill 2292, House Bill 3343, or similar legislation, the "Number of Full-time Equivalent Positions (FTE)" figure indicated in the Texas Department of Transportation's bill pattern is hereby increased by an amount not to exceed 172 in 2004 and 2005. The Texas Department of Transportation shall enter into a memorandum of understanding with the Health and Human Services Commission to determine the number of Full-time Equivalent Positions necessary to provide the client transportation services and shall report to the Legislative Budget Board, the Governor, and the State Auditor's Office the number determined no later than September 1, 2004.
57. **Crash Records Information System.** Out of the Funds appropriated in Strategy D.2.1, Traffic Safety, \$5,000,000 in fiscal year 2004 and \$3,175,622 in fiscal year 2005 through interagency contracts with the Department of Public Safety, shall be used to provide funding for the development of the Crash Records Information System.

TEXAS WORKFORCE COMMISSION

	For the Years Ending	
	<u>August 31,</u> <u>2004</u>	<u>August 31,</u> <u>2005</u>
A. Goal: LWDB MANAGED PROGRAMS		
To support an employer driven system that enables individuals to obtain and retain employment through participation in Local Workforce Development Board managed programs.		
Outcome (Results/Impact):		
Entered Employment Rate	58%	61%
Earnings Change Rate	4,936	4,936
Employment Retention Rate	76%	76%
WIA Entered Employment Rate	75.3%	77.3%
Percent of Choices Eligibles Who Participate in the Choices Program	76%	76%
Percent of Choices Participants Who Enter Employment	63%	63%
Percent of Job Placements Employed One Year Later (Choices)	67%	67%
Choices Participation Rate for Two-parent Families	24.1%	25.1%
Choices Participation Rate for Single-parent Families	24.1%	25.1%
Percent of Food Stamp Employment & Training Participants Who Enter Employment	45%	45%
A.1.1. Strategy: CHILD CARE SERVICES		
Provide access to child care for eligible children in low-income families to enable parents to work or attend school or training.	\$ 436,648,044	\$ 439,026,879
Output (Volume):		
Average Number of Children Served Per Day, Transitional and At Risk Services	85,337	86,008
Average Number Children Served Per Day, Choices and E&T Services	25,864	25,864

TEXAS WORKFORCE COMMISSION
(Continued)

Efficiencies:

Average Cost Per Child Per Day for Child Care, Transitional and At Risk Services	13.48	13.48
Average Cost Per Child Per Day for Child Care, Choices and E&T Services	17.32	17.32

Explanatory:

Number of Children on Waiting List for Low-income Child Care	36,431	35,620
Number of New Children Enrolled in Child Care	104,800	106,800
A.2.1. Strategy: WORKFORCE INVESTMENT ACT	\$ 234,560,670	\$ 234,560,670

Offer employment training, transition, and retention resources that enable WIA recipients to become self-sufficient.

Output (Volume):

Number of WIA Participants Served	78,163	78,163
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Efficiencies:

Average Cost Per WIA Participant Who Entered Employment	9,130	8,207
A.2.2. Strategy: TANF CHOICES	\$ 78,295,306	\$ 78,349,261

Offer employment training, transition, and retention resources that enable TANF Choices recipients to become self-sufficient.

Output (Volume):

Number of Two-Parent Families with Individual(s) Meeting Work Requirements Per Month	1,494	1,497
Number of Single-parent Families with Individual(s) Meeting Work Requirements Per Month	15,136	15,133

Efficiencies:

Average Cost Per Client Served in Component Activities: Choices	742	742
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Explanatory:

Number of Two-parent Families with Individual(s) Subject to Work Requirements	6,201	5,961
Number of Single-parent Families with Individual(s) Subject to Work Requirements	62,811	60,241
A.2.3. Strategy: FOOD STAMP EMPLOYMENT AND TRAINING	\$ 14,281,100	\$ 14,257,149

Offer employment training, transition, and retention resources that enable FS E&T recipients to become self-sufficient.

Output (Volume):

Number of Clients Served in Component Activities: General Clients	19,405	19,372
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Total, Goal A: LWDB MANAGED PROGRAMS	\$ 763,785,120	\$ 766,193,959
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B. Goal: TWC MANAGED PROGRAMS

To support a statewide service delivery and evaluation system that assists local communities to identify and meet the workforce needs of the employers and workers of Texas.

Outcome (Results/Impact):

Percent of Unemployment Insurance Claimants Paid Timely	97%	97%
Percent of Unemployment Insurance Dispute Cases Resolved with Lower Appeal	82%	82%
Average Wait Time on Hold for Clients Filing Unemployment Insurance Initial Claims Using Tele-centers (Minutes)	5	5
Percent of Employment Services Recipients Entering Employment	60%	60%
Percent of Reintegration of Offenders (RIO) Clients Who Entered Employment	75%	75%
Percent of Skills Development Fund Trainees Securing Employment with Participating Businesses	98%	98%
Percent of Self-Sufficiency Trainees Securing Employment with Participating Businesses	75%	75%
Percent of Skills Development Fund Trainees Employed One Year Later, Earning \$9.00 Per Hour with Health Benefits	75%	75%

TEXAS WORKFORCE COMMISSION
(Continued)

B.1.1. Strategy: UNEMPLOYMENT INSURANCE	\$	108,462,812	\$	95,618,626
Provide monetary assistance to eligible Texans during times of unemployment through a system of tax collection, benefits payment, and impartial dispute resolution.				
Output (Volume):				
Number of Initial Unemployment Insurance Claims Filed		1,015,382		987,709
Efficiencies:				
Percent of Lower Unemployment Insurance Appeals Decisions Issued Timely		80%		80%
Average Time to Process Initial Unemployment Insurance Claim (Minutes)		15		15
B.1.2. Strategy: WORKFORCE SERVICES	\$	93,861,573	\$	93,371,906
Offer TWC-managed employment services to clients to prepare themselves to obtain and retain employment, promote volunteerism through local partnerships, and administer an information clearinghouse for employers, policy makers, and the public on programs and policies that support families in the community.				
Output (Volume):				
Number of Employment Services Participants Served		1,796,500		1,850,395
Number of RIO Participants Served		26,546		26,533
Number of Apprentices Served in State-sponsored Apprenticeship Training Programs		3,622		3,622
Efficiencies:				
Average Cost Per Employment Services Participant Who Entered Employment		35.5		33.97
Average Cost Per RIO Participant Who Entered Employment		233		232
Explanatory:				
Average Nonagricultural Wage Identified in TWC Job Orders as a Percent of Average Nonagricultural Wage Paid in Texas		56%		57%
B.1.3. Strategy: SKILLS DEVELOPMENT	\$	12,359,587	\$	12,366,022
Identify and help solve the workforce needs of Texas employers, in partnership with business, labor unions, community organizations, and educational institutions, administer funding to public community colleges and technical schools and qualifying businesses for equipping individuals to acquire skills needed to obtain employment and advance in their careers, and provide skilled employees in areas identified as needed by business and industry.				
Output (Volume):				
Number of Skills Development Fund Trainees		13,000		13,000
Efficiencies:				
Average Cost Per Participant Trained through the Skills Development Fund		993		993
B.1.A. Strategy: SELF-SUFFICIENCY	\$	2,985,662	\$	2,985,661
In partnership with business, labor unions, community organizations and educational institutions, administer funding to public community colleges and technical schools for skills needs assessment and for equipping adult TANF recipients with skills needed by business and industry.				
Output (Volume):				
Number of Clients Served by the Self-Sufficiency Fund		1,000		1,000
Efficiencies:				
Average Cost Per Participant Trained by the Self-Sufficiency Program		3,800		3,800

TEXAS WORKFORCE COMMISSION
(Continued)

B.2.1. Strategy: TA & STATE-LEVEL SUPPORT FOR LWDBS	\$ 34,870,851	\$ 34,743,928
Provide policy development, offer technical assistance and training to local workforce development area officials, boards, and staff as they develop and implement local service delivery plans, and provide timely service to employers and workers who have been dislocated due to company closure or downsizing.		
Output (Volume):		
Number of On-site Technical Assistance Visits	116	116
B.2.2. Strategy: CONTRACT MONITORING	\$ 2,986,378	\$ 2,986,379
Monitor and evaluate compliance of local area service delivery for fiscal accountability and program effectiveness through on-site visits and audits.		
Output (Volume):		
Number of On-site Monitoring Reviews of Contractors	72	72
B.2.3. Strategy: ENFORCEMENT AND CERTIFICATION	\$ 6,979,767	\$ 6,982,589
Assist workers in obtaining payment of wages due, protect children from exploitation in the workplace, administer alien labor certification and tax credit programs, and ensure that veterans and students of proprietary schools receive appropriate instruction.		
Output (Volume):		
Number of On-site Inspections Completed for Texas Child Labor Law Compliance	2,550	2,550
Number of Licensed Proprietary Schools	390	400
B.2.4. Strategy: LABOR MARKET AND CAREER INFORMATION	\$ 5,110,300	\$ 5,134,595
Operate a statewide system to collect, research, analyze, disseminate, and integrate labor market and workforce information to support service delivery and informed decision making in Texas by individuals, business, labor, local workforce development boards, educational institutions, state and local officials, and other interested groups.		
Output (Volume):		
Number of Labor Market Information Requests Closed Explanatory:	96,716	94,860
Number of Visits to Labor Market Information Web Data Pages	91,000	93,000
Total, Goal B: TWC MANAGED PROGRAMS	\$ 267,616,930	\$ 254,189,706
C. Goal: INDIRECT ADMINISTRATION		
C.1.1. Strategy: CENTRAL ADMINISTRATION	\$ 9,074,490	\$ 9,059,360
C.1.2. Strategy: INFORMATION RESOURCES	\$ 5,241,418	\$ 5,241,323
C.1.3. Strategy: OTHER SUPPORT SERVICES	\$ 4,139,456	\$ 4,073,830
Total, Goal C: INDIRECT ADMINISTRATION	\$ 18,455,364	\$ 18,374,513
Grand Total, TEXAS WORKFORCE COMMISSION	\$ 1,049,857,414	\$ 1,038,758,178
Method of Financing:		
<u>General Revenue Fund</u>		
General Revenue Fund	\$ 25,789,772	\$ 25,787,113
GR MOE for Temporary Assistance for Needy Families	27,745,141	27,745,141

TEXAS WORKFORCE COMMISSION
(Continued)

GR for Child Care and Development Fund	42,168,166	42,168,167
Proprietary School Fees	854,337	854,338
Subtotal, General Revenue Fund	\$ 96,557,416	\$ 96,554,759
GR Dedicated - Unemployment Compensation Special Administration Account No. 165	5,200,498	5,200,498
Workforce Commission Federal Account No. 5026	928,560,034	917,531,801
Other Funds		
Appropriated Receipts	4,591,992	4,591,998
Interagency Contracts	14,947,474	14,879,122
Subtotal, Other Funds	\$ 19,539,466	\$ 19,471,120
Total, Method of Financing	\$ 1,049,857,414	\$ 1,038,758,178
Number of Full-Time-Equivalent Positions (FTE):	3,639.9	3,610.8
Schedule of Exempt Positions:		
Commissioner, Group 4	\$111,800	\$111,800
Commissioner, Group 4	(2) 109,200	(2) 109,200
Executive Director, Group 5	125,000	125,000
Supplemental Appropriations Made in Riders:	\$ (3,764,459)	\$ (3,766,689)
Object-of-Expense Informational Listing:		
Salaries and Wages	\$ 128,688,375	\$ 128,014,115
Other Personnel Costs	6,127,060	6,126,097
Operating Costs	58,580,802	58,598,506
Client Services	386,487,470	388,920,881
Grants	442,457,089	442,428,427
Capital Expenditures	23,752,159	10,903,463
Total, Object-of-Expense Informational Listing	\$ 1,046,092,955	\$ 1,034,991,489

1. **Capital Budget.** None of the funds appropriated above may be expended for capital budget items except as listed below. The amounts shown below shall be expended only for the purposes shown and are not available for expenditure for other purposes. Amounts appropriated above and identified in this provision as appropriations either for "Lease Payments to the Master Lease Purchase Program" or for items with an "(MLPP)" notation shall be expended only for the purpose of making lease-purchase payments to the Texas Public Finance Authority pursuant to the provisions of Government Code § 1232.103. Upon approval from the Legislative Budget Board, capital budgeted funds listed below under "Acquisition of Information Resource Technologies" may be used to lease information resources hardware and/or software versus the purchase of information resources hardware and/or software, if determined by commission management to be in the best interest of the State of Texas.

	<u>2004</u>	<u>2005</u>
a. Repair or Rehabilitation of Buildings and Facilities		
(1) Austin Service Center (Main and Annex)	\$ 700,000	\$ 700,000
(2) Telecenter Consolidation	\$ 5,866,000	\$ 0
Total, Repair or Rehabilitation of Buildings and Facilities	\$ 6,566,000	\$ 700,000
b. Acquisition of Information Resource Technologies		
(1) LAN/WAN Area Upgrade & Replacement	2,509,500	2,509,500

TEXAS WORKFORCE COMMISSION
(Continued)

(2) PC Infrastructure and Refresh	1,286,375	1,286,375
(3) Phone System Replacement	150,000	150,000
(4) E-Strategy	2,450,000	1,700,000
(5) IBM Host Software	1,937,628	1,937,628
(6) Operations Infrastructure	250,000	250,000
(7) IBM Mainframe Lease (New)	1,560,000	1,560,000
(8) Mainframe Infrastructure Upgrade (New)	2,374,800	2,174,800
(9) PeopleSoft HRMS Upgrade	1,774,580	0
(10) PeopleSoft Financials 8.4 Upgrade	<u>\$ 0</u>	<u>\$ 2,385,592</u>
 Total, Acquisition of Information Resource Technologies	 <u>\$ 14,292,883</u>	 <u>\$ 13,953,895</u>
 Total, Capital Budget	 <u>\$ 20,858,883</u>	 <u>\$ 14,653,895</u>

Method of Financing (Capital Budget):

General Revenue Fund	\$ 189,834	\$ 185,445
GR Dedicated - Unemployment Compensation Special Administration Account No. 165	95,460	103,014
Interagency Contracts	2,130	2,895
Workforce Commission Federal Account No. 5026	20,556,948	14,345,445
Proprietary School Fees	<u>14,511</u>	<u>17,096</u>
 Total, Method of Financing	 <u>\$ 20,858,883</u>	 <u>\$ 14,653,895</u>

2. **Appropriation: Federal Funds.** All moneys granted to Texas by the federal government for the administration of the Texas Unemployment Compensation Act or which are now on deposit to the credit of any funds maintained by the comptroller for the Texas Workforce Commission (TWC), and any moneys received for the credit of such funds are hereby appropriated for the purposes authorized by the provisions of the Texas Unemployment Compensation Act and for the purposes for which such moneys were granted. TWC shall notify the Legislative Budget Board and Governor of any funds and associated staffing received above the amounts appropriated above for the biennium.
3. **Section 903, Social Security Act Funds.**
 - a. Out of amounts credited to Texas' account in the Federal Unemployment Trust Fund under § 903 of the Social Security Act, there is included in the appropriation above \$4,960,503 in fiscal year 2004 and \$5,036,568 in fiscal year 2005 for withdrawal and use by the Texas Workforce Commission (TWC) for the administration of the Texas Unemployment Compensation Act and its Public Employment Offices and telecenters. Said funds may be used to provide necessary office facilities and automated equipment, to include the purchase of land and construction of buildings, and the construction of improvements on property owned by TWC, including the cost of repairs and alterations to such property and the purchase of computers and related peripheral equipment.
 - b. Any amounts initially allocated by the federal government to TWC during fiscal year 2000, 2001, or 2002, except amounts transferred pursuant to Subsection 903(d), shall be used only to pay expenses incurred for the administration of the Texas Unemployment Compensation Act. These funds shall not be used by TWC for the payment of Unemployment Compensation benefits, or the administration of its Public Employment Offices.
 - c. No part of any amounts based on an initial transfer from the federal government that occurred prior to fiscal year 2000 or after fiscal year 2002, herein appropriated out of amounts credited to Texas' account in the Federal Unemployment Trust Fund under § 903

TEXAS WORKFORCE COMMISSION
(Continued)

of the Social Security Act, shall be expended after the close of the period covered by this act and any unused portion of such amounts shall, at such close, revert to Texas' said account in the Federal Unemployment Trust Fund. The amount obligated pursuant to this act shall not exceed at any time the amount by which (a) the aggregate of the amounts transferred to the account of this state pursuant to § 903 of the Social Security Act exceeds (b) the aggregate of the amounts obligated for administration and paid out for benefits and required by law to be charged against the amounts transferred to the account of this State.

- d. Should federal requirements concerning amounts made available under Section 903 of the Social Security Act change after passage of this Act, the appropriation made in this rider shall be subject to such conditions and limitations as required by the changed federal law.
4. **Authorization: Sale of Agency-owned Buildings and Land.** In order to ensure effective facility management in coordination with the local workforce development boards, the Texas Workforce Commission (TWC) is hereby authorized to sell agency-owned buildings and land. Any such sale must be based on a finding by the commission that no other economically viable alternative exists, and specifically that operation within agency-owned or leased buildings would not be feasible. Furthermore, in order to accommodate sudden and unexpected fluctuations in federal funding, TWC is hereby authorized to sell agency-owned buildings and land as it deems necessary. The authority granted in this provision is contingent upon the filing of a written notice with the Governor and the Legislative Budget Board at least 90 days prior to the planned date of sale and is subject to the disapproval of either office within 90 days after notification.
5. **Payment of Unemployment Benefits - State Agencies.** It is the intent of the Legislature that the Texas Workforce Commission charge the Comptroller of Public Accounts only for unemployment benefits paid based on wages earned from agencies appropriated funds under the General Appropriations Act, and that agencies outside the General Appropriations Act be maintained as individual reimbursing employers. For the purposes of this rider, 'agency' includes a state agency as defined under § 2151.002, Government Code, which includes an institution of higher education (except a public junior college) as defined under § 61.003, Education Code.
6. **Federal Funds Appropriated.** The appropriations herein made may be used to match federal funds granted to the state for the payment of personal services, travel and other necessary expenses in connection with the administration and operation of a state program of public welfare services. The Texas Workforce Commission (TWC) is hereby authorized to receive and disburse in accordance with plans acceptable to the responsible federal agency, all federal moneys that are made available (including grants, allotments, and reimbursements) to the state and retain their character as federal funds for such purposes and all fees authorized by federal law, and to receive, administer, and disburse federal funds for federal programs in accordance with plans agreed upon by the TWC and the responsible federal agency, and such other activities as come under the authority of the TWC, and such moneys are appropriated to the specific purpose or purposes for which they are granted or otherwise made available. Earned federal funds are not considered to be federal funds for the purpose of this section.
7. **Reappropriation of Federal and Local Funds.** All funds received by the Texas Workforce Commission from counties, cities, federal agencies, and from any other local source during the 2004-05 biennium, and all balances from such sources as of August 31, 2003, are hereby appropriated for the biennium ending August 31, 2005, for the purpose of carrying out the provisions of this Act.
8. **Unexpended Balances for Child Care Funds.** It is the intent of the Legislature that any additional federal funds received as a result of current efforts to obtain child care funds, be used for child care. Except as otherwise provided, all unexpended and unobligated balances in the

TEXAS WORKFORCE COMMISSION
(Continued)

area of child care remaining from appropriations for the first year of the biennium to the Texas Workforce Commission (TWC) are appropriated to the commission for the purpose of drawing down all available federal funds for child care. The TWC may transfer unexpended and unobligated balances of General Revenue appropriations to Strategy A.1.1, Child Care Services, in order to match available federal child care funds, which are appropriated to TWC. TWC is not subject to the requirements of the Additional Federal Funds rider in this agency's bill pattern for federal child care funds matched with available General Revenue, although TWC should notify the Legislative Budget Board and the Governor of the amounts of additional General Revenue used as match and the federal child care funds matched in each year of the 2004-05 biennium.

9. **Donated Purchase Agreements.** In order to maximize the availability of state matching funds for federal child care funds and to encourage local child care planning and match participation, the commission shall use donated purchase agreements and other funding mechanisms, to the extent allowed by federal law and regulations.
10. **Maximization of Child Care and Development Funds.** It is the intent of the Legislature that the Texas Workforce Commission cooperate with cities, non-profit organizations, the Texas Education Agency and local school districts to obtain local match necessary to maximize federal funds for child care. Necessary system and accounting system changes to effect this intent are authorized.
11. **Project RIO.** It is the intent of the Legislature that the Texas Workforce Commission (TWC), the Texas Department of Criminal Justice, and the Texas Youth Commission together enhance the effectiveness of Project RIO by improving cohesive program delivery among the three agencies. The agencies shall together develop and implement a biennial strategic plan for the implementation of a more cohesive and effective Project RIO program which will emphasize necessary skill development, rehabilitation and appropriate assessment of the offender prior to inmate release. Not later than March 1, 2004, the biennial strategic plan, jointly prepared by the three agencies, and including specific strategies, measures, timeframes for program improvement, and a methodology for program evaluation, shall be submitted to the Legislative Budget Board and the Governor. For performance measures included in the biennial strategic plan, TWC will set targets for local work force development boards and collect reports on actual performance. With regards to appropriations for Project RIO, while total project funds are appropriated to the Texas Workforce Commission, interagency contracts are to be maintained during the 2004-05 biennium with the Texas Department of Criminal Justice and the Texas Youth Commission at no less than the funding and performance levels maintained as of August 31, 2003.
12. **Earned Income Tax Credit Assistance.** Out of funds appropriated above, the Texas Workforce Commission shall assist recipients of Temporary Assistance for Needy Families who become employed, and other low-income workers who may qualify for the credit under federal income and other requirements, to apply for the federal Earned Income Tax Credit.
13. **Employment and Child Care Programs in Rural Areas.** It is the intent of the Legislature that the Texas Workforce Commission and local workforce development boards cost-effectively continue to expand the availability of employment and child care programs into rural areas.
14. **Continuing Education.** Recipients of child care service benefits who are 17 years of age or older with a high school diploma or GED and who wish to acquire an Associate Degree shall continue to be eligible for child care service benefits for a period not to exceed four years for an educational program if that program will prepare the recipient for a job in a high demand occupation with an upward career path as determined by a local workforce development board.

TEXAS WORKFORCE COMMISSION
(Continued)

The local workforce development board may determine the duration of child care assistance for a recipient in an educational program based on that individual's progress toward completing the program.

15. **Priority for TANF Recipients.** To the extent allowed under federal law, the Texas Workforce Commission (TWC) and local workforce development boards shall give priority to recipients of Temporary Assistance for Needy Families (TANF) for training, employment services and child care funded by the Workforce Investment Act (WIA). TWC shall report annually to the Legislative Budget Board and the Governor expenditures used for TANF recipients, the number of TANF recipients served with WIA funds, and their outcomes.
16. **Job Training Courses.** It is the intent of the Legislature that the primary objective of job training courses offered by the Texas Workforce Commission and local workforce development boards is to prepare individuals for high-skill, high-wage jobs with health benefits that result in long-term employability. Whenever possible, strategies should focus on incorporating industry sectors and/or regional industry clusters in order to promote high quality jobs. While English as a Second Language (ESL) may provide additional benefit to trainees, it may not be substituted for job training classes.
17. **Core Measures Report.** The Texas Workforce Commission shall submit a quarterly report to the Legislative Budget Board and the Governor on agency performance on Core Measures prescribed by the Texas Council on Workforce and Economic Competitiveness. Each report shall be submitted with the agency's quarterly performance report and must be accompanied by supporting documentation as specified by the Legislative Budget Board and the Governor.
18. **Budget and Performance Report.** The Texas Workforce Commission shall submit a monthly report to the Legislative Budget Board and the Governor on budgeted, expended, and encumbered funds by strategy (and substrategy as appropriate) along with full-time equivalent and method of finance information. The report shall also include program performance information for performance measures included in this Act.
19. **Skills Development and Self-Sufficiency Fund Report.** The Texas Workforce Commission shall submit a quarterly report to the Legislative Budget Board and the Governor on contracts executed by the commission, expenditures, program participants, and closed contracts for each Skills Development Fund and Self-Sufficiency Fund contract. Each report shall be submitted with the agency's quarterly ABEST/USAS reconciliation and must be accompanied by supporting documentation as specified by the Legislative Budget Board and the Governor.
20. **Contracts for Purchase of Client Services.** No funds appropriated to the Texas Workforce Commission may be utilized for contracts for the purchase of program-related client services unless:
 - a. such contracts include clearly defined goals, outputs, and measurable outcomes which directly relate to program objectives;
 - b. such contracts include clearly defined sanctions or penalties for noncompliance with contract terms and conditions;
 - c. such contracts specify the accounting, reporting, and auditing requirements applicable to funds received under the contract;
 - d. the agency has implemented a formal program using a risk assessment methodology to monitor compliance with financial and performance requirements under the contract, including a determination of whether performance objectives have been achieved; and

TEXAS WORKFORCE COMMISSION
(Continued)

- e. the agency has implemented a formal program to obtain and evaluate program costs information to ensure that all costs, including administrative costs, are reasonable to achieve program objectives.
21. **Additional Federal Funds.** No appropriation of federal funds in addition to the estimated amounts above may be expended by the Texas Workforce Commission (TWC) unless:
- a. TWC files a finding of fact along with a written plan outlining the use and projected impact of the funds on performance measures with the Legislative Budget Board and the Governor and indicating that additional appropriations are required to maintain adequate levels of program performance; and,
 - b. neither the Legislative Budget Board nor the Governor issues a written disapproval within 15 days of the receipt of the finding of fact and the written plan, which should not prohibit the agency from responding in an emergency.
22. **Sunset Contingency.** Funds appropriated above for fiscal year 2005 for the Texas Workforce Commission are made contingent on the continuation of the agency by the Seventy-eighth Legislature. In the event that the agency is not continued, the funds appropriated for fiscal year 2004 or as much thereof as may be necessary are to be used to provide for the phase out of agency operations.
23. **Night and Weekend Shift Differential.** The Texas Workforce Commission is hereby authorized to pay an additional night shift salary differential not to exceed fifteen percent (15%) of the monthly pay rate to personnel who work the 3:00 p.m. to 11:00 p.m. shift or 11:00 p.m. to 7:00 a.m. shift, or their equivalents. A weekend shift differential not to exceed five percent (5%) of the monthly pay rate may be paid to persons who work weekend shifts. The evening or night shift salary differential may be paid in addition to the weekend shift salary differential for persons working weekend, evening, or night shifts.
24. **TANF Transfers to Title XX.** Out of the funds appropriated above in Strategy A.2.2, TANF Choices, the Texas Workforce Commission may request approval from the Legislative Budget Board and the Governor to transfer federal Temporary Assistance for Needy Families funds to the Social Services Block Grant to be used for transportation services to families residing in minimum service counties.
25. **Work-at-Home Hearing Officers.** It is provided that the Texas Workforce Commission is hereby authorized to grant compensatory time to hearing officers and reviewing attorneys for overtime work performed at the employee's personal residence and for work performed at the employees' personal residence on state skeleton holidays. Work performed under this authority shall be approved in advance by the Director of the Appeals Office and must be verified by automated records, which includes audiotapes, and computer and telephone logs. Compensatory time is only granted when corresponding additional work is assigned.
26. **Contingency for Reduction of Transportation Services.** Contingent upon the enactment of House Bill 2292, House Bill 3343, or similar legislation by the Seventy-eighth Legislature, Regular Session, authorizing the coordination of statewide public transportation, the Texas Workforce Commission shall enter into a memorandum of understanding with the Texas Department of Transportation for the provision of transportation services provided to clients of the TANF Choices and Food Stamp Employment and Training programs during the 2004-2005 biennium.

The amount of federal funds appropriated above in Strategy A.2.2, TANF Choices, is reduced by \$3,568,239 in fiscal year 2004 and \$3,570,798 in fiscal year 2005. The amount of General

TEXAS WORKFORCE COMMISSION
(Continued)

Revenue appropriated above in Strategy A.2.3, Food Stamp Employment and Training, is reduced by \$196,220 in fiscal year 2004 and \$195,891 in fiscal year 2005.

**REIMBURSEMENTS TO THE UNEMPLOYMENT
COMPENSATION BENEFIT ACCOUNT**

	For the Years Ending	
	August 31, 2004	August 31, 2005
A. Goal: STATE'S UC REIMBURSEMENT		
To comply with statutory requirements concerning the reimbursement of the Unemployment Compensation Benefits Account No. 937 for unemployment compensation benefits paid to former employees of the State of Texas.		
A.1.1. Strategy: STATE'S UC REIMBURSEMENT	\$ 13,877,356	\$ 13,877,356
Reimburse the Unemployment Compensation Benefit Account No. 937 for unemployment compensation benefits paid to former employees of the State of Texas.		
Grand Total, REIMBURSEMENTS TO THE UNEMPLOYMENT COMPENSATION BENEFIT ACCOUNT	\$ 13,877,356	\$ 13,877,356
Method of Financing:		
GR Dedicated - Unemployment Compensation Special Administration Account No. 165, estimated	\$ 5,105,106	\$ 4,929,661
Interagency Transfers to the Unemployment Compensation Special Administration Account No. 165, estimated	8,772,250	8,947,695
Total, Method of Financing	\$ 13,877,356	\$ 13,877,356
Object-of-Expense Informational Listing:		
Other Personnel Costs	\$ 13,877,356	\$ 13,877,356
Total, Object-of-Expense Informational Listing	\$ 13,877,356	\$ 13,877,356

1. **Definition of Agency.** For the purposes of the Reimbursements to the Unemployment Compensation Benefit Account item, 'agency' includes a state agency as defined under § 2151.002, Government Code, which includes an institution of higher education (except a public junior college) as defined under § 61.003, Education Code.
2. **Reimbursements to the Unemployment Compensation Benefit Account No. 937.** Reimbursements to the Unemployment Compensation Benefit Account No. 937 shall be made from:
 - a. Funds identified as GR-Dedicated - Unemployment Compensation Special Administration Account No. 165 above, which consists of penalty and interest receipts collected under Chapters 213.021 and 213.022, Texas Labor Code.
 - b. Funds identified as Interagency Transfers to the Unemployment Compensation Special Administration Account No. 165 above, which consist of amounts transferred from other agencies' appropriations made elsewhere in this Act to state agencies in accordance with § 6.33, Reimbursements for Unemployment Benefits, in General Provisions of this Act.

**REIMBURSEMENTS TO THE UNEMPLOYMENT
COMPENSATION BENEFIT ACCOUNT
(Continued)**

3. **Funding Source for Unemployment Compensation Special Administration Account No. 165.** Funds identified in the method of financing above, Unemployment Compensation Special Administration Account No. 165, include penalty and interest receipts collected under Chapters 213.021 and 213.022, Texas Labor Code and authorized for the payment of unemployment compensation benefits to former state employees pursuant to Chapter 203.202, Texas Labor Code. These amounts are estimated and are to be utilized for amounts not paid by state agency reimbursements.
4. **Funding Source for Interagency Transfers to the Unemployment Compensation Special Administration Account No. 165.** Funds identified in the method of financing above, Interagency Transfers to the Unemployment Compensation Special Administration Account No. 165, include agency reimbursements from appropriations made elsewhere in this Act to GR-Dedicated Account No. 165. These amounts are estimated. Account No. 165 shall be reimbursed for one-half of the unemployment benefits paid from appropriations made in this Act to the state agency that previously employed each respective former state employee whose payroll warrants were originally issued in whole or in part from the General Revenue Fund, a dedicated General Revenue Account, Federal Funds or Other Funds, such as Fund 006.
5. **Proportionality Requirements for Agency Reimbursements related to Unemployment Compensation Benefits.** From information related to unemployment benefits paid on behalf of previously employed former state employees provided by the Texas Workforce Commission, the Comptroller shall determine the proportionate amount of the reimbursement or payment due from the General Revenue Fund, any General Revenue-Dedicated Accounts, Federal Funds or Other Funds from appropriations made elsewhere in this Act to state agencies. The Comptroller shall transfer these amounts of appropriations made elsewhere in this Act to the Unemployment Compensation Special Administration Account No 165. The amounts reimbursed pursuant to this provision are hereby appropriated to the Unemployment Compensation Special Administration Account No. 165 for the purpose of reimbursing the Unemployment Compensation Benefit Account No. 937. These reimbursement requirements may be waived, either in whole or in part, by the Legislative Budget Board.
6. **Cash Flow Contingency.** Contingent upon the receipt of state agency reimbursements, the Texas Workforce Commission (TWC) may temporarily utilize additional GR-Dedicated Unemployment Compensation Special Administration Account No. 165 funds, in an amount not to exceed the anticipated state agency reimbursement. The Account No. 165 amounts utilized above amounts appropriated from penalty and interest collections as identified in Rider 2(a) must be repaid upon receipt of state agency reimbursements for previously paid payroll warrants and shall be utilized only for the purpose of temporary cash flow needs. These transfers and repayments shall be credited to the fiscal year being reimbursed and shall be made in accordance with established state accounting procedures. All transfers of the method of finance shall be reported by the TWC on a monthly basis to the Legislative Budget Board and Governor.

RETIREMENT AND GROUP INSURANCE

	For the Years Ending	
	August 31, 2004	August 31, 2005
A. Goal: EMPLOYEES RETIREMENT SYSTEM		
A.1.1. Strategy: RETIREMENT CONTRIBUTIONS		
Provide an actuarially sound level of funding as defined by state law. Estimated.	\$ 44,481,442	\$ 44,926,257

RETIREMENT AND GROUP INSURANCE
(Continued)

A.1.2. Strategy: GROUP INSURANCE	\$ <u>147,578,309</u>	\$ <u>150,591,570</u>
Provide a basic health care and life insurance program for general state employees. Estimated.		
Total, Goal A: EMPLOYEES RETIREMENT SYSTEM	\$ <u>192,059,751</u>	\$ <u>195,517,827</u>
Grand Total, RETIREMENT AND GROUP INSURANCE	\$ <u>192,059,751</u>	\$ <u>195,517,827</u>
Method of Financing:		
General Revenue Fund, estimated	\$ 5,013,242	\$ 5,165,754
General Revenue Dedicated Accounts, estimated	2,484,355	2,505,627
State Highway Fund No. 006, estimated	146,107,628	148,710,873
Federal Funds, estimated	37,502,130	38,177,907
Other Special State Funds, estimated	<u>952,396</u>	<u>957,666</u>
Total, Method of Financing	\$ <u>192,059,751</u>	\$ <u>195,517,827</u>

SOCIAL SECURITY AND BENEFIT REPLACEMENT PAY

	For the Years Ending	
	August 31, <u>2004</u>	August 31, <u>2005</u>
A. Goal: SOCIAL SECURITY/BENEFIT REPLACEMENT		
To provide funding to the Comptroller of Public Accounts for Social Security Contributions and Benefit Replacement Pay.		
A.1.1. Strategy: STATE MATCH – EMPLOYER	\$ 55,333,506	\$ 55,886,841
Provide an employer match for Social Security contributions. Estimated.		
A.1.2. Strategy: BENEFIT REPLACEMENT PAY	\$ <u>11,184,876</u>	\$ <u>10,614,447</u>
Provide Benefit Replacement Pay to eligible employees. Estimated.		
Total, Goal A: SOCIAL SECURITY/BENEFIT REPLACEMENT	\$ <u>66,518,382</u>	\$ <u>66,501,288</u>
Grand Total, SOCIAL SECURITY AND BENEFIT REPLACEMENT PAY	\$ <u>66,518,382</u>	\$ <u>66,501,288</u>
Method of Financing:		
General Revenue Fund, estimated	\$ 1,731,926	\$ 1,732,135
General Revenue Dedicated Accounts, estimated	1,526,454	1,528,316
State Highway Fund No. 006, estimated	49,900,048	49,876,932
Federal Funds, estimated	12,831,723	12,833,590
Other Special State Funds, estimated	<u>528,231</u>	<u>530,315</u>
Total, Method of Financing	\$ <u>66,518,382</u>	\$ <u>66,501,288</u>

BOND DEBT SERVICE PAYMENTS

	For the Years Ending	
	August 31, 2004	August 31, 2005
Out of the General Revenue Fund:		
A. Goal: FINANCE CAPITAL PROJECTS		
To provide funding to the Texas Public Finance Authority for the payment of general obligation bond debt service requirements.		
A.1.1. Strategy: BOND DEBT SERVICE	\$ 2,828,082	\$ 4,720,000 & UB
Make general obligation bond debt service payments in compliance with bond covenants.		
Grand Total, BOND DEBT SERVICE PAYMENTS	\$ 2,828,082	\$ 4,720,000

LEASE PAYMENTS

	For the Years Ending	
	August 31, 2004	August 31, 2005
Out of the General Revenue Fund:		
A. Goal: FINANCE CAPITAL PROJECTS		
To provide funding to the Building and Procurement Commission for payment to the Texas Public Finance Authority for the payment of revenue bond debt service requirements.		
A.1.1. Strategy: LEASE PAYMENTS	\$ 162,790	\$ 162,913 & UB
Make lease payments to the Texas Public Finance Authority on facilities financed through the Texas Public Finance Authority.		
Grand Total, LEASE PAYMENTS	\$ 162,790	\$ 162,913

**RECAPITULATION - ARTICLE VII
BUSINESS AND ECONOMIC DEVELOPMENT
(General Revenue)**

	For the Years Ending	
	August 31, <u>2004</u>	August 31, <u>2005</u>
Texas Aerospace Commission	\$ 199,779	\$ 199,779
Texas Department of Economic Development	22,706,537	22,881,911
Department of Housing and Community Affairs	12,334,548	6,352,865
Texas Lottery Commission	12,412,766	12,329,879
Office of Rural Community Affairs	3,087,620	3,237,647
Department of Transportation	520,246	38,246
Texas Workforce Commission	96,557,416	96,554,759
Contingency Appropriations	<u>(196,220)</u>	<u>(195,891)</u>
Total	<u>96,361,196</u>	<u>96,358,868</u>
Subtotal, Business and Economic Development	<u>\$ 147,622,692</u>	<u>\$ 141,399,195</u>
Retirement and Group Insurance	5,013,242	5,165,754
Social Security and Benefit Replacement Pay	<u>1,731,926</u>	<u>1,732,135</u>
Subtotal, Employee Benefits	<u>\$ 6,745,168</u>	<u>\$ 6,897,889</u>
Bond Debt Service Payments	2,828,082	4,720,000
Lease Payments	<u>162,790</u>	<u>162,913</u>
Subtotal, Debt Service	<u>\$ 2,990,872</u>	<u>\$ 4,882,913</u>
TOTAL, ARTICLE VII - BUSINESS AND ECONOMIC DEVELOPMENT	<u>\$ 157,358,732</u>	<u>\$ 153,179,997</u>

**RECAPITULATION - ARTICLE VII
BUSINESS AND ECONOMIC DEVELOPMENT
(General Revenue - Dedicated)**

	For the Years Ending	
	August 31, <u>2004</u>	August 31, <u>2005</u>
Texas Department of Economic Development	\$ 430,251	\$ 438,727
Texas Lottery Commission	167,149,424	165,294,175
Office of Rural Community Affairs	2,250,000	2,250,000
Department of Transportation	603,844	615,434
Texas Workforce Commission	5,200,498	5,200,498
Reimbursements to the Unemployment Compensation Benefit Account	<u>5,105,106</u>	<u>4,929,661</u>
Subtotal, Business and Economic Development	<u>\$ 180,739,123</u>	<u>\$ 178,728,495</u>
Retirement and Group Insurance	2,484,355	2,505,627
Social Security and Benefit Replacement Pay	<u>1,526,454</u>	<u>1,528,316</u>
Subtotal, Employee Benefits	<u>\$ 4,010,809</u>	<u>\$ 4,033,943</u>
TOTAL, ARTICLE VII - BUSINESS AND ECONOMIC DEVELOPMENT	<u>\$ 184,749,932</u>	<u>\$ 182,762,438</u>

**RECAPITULATION - ARTICLE VII
BUSINESS AND ECONOMIC DEVELOPMENT
(Federal Funds)**

	For the Years Ending	
	August 31, <u>2004</u>	August 31, <u>2005</u>
Texas Department of Economic Development	\$ 5,584,610	\$ 3,611,402
Department of Housing and Community Affairs	131,040,487	130,979,680
Office of Rural Community Affairs	89,519,834	89,281,950
Department of Transportation	2,359,491,828	2,301,738,663
Texas Workforce Commission	928,560,034	917,531,801
Contingency Appropriations	<u>(3,568,239)</u>	<u>(3,570,798)</u>
Total	<u>924,991,795</u>	<u>913,961,003</u>
 Subtotal, Business and Economic Development	 <u>\$ 3,510,628,554</u>	 <u>\$ 3,439,572,698</u>
Retirement and Group Insurance	37,502,130	38,177,907
Social Security and Benefit Replacement Pay	<u>12,831,723</u>	<u>12,833,590</u>
Subtotal, Employee Benefits	<u>\$ 50,333,853</u>	<u>\$ 51,011,497</u>
 TOTAL, ARTICLE VII - BUSINESS AND ECONOMIC DEVELOPMENT	 <u>\$ 3,560,962,407</u>	 <u>\$ 3,490,584,195</u>

**RECAPITULATION - ARTICLE VII
BUSINESS AND ECONOMIC DEVELOPMENT
(Other Funds)**

	For the Years Ending	
	August 31, <u>2004</u>	August 31, <u>2005</u>
Texas Department of Economic Development	\$ 8,078,773	\$ 2,242,773
Department of Housing and Community Affairs	14,563,671	14,436,112
Office of Rural Community Affairs	112,500	112,500
Department of Transportation	2,937,051,784	2,921,212,266
Contingency Appropriations	<u>55,900,261</u>	<u>55,902,491</u>
Total	2,992,952,045	2,977,114,757
Texas Workforce Commission	19,539,466	19,471,120
Reimbursements to the Unemployment Compensation Benefit Account	<u>8,772,250</u>	<u>8,947,695</u>
Subtotal, Business and Economic Development	<u>\$ 3,044,018,705</u>	<u>\$ 3,022,324,957</u>
Retirement and Group Insurance	147,060,024	149,668,539
Social Security and Benefit Replacement Pay	<u>50,428,279</u>	<u>50,407,247</u>
Subtotal, Employee Benefits	<u>\$ 197,488,303</u>	<u>\$ 200,075,786</u>
Less Interagency Contracts	<u>\$ 23,802,691</u>	<u>\$ 23,909,784</u>
TOTAL, ARTICLE VII - BUSINESS AND ECONOMIC DEVELOPMENT	<u>\$ 3,217,704,317</u>	<u>\$ 3,198,490,959</u>

**RECAPITULATION - ARTICLE VII
BUSINESS AND ECONOMIC DEVELOPMENT
(All Funds)**

	For the Years Ending	
	August 31, 2004	August 31, 2005
Texas Aerospace Commission	\$ 199,779	\$ 199,779
Texas Department of Economic Development	36,800,171	29,174,813
Department of Housing and Community Affairs	157,938,706	151,768,657
Texas Lottery Commission	179,562,190	177,624,054
Office of Rural Community Affairs	94,969,954	94,882,097
Department of Transportation	5,297,667,702	5,223,604,609
Contingency Appropriations	<u>55,900,261</u>	<u>55,902,491</u>
Total	<u>5,353,567,963</u>	<u>5,279,507,100</u>
Texas Workforce Commission	1,049,857,414	1,038,758,178
Contingency Appropriations	<u>(3,764,459)</u>	<u>(3,766,689)</u>
Total	<u>1,046,092,955</u>	<u>1,034,991,489</u>
Reimbursements to the Unemployment Compensation Benefit Account	<u>13,877,356</u>	<u>13,877,356</u>
Subtotal, Business and Economic Development	<u>\$ 6,883,009,074</u>	<u>\$ 6,782,025,345</u>
Retirement and Group Insurance	192,059,751	195,517,827
Social Security and Benefit Replacement Pay	<u>66,518,382</u>	<u>66,501,288</u>
Subtotal, Employee Benefits	<u>\$ 258,578,133</u>	<u>\$ 262,019,115</u>
Bond Debt Service Payments	2,828,082	4,720,000
Lease Payments	<u>162,790</u>	<u>162,913</u>
Subtotal, Debt Service	<u>\$ 2,990,872</u>	<u>\$ 4,882,913</u>
Less Interagency Contracts	<u>\$ 23,802,691</u>	<u>\$ 23,909,784</u>
TOTAL, ARTICLE VII - BUSINESS AND ECONOMIC DEVELOPMENT	<u>\$ 7,120,775,388</u>	<u>\$ 7,025,017,589</u>
Number of Full-Time-Equivalent Positions (FTE)	19,318.4	19,287.3

ARTICLE VIII
REGULATORY

Sec. 1. The several sums of money herein specified, or so much thereby as may be necessary, are appropriated out of any funds in the State Treasury not otherwise appropriated, or out of special funds as indicated, for the support, maintenance, or improvement of the designated regulatory agencies.

BOARD OF PUBLIC ACCOUNTANCY

	For the Years Ending	
	August 31, <u>2004</u>	August 31, <u>2005</u>
A. Goal: PUBLIC STANDARDS		
To establish standards in education, examination, and experience for Texas CPAs in the private and public sectors which will protect the public and meet the requirements for certification, licensing, and practice throughout domestic and international jurisdictions, but not necessarily restrict entry to the profession.		
Outcome (Results/Impact):		
Percent of Licensees Who Renew Online	15%	15%
Percent of New Individual Licenses Issued Online	0%	10%
Percentage of Accounting Firms Receiving Favorable Review	97%	97%
A.1. Strategy: LICENSING	\$ 703,378	\$ 650,043
Manage a comprehensive licensing and examination program.		
Output (Volume):		
Number of Individuals Examined	5,984	5,984
Efficiencies:		
Average Licensing Cost Per Individual License Issued	4.75	4.78
Average Licensing Cost Per Facility License	3.2	3.23
Explanatory:		
Total Number of Individuals Licensed	65,151	67,106
Total Number of Business Facilities Licensed	11,236	11,461
A.1.2. Strategy: EXAMINATION	\$ 434,584	\$ 0
Purchase the Uniform CPA Examination from the American Institute of Certified Public Accountants (AICPA) to promote uniformity and reciprocity with other licensing jurisdictions and utilize AICPA grading services to ensure that all papers written by candidates are graded consistently (estimated and nontransferable).		
A.2.1. Strategy: PEER REVIEW	\$ 75,387	\$ 75,877
Develop and implement a comprehensive quality review program for all accounting firms utilizing industry standards as the measure of competence and oversight through a Peer Review Oversight Board.		
Output (Volume):		
Number of Peer Reviews Conducted	1,895	1,933
Total, Goal A: PUBLIC STANDARDS	\$ 1,213,349	\$ 725,920
B. Goal: PROTECT PUBLIC/ENFORCEMENT		
To aggressively enforce state regulations relating to the accounting profession; ensure swift, fair, and effective disciplinary action for violators of these standards; and require the re-education and rehabilitation of those violating these laws.		

BOARD OF PUBLIC ACCOUNTANCY
(Continued)

To aggressively develop and implement high standards for the accounting profession in emerging issues as they relate to the welfare of the general public.

Outcome (Results/Impact):

Percentage of Complaints Resolved Resulting in Disciplinary Action

B.1.1. Strategy: ENFORCEMENT

Operate a system of enforcement which includes investigating and resolving complaints and promulgating rules.

Output (Volume):

Total Number of Major Cases Investigated

Efficiencies:

Average Time for Complaint Resolution (Days)

	32%		32%
\$	819,809	\$	827,246
	30		30
	242		242

C. Goal: PUBLIC EDUCATION

To inform the public concerning board functions and the procedures by which complaints are filed, processed, and resolved so that citizens of Texas may better utilize CPA services and be protected from exploitation.

C.1.1. Strategy: PUBLIC INFORMATION

Develop and operate a coordinated system of public information to provide all interested parties information concerning statutes governing the accounting profession, as well as board rules and procedures pertaining to qualification, examination, licensing, enforcement, and quality review.

Output (Volume):

Number of Written Responses to Other Licensing Authorities and the Public

\$	59,296	\$	59,059
	8,770		8,770

D. Goal: INDIRECT ADMINISTRATION

D.1.1. Strategy: INDIRECT ADMINISTRATION

\$	926,135	\$	939,848
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Grand Total, BOARD OF PUBLIC ACCOUNTANCY

\$	<u>3,018,589</u>	\$	<u>2,552,073</u>
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Method of Financing:

General Revenue Fund

Appropriated Receipts

\$	2,968,589	\$	2,502,073
	<u>50,000</u>		<u>50,000</u>

Total, Method of Financing

\$	<u>3,018,589</u>	\$	<u>2,552,073</u>
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Other Direct and Indirect Costs Appropriated Elsewhere in this Act

\$	512,677	\$	515,486
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Number of Full-Time-Equivalent Positions (FTE):

38.7	38.7
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Schedule of Exempt Positions:

Executive Director, Group 2

Per Diem of Board Members

\$70,000	\$70,000
16,000	16,000

Object-of-Expense Informational Listing:

Salaries and Wages

Other Personnel Costs

Operating Costs

Capital Expenditures

\$	1,587,442	\$	1,618,400
	44,580		44,580
	1,317,824		820,350
	<u>68,743</u>		<u>68,743</u>

Total, Object-of-Expense Informational Listing

\$	<u>3,018,589</u>	\$	<u>2,552,073</u>
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BOARD OF PUBLIC ACCOUNTANCY
(Continued)

1. **Capital Budget.** None of the funds appropriated above may be expended for capital budget items except as listed below. The amounts shown below shall be expended only for the purposes shown and are not available for expenditure for other purposes. Amounts appropriated above and identified in the provision as appropriations either for "Lease Payments to the Master Equipment Purchase Program" or for items with an "(MLPP)" notation shall be expended only for the purpose of making lease-purchase payments to the Texas Public Finance Authority pursuant to the provisions of Government Code § 1232.103. Upon approval from the Legislative Budget Board, capital budgeted funds listed below under "Acquisition of Information Resource Technologies" may be used to lease information resources hardware and/or software, if determined by agency management to be in the best interest of the State of Texas.

	2004	2005
Out of the General Revenue Fund:		
a. Acquisition of Information Resource Technologies		
(1) Upgrade LAN	\$ 68,743	\$ 68,743
Total, Capital Budget	\$ 68,743	\$ 68,743

2. **Appropriation for Major Cases.** Of amounts appropriated in Strategy B.1.1, Enforcement, \$200,000 is available each year of the biennium to be used only for the payment of services rendered by the Texas Attorney General's Office, for legal counsel, for expert witness fees, for other reasonable and necessary expenditures, and for expenditures of the Texas State Board of Public Accountancy, incurred in connection with the prosecution of "major cases" now pending before the Board or anticipated in the future. "Major cases" involve public accounting firms implicated in the audits of savings and loan organizations, financial institutions, insurance companies, and other cases of a major nature.
3. **Purchase of Examinations.** The amount appropriated above in Strategy A.1.2, Examination, shall be expended solely for the purpose of purchasing and grading of the Uniform CPA Examination from the American Institute of Certified Public Accountants.
4. **Sunset Contingency.** Funds appropriated above for fiscal year 2005 for the Board of Public Accountancy are made contingent on the continuation of the Board of Public Accountancy by the Seventy-eighth Legislature. In the event that the agency is not continued, the funds appropriated for fiscal year 2004 or as much thereof as may be necessary are to be used to provide for the phase out of agency operations.
5. **Contingency for the Self-directed Semi-independent Agency Project Act.** Contingent upon the continuation of the Self-directed Semi-independent Agency Project Act (Article 8930, Vernon's Annotated Texas Civil Statutes) by the Seventy-eighth Legislature relating to the operation of the self-directed semi-independent agency pilot project the appropriations for the Board of Public Accountancy shall not take effect.

STATE OFFICE OF ADMINISTRATIVE HEARINGS

	For the Years Ending	
	August 31, 2004	August 31, 2005
A. Goal: ADMINISTRATIVE HEARINGS		
To provide Texas state agencies and citizens a fair and efficient administrative hearings and alternative dispute resolution process.		
Outcome (Results/Impact):		
Percentage of Participants Surveyed Expressing Satisfaction with Overall Process		
	82%	82%
A.1.1. Strategy: CONDUCT HEARINGS	\$ 5,441,974	\$ 5,441,974
Conduct hearings and prepare proposals for decision (PFDs) and proposed orders and final orders; monitor workloads of Administrative Law Judges (ALJs).		
Output (Volume):		
Number of Administrative License Revocation Cases Disposed	19,350	19,500
Number of Cases Disposed	23,600	23,600
Number of Administrative Fine Cases Disposed	230	240
Percent of Available ALJ Time Spent on Case Work (non-ALR)	100%	100%
Efficiencies:		
Average Cost Per Case	320	320
Average Number of Days from Close of Record to Issuance of PFD - Major Hearings	51	51
Average Time to Dispose of a Case (Median Number of Days)	98	98
Explanatory:		
Number of Cases Received	22,914	22,914
Number of Agencies Served	62	62
A.2.1. Strategy: CONDUCT ALT DISPUTE RESOLUTION	\$ 157,277	\$ 157,277
Conduct mediated settlement conferences, mediations, arbitrations and other alternative dispute resolution proceedings.		
Efficiencies:		
Average Cost Per Alternative Dispute Resolution Proceeding	851	851
Explanatory:		
Number of Alternative Dispute Resolution Cases Requested or Referred	107	107
Total, Goal A: ADMINISTRATIVE HEARINGS	\$ 5,599,251	\$ 5,599,251
B. Goal: INDIRECT ADMINISTRATION		
B.1.1. Strategy: INDIRECT ADMINISTRATION	\$ 1,109,056	\$ 1,109,056
Grand Total, STATE OFFICE OF ADMINISTRATIVE HEARINGS	\$ 6,708,307	\$ 6,708,307
Method of Financing:		
General Revenue Fund	\$ 2,246,741	\$ 2,246,741
Other Funds		
Appropriated Receipts	125,000	125,000
Interagency Contracts	1,561,833	1,561,833
State Highway Fund No. 006	2,774,733	2,774,733
Subtotal, Other Funds	\$ 4,461,566	\$ 4,461,566
Total, Method of Financing	\$ 6,708,307	\$ 6,708,307
Number of Full-Time-Equivalent Positions (FTE):	117.6	117.6

STATE OFFICE OF ADMINISTRATIVE HEARINGS
(Continued)

Schedule of Exempt Positions:		
Chief Administrative Law Judge, Group 3	\$98,625	\$98,625
Object-of-Expense Informational Listing:		
Salaries and Wages	\$ 5,502,981	\$ 5,502,981
Other Personnel Costs	66,459	66,459
Professional Fees and Services	56,363	56,363
Consumable Supplies	26,748	26,748
Utilities	99,801	99,801
Travel	60,768	60,768
Rent - Building	227,654	227,654
Rent - Machine and Other	45,716	45,716
Other Operating Expense	591,817	586,817
Capital Expenditures	<u>30,000</u>	<u>35,000</u>
Total, Object-of-Expense Informational Listing	<u>\$ 6,708,307</u>	<u>\$ 6,708,307</u>

1. **Capital Budget.** None of the funds appropriated above may be expended for capital budget items except as listed below. The amounts shown below shall be expended only for the purposes shown and are not available for expenditure for other purposes. Amounts appropriated above and identified in this provision as appropriations either for "Lease payments to the Master Lease Purchase Program" or for items with an "(MLPP)" notation shall be expended only for the purpose of making lease-purchase payments to the Texas Public Finance Authority pursuant to the provisions of Government Code § 1232.103. Upon approval from the Legislative Budget Board, capital budgeted funds listed below under "Acquisition of Information resources hardware and/or software versus the purchase of information resources hardware and/or software, if determined by agency management to be in the best interest of the State of Texas.

	<u>2004</u>	<u>2005</u>
Out of Interagency Contracts:		
a. Acquisition of Information Resource Technologies		
(1) Replace Personal Computers	\$ 30,000	\$ 35,000
Total, Capital Budget	<u>\$ 30,000</u>	<u>\$ 35,000</u>

2. **Interagency Contracts.** In executing interagency contracts with state agencies under its jurisdiction, the State Office of Administrative Hearings shall establish procedures which will allow agencies to establish a limitation on the aggregate billable amount for a fiscal year.
3. **Renegotiation of Lump Sum Contract.** Appropriations made above to Strategy A.1.1, Conduct Hearings, include \$938,860 in fiscal year 2004 and \$938,860 in fiscal year 2005 to fund the Natural Resources Division for the purpose of conducting hearings for the Texas Commission on Environmental Quality (TCEQ). The State Office of Administrative Hearings (SOAH) and TCEQ may not enter into a contract for an amount less than the specified amounts herein above. If SOAH determines, at the end of each fiscal year, that the amount paid under the contract exceeds the funding necessary for the Natural Resources Division, it shall refund the difference. If SOAH determines that these amounts are insufficient to fund the Natural Resources Division it may enter into negotiations with the TCEQ in order to renegotiate an interagency contract in a manner which will provide it with additional funds, provided that SOAH shall not be appropriated any state funds from such renegotiated interagency contract until it gives prior written notice to the Legislative Budget Board and the Governor, accompanied by written permission of the TCEQ.

STATE OFFICE OF ADMINISTRATIVE HEARINGS
(Continued)

4. **Benefit Collection.** Agencies that enter into contracts with the State Office of Administrative Hearings (SOAH), for the purpose of performing the hearings function, and make payments to SOAH from funding sources other than General Revenue, must reimburse SOAH for employee benefit costs for salaries and wages. These reimbursements to SOAH will then be paid to the General Revenue Fund in proportion to the source of funds from which the respective salary or wage is paid.
5. **Contingency Appropriation for Expanded Jurisdiction.** Contingent on the enactment of legislation by the Seventy-eighth Legislature transferring the hearings functions of other state agencies to the State Office of Administrative Hearings (SOAH), or otherwise expanding the jurisdiction of the office, SOAH is hereby authorized to expend funds transferred to the office from those agencies or funds appropriated for the purpose of handling the expanded jurisdiction, pursuant to provisions elsewhere in this Act. Appropriations authorized pursuant to this provision may be expended only to implement the transferred functions or expanded jurisdiction. All funds collected by SOAH as payment for, or reimbursement of, the office's costs of providing services to other state agencies or governmental entities, or others as directed by the Legislature, are appropriated to SOAH for its use during the biennium.
6. **Hearings Activity Report.** By May 1st and November 1st of each fiscal year, the State Office of Administrative Hearings (SOAH) shall submit to the Legislative Budget Board and the Governor a report detailing hearings activity conducted during the prior two fiscal year quarters. The report shall indicate, for each agency served, the person hours allocated to the agency's cases and the cost, both direct and indirect, of conducting the hearings. The report shall also indicate, for each agency served, the number of cases received, the number of cases disposed of, the number of administrative fine cases disposed of and the median number of days between the date a case is received by SOAH and the date the case is finally disposed of, during the reporting period.
7. **Interagency Contract for Administrative Law Judge Training.** Out of funds appropriated above, the State Office of Administrative Hearings shall enter into a contract in the amount of \$25,000 with the Texas Center for the Judiciary for training of Administrative Law Judges. Any amounts not expended as of August 31, 2004, are appropriated for the fiscal year beginning September 1, 2004.
8. **Billing Rate for Excess Workload.** Contingent on the referral of unanticipated levels of work by any agency for which the State Office of Administrative Hearings (SOAH) provided service during the 2002-03 biennium, SOAH is authorized to bill that agency at a rate of \$90 per hour for each hour of work performed during each fiscal year of the biennium that exceeds by ten percent that agency's annual base allowance (hours) for 2002-03. This rider applies only to agencies that have hearing costs paid through an appropriation of General Revenue to SOAH based upon hearing costs from previous fiscal years. The following agencies are not subject to this rider:
 - (1) Board of Public Accountancy
 - (2) Appraisal Certification and Licensing Board
 - (3) Board of Architectural Examiners
 - (4) Board of Barber Examiners
 - (5) Board of Chiropractic Examiners
 - (6) Cosmetology Commission
 - (7) Credit Union Department
 - (8) Board of Dental Examiners
 - (9) Board of Professional Engineers
 - (10) Funeral Service Commission
 - (11) Board of Professional Geoscientists
 - (12) Board of Professional Land Surveying

STATE OFFICE OF ADMINISTRATIVE HEARINGS
(Continued)

- (13) Board of Medical Examiners
- (14) Board of Nurse Examiners
- (15) Board of Vocational Nurse Examiners
- (16) Optometry Board
- (17) Structural Pest Control Board
- (18) Board of Pharmacy
- (19) Executive Council of Physical and Occupational Therapy Examiners
- (20) Board of Plumbing Examiners
- (21) Board of Podiatric Medical Examiners
- (22) Board of Examiners of Psychologists
- (23) Board of Tax Professional Examiners
- (24) Board of Veterinary Medical Examiners

9. **Contingency for Continuation of Self-directed Semi-Independent Agency Pilot Project.** Contingent upon the continuation of the self-directed semi-independent agency pilot project by the Legislature during the 2004-05 biennium, the Board of Public Accountancy, the Board of Architectural Examiners, and the Board of Professional Engineers shall be removed from the exemption granted in Rider 8 above.
10. **Sunset Contingency.** Funds appropriated above for fiscal year 2005 for the State Office of Administrative Hearings are made contingent on the continuation of the State Office of Administrative Hearings by the Seventy-eighth Legislature. In the event that the agency is not continued, the funds appropriated for fiscal year 2004 or as much thereof as may be necessary are to be used to provide for the phase out of agency operations.

BOARD OF ARCHITECTURAL EXAMINERS

	For the Years Ending	
	August 31, <u>2004</u>	August 31, <u>2005</u>
A. Goal: REGISTRATION STANDARDS		
To establish and implement quality standards of professional education, internship, and examination for the registration of architects, landscape architects, and interior designers.		
Outcome (Results/Impact):		
Percent of Licensees with No Recent Violations	99.16%	99.16%
Percent of Licensees Who Renew Online	15%	15%
Percent of New Individual Licenses Issued Online	0%	10%
A.1.1. Strategy: REGISTRATION AND RENEWAL	\$ 970,670	\$ 970,671
Operate an efficient and comprehensive registration system, including initial registration by examination and reciprocity, and the continuing renewal of current registration.		
Output (Volume):		
Number of New Licenses Issued to Individuals	637	637
Number of Licenses Renewed (Individuals)	18,070	18,070
A.1.2. Strategy: BUY AND GRADE NATIONAL EXAMINATIONS	\$ 268,000	\$ 268,000
Purchase and grade national examinations (estimated and nontransferable).		
Total, Goal A: REGISTRATION STANDARDS	\$ <u>1,238,670</u>	\$ <u>1,238,671</u>

BOARD OF ARCHITECTURAL EXAMINERS
(Continued)

B. Goal: EDUCATION AND ENFORCEMENT

To establish and implement an education/enforcement program to promote compliance with laws and rules; and to swiftly and assertively enforce all laws and rules relating to the practice of the profession of architecture, landscape architecture, and interior design to ensure that the public's health, safety, and property are protected from the irresponsible practice of these professions.

Outcome (Results/Impact):

Percent of Complaints Resulting in Disciplinary Action

B.1.1. Strategy: PUBLIC INFORMATION

Provide information to registrants, the public, building officials, and schools through mailings and presentations regarding architecture, landscape architecture, and interior design.

B.2.1. Strategy: ENFORCEMENT

Promptly act and proactively enforce all laws regulated by the Board of Architectural Examiners to safeguard the life, health, property and public welfare.

Output (Volume):

Number of Complaints Resolved

Efficiencies:

Average Cost per Investigation

Total, Goal B: EDUCATION AND ENFORCEMENT

Grand Total, BOARD OF ARCHITECTURAL EXAMINERS

Method of Financing:

General Revenue Fund

Appropriated Receipts

Total, Method of Financing

Other Direct and Indirect Costs Appropriated Elsewhere in this Act

Number of Full-Time-Equivalent Positions (FTE):

Schedule of Exempt Positions:

Executive Director, Group 2

Per Diem of Board Members

Object-of-Expense Informational Listing:

Salaries and Wages

Other Personnel Costs

Operating Costs

Total, Object-of-Expense Informational Listing

	29.8%		29.8%
	\$ 131,980		\$ 133,119
	\$ 399,493		\$ 405,224
	235		235
	718		718
	\$ 531,473		\$ 538,343
	\$ 1,770,143		\$ 1,777,014
	\$ 1,760,089		\$ 1,766,960
	10,054		10,054
	\$ 1,770,143		\$ 1,777,014
	\$ 232,675		\$ 232,266
	21.0		21.0
	\$65,000		\$65,000
	5,340		5,340
	\$ 989,666		\$ 994,052
	30,000		30,720
	750,477		752,242
	\$ 1,770,143		\$ 1,777,014

BOARD OF ARCHITECTURAL EXAMINERS
(Continued)

1. **Fee Rates.** To provide for the recovery of costs for the preceding appropriations, the following fee rates are established pursuant to Government Code Chapter 316, §§ 316.041-316.045, to be effective during fiscal years 2004-05, beginning September 1, 2003, and September 1, 2004.

		<u>2004</u>		<u>2005</u>
(1) NCARB Examination Fee	NTE	\$981	NTE	\$981
(2) LARE Examination Fee	NTE	\$770	NTE	\$830
(3) NCIDQ Examination Fee	NTE	\$675	NTE	\$700

Any fee rates established or modified by the Board of Architectural Examiners during the 2004-05 biennium, other than those identified in this Act, shall be at the discretion of the Board as authorized by statute.

2. **Examination Fee for Architects.** The Board of Architectural Examiners may charge in excess of \$981 for the examination fee for architects provided: 1) the Board aggressively pursues actions to reduce the cost of the national examination fee; and 2) no later than August 1 of each fiscal year, the Board shall submit a report to the Legislative Budget Board which includes the actions taken by the Board to reduce the examination rate and the proposed fee to be charged effective September 1 of each fiscal year. In the event the Legislative Budget Board determines that the Board's efforts have not resulted in a reasonable examination fee, the Board of Architectural Examiners shall take appropriate steps to develop a state examination for architects.
3. **Sunset Contingency.** Funds appropriated above for fiscal year 2005 for the Board of Architectural Examiners are made contingent on the continuation of the Board of Architectural Examiners by the Seventy-eighth Legislature. In the event that the agency is not continued, the funds appropriated for fiscal year 2004 or as much thereof as may be necessary are to be used to provide for the phase out of agency operations.
4. **Contingency for the Self-directed Semi-independent Agency Project Act.** Contingent upon the continuation of the Self-directed Semi-independent Agency Project Act (Article 8930, Vernon's Annotated Texas Civil Statutes) by the Seventy-eighth Legislature relating to the operation of the self-directed semi-independent agency pilot project the appropriations for the Board of Architectural Examiners shall not take effect.

BOARD OF BARBER EXAMINERS

	For the Years Ending	
	August 31, <u>2004</u>	August 31, <u>2005</u>

A. Goal: EXAMINE AND LICENSE

To protect the consumer by ensuring that applicants for licensure receive a prescribed course of study from qualified instructors and that all licensees are informed of changes in the laws and rules governing barbering. To examine and license all qualified individuals.

Outcome (Results/Impact):

Percent of Licensees with No Recent Violations	99%	99%
Percent of Licensees Who Renew Online	13%	18%
Percent of New Individual Licenses Issued Online	0%	10%

BOARD OF BARBER EXAMINERS

(Continued)

A.1.1. Strategy: LICENSING	\$	323,108	\$	323,108
Examine and license barbers, specialists, and teachers in Texas.				
Output (Volume):				
Number of New Licenses Issued to Individuals		800		800
Number of Licenses Renewed (Individuals)		6,000		6,000
B. Goal: ENFORCEMENT				
To provide timely inspections of barbershops and barber schools; to enforce effectively the rules and regulations set forth and ensure the compliance of barber laws and regulations by the barbershops, specialty shops, schools and individual licensees. Additionally, to resolve complaints and violations on a timely basis for the protection of the consumer.				
Outcome (Results/Impact):				
Percent of Complaints Resolved Resulting in Disciplinary Action		50%		50%
B.1.1. Strategy: INVESTIGATIONS	\$	291,568	\$	291,568
Operate a system of enforcement which includes investigating and resolving complaints and positioning of inspectors in each of the state's enforcement areas.				
Output (Volume):				
Complaints Resolved		75		75
Efficiencies:				
Average Time for Complaint Resolution (Days)		45		45
Grand Total, BOARD OF BARBER EXAMINERS	\$	<u>614,676</u>	\$	<u>614,676</u>
Method of Financing:				
General Revenue Fund	\$	577,176	\$	577,176
Appropriated Receipts		<u>37,500</u>		<u>37,500</u>
Total, Method of Financing	\$	<u>614,676</u>	\$	<u>614,676</u>
Other Direct and Indirect Costs Appropriated Elsewhere in this Act	\$	244,685	\$	244,517
Number of Full-Time-Equivalent Positions (FTE):		13.0		13.0
Schedule of Exempt Positions:				
Executive Director, Group I		\$45,816		\$45,816
Object-of-Expense Informational Listing:				
Salaries and Wages	\$	378,554	\$	378,554
Other Personnel Costs		9,321		9,321
Operating Costs		<u>226,801</u>		<u>226,801</u>
Total, Object-of-Expense Informational Listing	\$	<u>614,676</u>	\$	<u>614,676</u>

1. **Enforcement.** None of the funds appropriated above shall be expended unless an interagency contract has been signed by the Board of Barber Examiners and the Cosmetology Commission for the purpose of maintaining a statewide crossover inspection and enforcement program during the 2004-05 biennium. A copy of the signed crossover enforcement contract shall be sent to the Legislative Budget Board, the Governor, and the Comptroller of Public Accounts.

BOARD OF CHIROPRACTIC EXAMINERS

	For the Years Ending	
	August 31, 2004	August 31, 2005
A. Goal: ENSURE PUBLIC PROTECTION		
To pursue the avenues of examination, licensure, and enforcement to insure that only qualified individuals are licensed as Doctors of Chiropractic, and that they are abiding by the laws and rules governing chiropractic in Texas; to guarantee that the public is protected from incompetent services, fraud, and misrepresentation.		
Outcome (Results/Impact):		
Percent of Licensees with No Recent Violations	99%	99%
Percent of Licensees Who Renew Online	10%	15%
Percent of New Individual Licenses Issued Online	0%	10%
Percent of Complaints Resulting in Disciplinary Action	17%	17%
A.1.1. Strategy: LICENSING SYSTEM	\$ 195,350	\$ 195,350
Operate an efficient, cost-effective, and comprehensive chiropractic certification and licensure system.		
Output (Volume):		
Number of Individuals Examined	345	350
Number of New Licenses Issued to Individuals	334	334
Number of Licenses Renewed (Individuals)	4,604	4,604
Efficiencies:		
Average Licensure Cost Per Individual License Issued	9.16	9.16
Average Licensure Cost Per Facility License Issued	2.79	2.79
Explanatory:		
Total Number of Business Facilities Licensed	2,400	2,400
A.2.1. Strategy: ENFORCEMENT	\$ 144,870	\$ 144,870
Operate a system of enforcement which includes investigating and resolving complaints.		
Output (Volume):		
Number of Complaints Resolved	250	250
Efficiencies:		
Average Time Per Complaint Resolution (Days)	125	125
Explanatory:		
Number of Jurisdictional Complaints Received	270	270
 Total, Goal A: ENSURE PUBLIC PROTECTION	 \$ 340,220	 \$ 340,220
 Grand Total, BOARD OF CHIROPRACTIC EXAMINERS	 \$ 340,220	 \$ 340,220
 Method of Financing:		
General Revenue Fund	\$ 327,213	\$ 327,213
Appropriated Receipts	<u>13,007</u>	<u>13,007</u>
Total, Method of Financing	\$ 340,220	\$ 340,220
 Other Direct and Indirect Costs Appropriated Elsewhere in this Act		
	\$ 130,186	\$ 130,081
 Number of Full-Time-Equivalent Positions (FTE):		
	6.0	6.0
 Schedule of Exempt Positions:		
Executive Director, Group I	\$52,000	\$52,000
Per Diem of Board Members	4,050	4,050

BOARD OF CHIROPRACTIC EXAMINERS
(Continued)

Object-of-Expense Informational Listing:		
Salaries and Wages	\$ 222,825	\$ 222,825
Other Personnel Costs	9,531	9,531
Operating Costs	<u>107,864</u>	<u>107,864</u>
Total, Object-of-Expense Informational Listing	\$ <u>340,220</u>	\$ <u>340,220</u>

COSMETOLOGY COMMISSION

	For the Years Ending	
	August 31, <u>2004</u>	August 31, <u>2005</u>
A. Goal: LICENSING & ENFORCEMENT		
To protect the public by licensing the cosmetology profession, establishing standards for professional practice, and ensuring swift, fair, and effective enforcement of the statute so that consumers are protected from incompetent services, fraud, and misrepresentation.		
Outcome (Results/Impact):		
Percent of Licensees with No Recent Violations	98%	98%
Percent of Licensees Who Renew Online	12%	17%
Percent of New Individual Licenses Issued Online	0%	10%
Percent of Complaints Resulting in Disciplinary Action	30%	30%
A.1.1. Strategy: LICENSING	\$ 958,044	\$ 947,919
Examine applicants and issue individual and establishment licenses.		
Output (Volume):		
Number of New Licenses Issued to Individuals	17,950	17,950
Number of Licenses Renewed (Individuals)	78,550	78,550
A.2.1. Strategy: ENFORCEMENT	\$ 937,717	\$ 938,813
Enforce laws and rules by conducting inspections and investigations and, upon review of complaints, recommending disciplinary or other action to be taken.		
Output (Volume):		
Complaints Resolved	420	420
Individual Licensees Inspected	56,250	56,250
Establishments Inspected	19,500	19,500
Efficiencies:		
Average Time for Complaint Resolution (Days)	40	40
A.3.1. Strategy: PUBLIC INFORMATION	\$ 427,939	\$ 423,034
To distribute information to the general public and the cosmetology community.		
Output (Volume):		
Number of Information Packets Distributed to Individuals and Establishments	50,000	50,000
Total, Goal A: LICENSING & ENFORCEMENT	\$ <u>2,323,700</u>	\$ <u>2,309,766</u>
Grand Total, COSMETOLOGY COMMISSION	\$ <u>2,323,700</u>	\$ <u>2,309,766</u>

COSMETOLOGY COMMISSION
(Continued)

Method of Financing:		
General Revenue Fund	\$ 2,008,700	\$ 1,994,766
Appropriated Receipts	<u>315,000</u>	<u>315,000</u>
Total, Method of Financing	\$ <u>2,323,700</u>	\$ <u>2,309,766</u>
Other Direct and Indirect Costs Appropriated Elsewhere In this Act	\$ 814,037	\$ 812,839
Number of Full-Time-Equivalent Positions (FTE):	43.0	43.0
Schedule of Exempt Positions:		
Executive Director, Group 1	\$46,338	\$46,338
Per Diem of Commissioners	4,000	4,000
Object-of-Expense Informational Listing:		
Salaries and Wages	\$ 1,509,594	\$ 1,509,594
Other Personnel Costs	56,453	59,913
Operating Costs	707,653	690,259
Travel	<u>50,000</u>	<u>50,000</u>
Total, Object-of-Expense Informational Listing	\$ <u>2,323,700</u>	\$ <u>2,309,766</u>

1. **Enforcement.** None of the funds appropriated above shall be expended unless an interagency contract has been signed by the Board of Barber Examiners and the Cosmetology Commission for the purpose of maintaining a statewide crossover inspection and enforcement program during the 2004-05 biennium. A copy of the signed crossover enforcement contract shall be sent to the Legislative Budget Board, the Governor and the Comptroller of Public Accounts.
2. **Fee Rates.** To provide for the recovery of costs for the preceding appropriations, the following fee rates shall not be less than:
 - a. **License and Renewal Fees:**

(1) Individual Licenses	\$53.00
(2) Instructor Licenses	\$70.00
(3) Salon Licenses	\$65.00
(4) Independent Contractor	\$65.00
 - b. **Duplicate License Fees:**

(1) All Licenses	\$53.00
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3. **Limitation on Travel Expenditures.** Reimbursements for travel expenditures of the Director of Enforcement shall be limited to \$5,000 per year and may only be expended for inspections and investigations.
4. **Cosmetology School Inspections.** Cosmetology schools, with the exception of schools in districts without a designated inspector, shall be inspected by an inspector assigned to that district. Schools located in districts without a designated inspector may be inspected by the Director of Enforcement.
5. **Limitation on Out-of-State Travel.** None of the funds appropriated above may be used for expenditures or reimbursements of expenditures for out-of-state travel, except for the Executive Director and no more than one commission member per trip.

COSMETOLOGY COMMISSION
(Continued)

6. **Overnight Travel.** It is the intent of the Legislature that the Cosmetology Commission shall maintain written overnight travel policies and procedures.

CREDIT UNION DEPARTMENT

	For the Years Ending	
	August 31, <u>2004</u>	August 31, <u>2005</u>
Out of the General Revenue Fund:		
A. Goal: EFFECTIVE SUPERVISION & REGULATION		
To effectively supervise and regulate state-chartered credit unions through enforcement of safety and soundness standards and compliance with the Texas Finance Code, and in a manner that balances the interest of the membership and the need for public confidence in the credit union system.		
Outcome (Results/Impact):		
Percentage of Credit Unions Receiving Regular Examinations Annually	96%	96%
Percentage of Safe and Sound Credit Unions	95%	95%
Percentage of Complete Charter and Bylaw Applications Approved or Denied within 60 Days	93%	93%
A.1.1. Strategy: EXAMINE CREDIT UNIONS	\$ 1,476,654	\$ 1,515,494
Examine and monitor state-chartered credit unions for safe and sound operations and compliance with all applicable state and federal laws, rules and regulations based on a schedule determined by the credit unions' perceived risk, in the most efficient and effective manner possible.		
Output (Volume):		
Number of Examinations Performed	241	241
Efficiencies:		
Average Cost Per Regular Examination	5.200	5.200
Explanatory:		
Number of State-chartered Credit Unions	250	250
Percentage of Credit Unions Providing Services to Low Income or Underserved Populations	5.2%	5.2%
A.2.1. Strategy: PROCESS APPLICATIONS	\$ 99,361	\$ 103,202
Process, investigate and evaluate applications for amendments to bylaws and articles of incorporation, new charters, mergers/consolidations; submit requests for hearings on contested decisions to the State Office of Administrative Hearings; and follow state laws and rules regarding notification of applications received and final actions taken.		
Output (Volume):		
Number of Applications Processed	160	160
Total, Goal A: EFFECTIVE SUPERVISION & REGULATION	\$ 1,576,015	\$ 1,618,696

B. Goal: ENSURE SAFETY AND SOUNDNESS
Through interaction with the Credit Union Commission and the Legislature, recommend statutory and rule changes to ensure that credit unions operate in a safe and sound manner in a competitive and ever changing financial services industry.

CREDIT UNION DEPARTMENT
(Continued)

Outcome (Results/Impact):			
Percentage of Rule Changes Provided to Credit Unions within 60 Days after Adoption			
B.1.1. Strategy: DEPARTMENTAL OVERSIGHT	100%		100%
Provide oversight of departmental operations.	\$ 79,578	\$	84,522
Grand Total, CREDIT UNION DEPARTMENT	<u>\$ 1,655,593</u>	\$	<u>1,703,218</u>
Other Direct and Indirect Costs Appropriated Elsewhere in this Act			
	\$ 353,113	\$	359,165
Number of Full-Time-Equivalent Positions (FTE):			
Number of FTEs in Riders:	26.0		26.0
	3.0		5.0
Schedule of Exempt Positions:			
Commissioner, Group 3	\$95,000		\$95,000
Per Diem of Commission Members	540		540
Supplemental Appropriations Made in Riders:			
	\$ 120,000	\$	192,000
Object-of-Expense Informational Listing:			
Salaries and Wages	\$ 1,458,287	\$	1,578,373
Other Personnel Costs	12,060		12,060
Professional Fees and Services	8,200		8,200
Consumable Supplies	7,000		7,000
Utilities	18,549		18,550
Travel	212,795		212,796
Rent - Machine and Other	6,100		6,175
Other Operating Expense	<u>52,602</u>		<u>52,064</u>
Total, Object-of-Expense Informational Listing	<u>\$ 1,775,593</u>	\$	<u>1,895,218</u>

1. **Appropriation: Supervisions and Conservatorships.** Funds received by the Credit Union Department pursuant to supervision or conservatorship proceedings, as authorized by the Texas Finance Code § 126.101, are hereby appropriated for costs related to such proceedings, including the salary and per diem of the appointed supervisor or conservator.
2. **Appropriation: Educational and Examination Receipts.** Funds received by the Credit Union Department to support staff attendance at graduate schools of banking, seminars, conferences, or other training or education activity considered by the commissioner to be of benefit to the Department are hereby appropriated to the Department for such purposes. The Credit Union Department is also authorized to accept funds for reimbursement from the National Credit Union Share Insurance Fund, or any other insurer, for costs incidental or necessary to examination and supervision of credit unions.
3. **Contingency Appropriation: Regulatory Response.**
 - a. Contingent upon a finding of fact by the Credit Union Commission that either:
 - (1) the size of the state-chartered credit union industry under the jurisdiction of the Credit Union Department, determined either as a function of assets or number of institutions, has grown to a point where additional appropriations are deemed necessary to maintain adequate regulation of the industry; or
 - (2) increased incidents of regulatory and supervisory concern regarding the safe and sound operations of credit unions under the Department's jurisdiction have occurred

CREDIT UNION DEPARTMENT
(Continued)

to the extent that additional appropriations are deemed necessary to maintain adequate regulation of the industry; or

- (3) a reduction of federal regulatory resources applied to the Texas state-chartered credit union industry by the National Credit Union Administration has occurred to the extent that additional appropriations are deemed necessary to adequate regulation of the industry;

the following amounts, or any part thereof as found to be necessary by the Credit Union Commission, are hereby appropriated to the Credit Union Department out of the General Revenue Fund in an amount not to exceed \$120,000 for fiscal year 2004 and an amount not to exceed \$192,000 for fiscal year 2005 and the "Number of Full-time Equivalent Positions (FTE)" figure indicated above is hereby increased by no more than 3 for fiscal year 2004 and 5 for fiscal year 2005.

- b. None of the funds appropriated pursuant to this provision may be expended by the Credit Union Department unless:
- (1) the Credit Union Commission files a written copy of the finding of fact, referenced in subsection (a) above, with the Governor's Office and the Legislative Budget Board; and
 - (2) neither the Governor's Office nor the Legislative Budget Board issues a written disapproval within 30 days of the receipt of the finding of fact.
 - (3) the appropriations in item 3(a) are also contingent upon the Department generating sufficient additional fee revenues to cover these contingency appropriations and related employee benefits and providing such information as may be deemed necessary by the Comptroller of Public Accounts to issue a finding of fact that the increased revenues will be available to fund the increased appropriations. These increased revenues must exceed \$1,834,364 (Object Code 3172) contained in the Comptroller of Public Accounts' Biennial Revenue Estimate for fiscal year 2004 and fiscal year 2005.
- c. Funds appropriated in this provision may only be used to address issues included in the finding of fact submitted to the Governor and the Legislative Budget Board pursuant to subsection (a) above, and apply only to the 2004-05 biennium unless otherwise appropriated. It is the intent of the Legislature that these funds not be included in base level funding requests for the fiscal year 2006-07 biennium.

TEXAS STATE BOARD OF DENTAL EXAMINERS

	For the Years Ending	
	August 31, 2004	August 31, 2005
A. Goal: QUALITY DENTAL CARE		
To ensure quality dental care for the people of Texas.		
Outcome (Results/Impact):		
Percent of Complaints Resulting in Disciplinary Action	15.37%	15.37%
Percent of Licensees with No Recent Violations: Dentist	99.4%	99.4%
Percent of Licensees Who Renew Online	12%	17%
Percent of New Individual Licenses Issued Online	0%	10%
A.1.1. Strategy: COMPLAINT RESOLUTION	\$ 1,008,105	\$ 887,485
Conduct enforcement and compliance functions including: investigating all complaints; prosecuting those complaints through informal or formal disciplinary means; pursuing compliance with disciplinary actions and conditions; and, interacting with the public and profession on matters of law and rules.		
Output (Volume):		
Number of Complaints Resolved	603	603
Efficiencies:		
Average Time for Complaint Resolution (Days)	275	275
Explanatory:		
Number of Jurisdictional Complaints Received	793	793
A.1.2. Strategy: PEER ASSISTANCE PROGRAM	\$ 123,659	\$ 123,659
Operate a Peer Assistance Program.		
Output (Volume):		
Number of Licensed Individuals Participating in a Peer Assistance Program	64	64
A.2.1. Strategy: LICENSURE & REGISTRATION	\$ 508,270	\$ 511,453
Conduct a timely and cost effective licensing and registration process for dentists, dental hygienists, dental assistants, and dental laboratories including a comprehensive and efficient system of administering and evaluating dental, dental hygiene, auxiliary examinations, certifications, and permits.		
Output (Volume):		
Number of New Licenses Issued to Individuals: Dentists	420	420
Number of Licenses Renewed (Individuals): Dentists	11,479	11,479
Number of New Licenses Issued to Individuals: Dental Hygienists	461	461
Number of Licenses Renewed (Individuals): Dental Hygienists	8,334	8,334
Efficiencies:		
Average Licensing Cost Per Individual License Issued: Dentist	4.65	4.65
Average Licensing Cost Per Facility License Issued	7.99	7.99
Average Licensing Cost Per Individual License Issued: Dental Hygienist	3.35	3.35
Explanatory:		
Total Number of Business Facilities Licensed	1,078	1,078
Total, Goal A: QUALITY DENTAL CARE	\$ 1,640,034	\$ 1,522,597
Grand Total, TEXAS STATE BOARD OF DENTAL EXAMINERS	\$ 1,640,034	\$ 1,522,597

TEXAS STATE BOARD OF DENTAL EXAMINERS
(Continued)

Method of Financing:		
General Revenue Fund	\$ 1,440,034	\$ 1,322,597
Appropriated Receipts	<u>200,000</u>	<u>200,000</u>
Total, Method of Financing	<u>\$ 1,640,034</u>	<u>\$ 1,522,597</u>
Other Direct and Indirect Costs Appropriated Elsewhere in this Act		
	\$ 459,959	\$ 459,466
Number of Full-Time-Equivalent Positions (FTE):		
Number of FTEs in Riders:	26.0	26.0
	5.0	5.0
Schedule of Exempt Positions:		
Executive Director, Group 2	\$63,000	\$63,000
Per Diem of Board Members	21,840	21,840
Object-of-Expense Informational Listing:		
Salaries and Wages	\$ 1,082,460	\$ 1,082,460
Other Personnel Costs	11,000	11,000
Operating Costs	62,822	54,646
Professional Fees and Services	319,179	213,659
Travel	70,700	70,700
Other Operating Expense	86,949	90,132
Capital Expenditures	<u>6,924</u>	<u>0</u>
Total, Object-of-Expense Informational Listing	<u>\$ 1,640,034</u>	<u>\$ 1,522,597</u>

1. **Sunset Contingency.** Funds appropriated above for fiscal year 2005 for the Texas State Board of Dental Examiners are made contingent on the continuation of the Texas State Board of Dental Examiners by the Seventy-eighth Legislature. In the event that the agency is not continued, the funds appropriated for fiscal year 2004 or as much thereof as may be necessary are to be used to provide for the phase out of agency operations.

2. **Contingent Revenue.** Of the amounts appropriated above to the Texas State Board of Dental Examiners in A.1.1, Strategy: Complaint Resolution, the amount of \$328,245 in fiscal year 2004 and \$207,625 in fiscal year 2005 is contingent upon the Texas State Board of Dental Examiners assessing fees sufficient to generate, during the 2004-05 biennium, \$328,245 in excess of \$2,018,000 (Object Code 3562) in fiscal year 2004 and \$207,625 in excess of \$2,077,000 (Object Code 3562) in fiscal year 2005, contained in the Comptroller of Public Accounts' Biennial Revenue Estimate. Also contingent upon the Texas State Board of Dental Examiners meeting the above revenue target, the "Number of Full-time Equivalent Positions (FTE)" figure indicated above is hereby increased by 5 in each fiscal year. The Texas State Board of Dental Examiners, upon completion of necessary actions to assess or increase such additional fees, shall furnish copies of the Texas State Board of Dental Examiners' minutes and other information supporting the estimated revenues to be generated for the 2004-05 biennium under the revised fee structure to the Comptroller of Public Accounts. If the Comptroller finds the information sufficient to support the projection of increased revenues, a finding of fact to that effect shall be issued and the contingent appropriation shall be made available for the intended purposes.

BOARD OF PROFESSIONAL ENGINEERS

	For the Years Ending	
	August 31, 2004	August 31, 2005
A. Goal: COMPETENT LICENSEES		
Provide a licensing system to assure that professional engineering in Texas is practiced only by qualified and competent Texas licensees.		
Outcome (Results/Impact):		
Percent of Licensees with No Recent Violations	99%	99%
Percent of Licensees Who Renew Online	15%	15%
Percent of New Individual Licenses Issued Online	0%	10%
A.1.1. Strategy: REGISTRATION & EVALUATION	\$ 502,767	\$ 574,767
Provide licensing assistance, review and evaluate all applications for licensure, and license those found to be qualified.		
Output (Volume):		
Number of New Licenses Issued to Individuals	1,400	1,400
Efficiencies:		
Average Licensing Cost Per Individual License Issued	25	25
Explanatory:		
Total Number of Individuals Licensed	1,825	1,825
A.1.2. Strategy: EXAMINATIONS	\$ 282,223	\$ 282,223
Purchase, grade, and administer the engineering examinations provided by the National Council of Examiners for Engineering and Surveying (NCEES) required for registration (estimated and nontransferable).		
A.1.3. Strategy: REGISTRY SERVICES	\$ 518,772	\$ 518,772
Maintain an up-to-date registry and provide timely information to license holders regarding the law, board rules, and continuing professional competency.		
Output (Volume):		
Number of Licenses Renewed (Individuals)	47,800	47,800
Number of Firms Registered	5,800	5,800
Total, Goal A: COMPETENT LICENSEES	\$ 1,303,762	\$ 1,375,762
B. Goal: ENFORCE ENGINEERING ACT		
To provide the public with swift, fair, effective enforcement and protect the health, safety, and welfare of the people of Texas.		
Outcome (Results/Impact):		
Percent of Complaints Resulting in Disciplinary Action	32%	32%
B.1.1. Strategy: ENFORCEMENT	\$ 370,838	\$ 370,838
Investigate and reach final resolution of reported violations.		
Output (Volume):		
Complaints Resolved	380	380
Efficiencies:		
Average Cost Per Complaint Investigation	495	495
Grand Total, BOARD OF PROFESSIONAL ENGINEERS	\$ 1,674,600	\$ 1,746,600
Method of Financing:		
General Revenue Fund	\$ 1,665,900	\$ 1,737,900
Appropriated Receipts	8,700	8,700
Total, Method of Financing	\$ 1,674,600	\$ 1,746,600

BOARD OF PROFESSIONAL ENGINEERS
(Continued)

Other Direct and Indirect Costs Appropriated Elsewhere In this Act	\$ 267,628	\$ 266,896
Number of Full-Time-Equivalent Positions (FTE):	25.0	25.0
Schedule of Exempt Positions:		
Executive Director, Group 3	\$75,000	\$75,000
Per Diem of Board Members	6,500	6,500
Object-of-Expense Informational Listing:		
Salaries and Wages	\$ 1,035,457	\$ 1,035,457
Other Personnel Costs	19,920	19,920
Operating Costs	547,223	547,223
Professional Fees and Services	<u>72,000</u>	<u>144,000</u>
Total, Object-of-Expense Informational Listing	<u>\$ 1,674,600</u>	<u>\$ 1,746,600</u>

1. **Sunset Contingency.** Funds appropriated above for fiscal year 2005 for the Board of Professional Engineers are made contingent on the continuation of the Board of Professional Engineers by the Seventy-eighth Legislature. In the event that the agency is not continued, the funds appropriated for fiscal year 2004 or as much thereof as may be necessary are to be used to provide for the phase out of agency operations.
2. **Contingency for the Self-directed Semi-independent Agency Project Act.** Contingent upon the continuation of the Self-directed Semi-independent Agency Project Act (Article 8930, Vernon's Annotated Texas Civil Statutes) by the Seventy-eighth Legislature relating to the operation of the self-directed semi-independent agency pilot project the appropriations for the Board of Professional Engineers shall not take effect.

DEPARTMENT OF BANKING

	For the Years Ending	
	August 31, 2004	August 31, 2005
A. Goal: EFFECTIVE REGULATION		
To ensure timely, fair, and effective supervision and regulation of the financial institutions and other licensees under our jurisdiction in order to promote a stable banking and financial services environment and provide the public with convenient, safe and competitive financial services.		
Outcome (Results/Impact):		
Percentage of Banks Receiving Examinations When Due	96%	97%
Percentage of Currency Exchange Licensees Examined by Special Audit When Due	95%	95%
Percentage of Bank and Trust, Sale of Check, Currency Exchange, and Private Child Support Enforcement Agency Registration and Renewal Applications Completed within the Statutory Time Period	90%	90%
A.1.1. Strategy: BANK EXAMINATION	\$ 7,256,958	\$ 7,224,330
Conduct commercial bank, trust company, foreign bank agency, and foreign representative office examinations, in cooperation with federal regulatory entities, in conformance with the examination priority schedule. Maintain national accreditation. Maintain contact with,		

DEPARTMENT OF BANKING
(Continued)

and monitor the condition of, regulated entities between examinations. Optimize efficiencies in the examination process, including automating examination procedures and reference materials. Research and report on new regulatory responses to changing industry and economic conditions. Provide the industry with electronic access to regulatory and supervisory information through the website.

Output (Volume):

Number of Bank and Foreign Bank Examinations Performed	135	135
Number of Trust Company, Trust Department, and Electronic Data Processing Examinations or Certifications and Other Specialized Reviews Performed	145	145

Explanatory:

Percentage of State-chartered Bank Assets in Banks Classified Safe and Sound	97%	97%
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A.2.1. Strategy: NON-BANK EXAMINATION

Perform examinations based on examination priorities in coordination with state and federal regulatory and law enforcement agencies; monitor examination schedules and results to ensure exams are being performed within examination priority parameters; and coordinate with Legal Division to issue appropriate enforcement actions.	\$ 1,336,994	\$ 1,325,732
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Output (Volume):
Number of Special Audit Licensees Examined

Number of Special Audit Licensees Examined	683	687
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A.3.1. Strategy: APPLICATION PROCESSING

Enhance current systems through the automation of applications and request processing by the efficient utilization of computer and other technologies. Develop a Bank and Trust Applications Filing and Procedures Guide. Process applications and information.	\$ 408,915	\$ 408,330
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Output (Volume):
Number of Bank and Trust Applications, Notices, Filings and Currency Exchange, Sale of Check New Licensee and Private Child Support Enforcement Agency (PCSEA) Registration and Renewal Applications Completed

Number of Bank and Trust Applications, Notices, Filings and Currency Exchange, Sale of Check New Licensee and Private Child Support Enforcement Agency (PCSEA) Registration and Renewal Applications Completed	319	327
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Total, Goal A: EFFECTIVE REGULATION	\$ 9,002,867	\$ 8,958,392
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B. Goal: FINANCE COMMISSION OVERSIGHT

To insure that financial institutions regulated by the state operate in a safe and sound manner and comply with all applicable laws, and to conduct research on the financial industry.

B.1.1. Strategy: REGULATORY SUPPORT

Support regulatory operations for agencies under the Finance Commission and conduct research on the financial industry.	\$ 120,126	\$ 120,126
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C. Goal: INDIRECT ADMINISTRATION

C.1.1. Strategy: INDIRECT ADMINISTRATION

Support regulatory operations for agencies under the Finance Commission and conduct research on the financial industry.	\$ 2,224,013	\$ 2,213,171
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Grand Total, DEPARTMENT OF BANKING	\$ 11,347,006	\$ 11,291,689
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Method of Financing:

General Revenue Fund	\$ 11,282,901	\$ 11,227,584
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Federal Funds	58,005	58,005
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Appropriated Receipts	6,100	6,100
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Total, Method of Financing	\$ 11,347,006	\$ 11,291,689
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DEPARTMENT OF BANKING
(Continued)

Other Direct and Indirect Costs Appropriated Elsewhere in this Act	\$ 2,232,120	\$ 2,230,998
Number of Full-Time-Equivalent Positions (FTE):	159.0	159.0
Number of FTEs in Riders:	56.5	56.5
Schedule of Exempt Positions:		
Commissioner, Group 5	\$118,427	\$118,427
Supplemental Appropriations Made in Riders:	\$ 5,555,432	\$ 5,555,432
Object-of-Expense Informational Listing:		
Salaries and Wages	\$ 13,092,793	\$ 13,112,475
Other Personnel Costs	217,924	217,924
Operating Costs	5,000	5,000
Professional Fees and Services	208,854	208,854
Fuels and Lubricants	64,409	64,409
Consumable Supplies	117,024	117,026
Utilities	923,761	923,761
Travel	934,665	934,666
Rent - Building	146,058	146,058
Rent - Machine and Other	36,793	36,793
Other Operating Expense	780,657	780,656
Capital Expenditures	<u>374,500</u>	<u>299,499</u>
Total, Object-of-Expense Informational Listing	\$ <u>16,902,438</u>	\$ <u>16,847,121</u>

1. **Capital Budget.** None of the funds appropriated above may be expended for capital budget items except as listed below. The amounts shown below shall be expended only for the purposes shown and are not available for expenditure for other purposes. Amounts appropriated above and identified in this provision as appropriations either for "Lease payments to the Master Lease Purchase Program" or for items with an "(MLPP)" notation shall be expended only for the purpose of making lease-purchase payments to the Texas Public Finance Authority pursuant to the provisions of Government Code § 1232.103. Upon approval from the Legislative Budget Board, capital budgeted funds listed below under "Acquisition of Information Resource Technologies" may be used to lease information resources hardware and/or software, if determined by agency management to be in the best interest of the State of Texas.

	<u>2004</u>	<u>2005</u>
Out of the General Revenue Fund:		
a. Acquisition of Information Resource Technologies		
(1) Purchase of Information Technologies	\$ 175,000	\$ 100,000
Total, Acquisition of Information Resource Technologies	\$ <u>175,000</u>	\$ <u>100,000</u>
Total, Capital Budget	\$ <u>175,000</u>	\$ <u>100,000</u>

2. **Appropriation of Receipts.** Funds received by the Department of Banking pursuant to supervision or conservatorship proceedings as authorized under Texas Finance Code, § 35.101-35.113 are hereby appropriated to the department to pay costs incidental to such proceedings.

DEPARTMENT OF BANKING
(Continued)

including the salary and per diem expenses of the appointed supervisor or conservator (estimated to be \$5,000 each year).

3. Contingency Appropriation: State Regulatory Response.

- a. Contingent upon a finding of fact by the Finance Commission that the number of exams required for the state-chartered commercial banking industry under the jurisdiction of the Department of Banking, determined either as a function of assets, number of institutions, or relative proportion of problem banks or problem bank assets in the state system, increases to a point where additional appropriations are required to maintain adequate regulation of the industry, the Department of Banking is hereby appropriated out of fee revenues collected by the department an amount not to exceed \$1,673,243 for fiscal year 2004 and \$1,673,243 for fiscal year 2005 and the "Number of Full-time Equivalent Positions (FTE)" figure indicated above is hereby increased by no more than 21.5 for fiscal year 2004 and 21.5 for fiscal year 2005.
 - b. Contingent upon a reduction of federal regulatory resources applied to the Texas state-chartered commercial banking industry, determined as a function of assets, the Department of Banking is hereby appropriated out of fee revenues collected by the department an amount not to exceed \$2,677,189 for fiscal year 2004 and \$2,677,189 for fiscal year 2005 and the "Number of Full-time Equivalent Positions (FTE)" figure indicated above is hereby increased by no more than 35 for fiscal year 2004 and 35 for fiscal year 2005.
 - c. Contingent upon an inability to maintain adequate supervision of the industry and an inability to meet its examination frequency performance measures by the Department of Banking due to reductions in the quality or quantity of its examination staff, resulting either from examiner turnover or an inability to recruit adequately qualified examiners because of salary levels, The Department of Banking is hereby appropriated out of fee revenues collected by the Department an amount not to exceed \$1,200,000 for fiscal year 2004 and \$1,200,000 for fiscal year 2005.
 - d. None of the funds appropriated in items 3(a) or 3(b) above may be expended by the Department of Banking unless the Finance Commission files a finding of fact with the Governor and the Legislative Budget Board and neither the Governor nor the Legislative Budget Board issues a written disapproval within 30 days of the receipt of the finding of fact.
 - e. The appropriations in items 3(a) and 3(b) are also contingent upon the Department of Banking generating sufficient additional fee revenues to cover these contingency appropriations and related employee benefits, and providing such information as may be deemed necessary by the Comptroller of Public Accounts to issue a finding of fact that the increased revenues will be available to fund the increased appropriation. These increased revenues much exceed \$10,557,722 for fiscal year 2004 and \$10,509,905 for fiscal year 2005 (Object Code 3172) contained in the Comptroller of Public Accounts' Biennial Revenue Estimate.
 - f. Funds appropriated in this provision may only be used to address issues included in the finding of fact submitted to the Governor and the Legislative Budget Board pursuant to subsection (d) above, and apply only to the 2004-05 biennium unless otherwise appropriated. It is the intent of the Legislature that these funds not be included in base level funding requests for the fiscal year 2006-07 biennium.
- 4. Federal Per Diem Authorized.** Financial examiners employed by the Department of Banking when (1) traveling on official state business relating to the examination function and

DEPARTMENT OF BANKING
(Continued)

(2) participating in either a joint or a concurrent examination with the primary federal regulator may be authorized reimbursement for travel expenses, including mileage, at a rate equal to the primary federal regulator.

5. **Sharing of Receptionist.** It is the intent of the Legislature that the Department of Banking, Savings and Loan Department, and Office of Consumer Credit Commissioner share one full-time-equivalent position each year of the biennium for the switchboard duties for the Finance Commission Building.

OFFICE OF CONSUMER CREDIT COMMISSIONER

	For the Years Ending	
	August 31, 2004	August 31, 2005
Out of the General Revenue Fund:		
A. Goal: EFFECTIVE ENFORCEMENT		
To ensure prompt, fair, and effective enforcement of appropriate state and federal statutes and regulations so that consumers are protected from abusive and deceptive practices, fraud, and misrepresentation.		
Outcome (Results/Impact):		
Percent of Written Complaints Resolved within 90 Calendar Days	95%	95%
A.1.1. Strategy: COMPLAINT RESOLUTION	\$ 182,555	\$ 182,483
Resolve consumer complaints expeditiously and identify problem creditors and industry practices, and advise creditors and industry through information bulletins as a preventive measure.		
Output (Volume):		
Number of Complaints Closed	2,750	2,750
Number of Field Investigations Initiated	80	80
B. Goal: CONSUMER PROTECTION		
To provide a quality program of consumer protection and licensure that ensures high standards for licensed credit providers and efficiently serves the market demand for fair but competitive consumer credit.		
Outcome (Results/Impact):		
Percentage of Examinations Reporting Acceptable Level of Compliance	95%	95%
Monies Returned to Consumers from Licensed Lenders	500,000	500,000
Percent of New Licensees Undergoing Background Checks When Required	100%	100%
B.1.1. Strategy: EXAMINATION AND ENFORCEMENT	\$ 2,041,399	\$ 2,041,183
Examine regulated lenders and pawnshops to determine the level of compliance with appropriate statutes and regulations and initiate administrative enforcement action against licensees who commit serious violations.		
Output (Volume):		
Number of Compliance Examinations Performed	3,500	3,500
B.2.1. Strategy: LICENSING INVESTIGATION	\$ 702,232	\$ 702,067
Investigate and process applications for regulated loan, pawnshop, and pawnshop employee licenses. Continue efforts to identify		

OFFICE OF CONSUMER CREDIT COMMISSIONER
(Continued)

unregistered creditors and achieve compliance with registration requirements.		
Output (Volume):		
Number of Business Applications Processed	4,000	2,500
Number of Employee License Applications Processed	2,100	2,100
Total, Goal B: CONSUMER PROTECTION	\$ 2,743,638	\$ 2,743,250
C. Goal: CREDIT EDUCATION		
To educate consumers and credit providers about their rights, remedies and responsibilities, and to encourage communication and cooperation between the credit industry, the consumer public, and the agency.		
Outcome (Results/Impact):		
Percentage of Texans Reached through Public Service Announcements, Press Releases, and Distribution of Pamphlets	12%	12%
C.1.1. Strategy: CONSUMER EDUCATION	\$ 226,681	\$ 226,681
Continue establishment of a formal education program to include public service announcements, press releases, and general information brochures made available through credit grantors and trade organizations.		
Output (Volume):		
Number of Consumers Receiving In-person Services	36,000	36,000
D. Goal: INDIRECT ADMINISTRATION		
D.1.1. Strategy: INDIRECT ADMINISTRATION	\$ 275,409	\$ 275,869
Grand Total, OFFICE OF CONSUMER CREDIT COMMISSIONER	\$ 3,428,283	\$ 3,428,283
Other Direct and Indirect Costs Appropriated Elsewhere in this Act	\$ 626,386	\$ 625,550
Number of Full-Time-Equivalent Positions (FTE):	52.0	52.0
Schedule of Exempt Positions:		
Commissioner, Group 3	\$90,000	\$90,000
Object-of-Expense Informational Listing:		
Salaries and Wages	\$ 2,026,639	\$ 2,026,639
Other Personnel Costs	82,625	82,625
Professional Fees and Services	307,000	307,000
Consumable Supplies	39,000	39,000
Utilities	107,000	107,000
Travel	502,214	502,214
Rent - Machine and Other	9,600	9,600
Other Operating Expense	299,121	299,121
Capital Expenditures	55,084	55,084
Total, Object-of-Expense Informational Listing	\$ 3,428,283	\$ 3,428,283

1. **Capital Budget.** None of the funds appropriated above may be expended for capital budget items except as listed below. The amounts shown below shall be expended only for the purposes shown and are not available for expenditure for other purposes. Amounts appropriated above and identified in this provision as appropriations either for "Lease payments to the Master Lease Purchase Program" or for items with an "(MLPP)" notation shall be expended only for the purpose of making lease-purchase payments to the Texas Public Finance Authority pursuant to the provisions of Government Code § 1232.103. Upon approval from the Legislative Budget Board, capital budgeted funds listed below under "Acquisition of

OFFICE OF CONSUMER CREDIT COMMISSIONER
(Continued)

Information Resource Technologies" may be used to lease information resources hardware and/or software, if determined by agency management to be in the best interest of the State of Texas.

	<u>2004</u>	<u>2005</u>
Out of the General Revenue Fund:		
a. Acquisition of Information Resource Technologies		
(1) Acquisition of Information Resources Technologies - Replacement Schedule	\$ 45,000	\$ 45,000
Total, Capital Budget	\$ <u>45,000</u>	\$ <u>45,000</u>
2. Appropriation: Criminal Record Check Receipts. Funds appropriated above in Strategy B.2.1, Licensing Investigation, include receipts collected pursuant to Texas Finance Code § 14.151. Contingent upon certification by the Office of Consumer Credit Commissioner and verification by the Comptroller, all fees collected in excess of \$127,000 each year of the biennium are hereby appropriated to the Office of the Consumer Credit Commissioner. These funds shall be used for the sole purpose of acquiring criminal record checks from the Department of Public Safety, Federal Bureau of Investigation, or other law enforcement agency.		
3. Sharing of Receptionist. It is the intent of the Legislature that the Department of Banking, Savings and Loan Department, and Office of Consumer Credit Commissioner share one full-time-equivalent position each year of the biennium for the switchboard duties for the Finance Commission Building.		
4. High-cost Lending. Out of the funds appropriated above, the Office of Consumer Credit Commissioner shall:		
a. compile and provide information regarding high-cost lending in the state, as required by Section 11.305, Finance Code, and		
b. work with the Department of Information Resources to make the information available through the TexasOnline government portal, created pursuant to Subchapter I, Chapter 2054, Government Code, or any successor to that portal.		

SAVINGS AND LOAN DEPARTMENT

	For the Years Ending	
	August 31,	August 31,
	<u>2004</u>	<u>2005</u>
Out of the General Revenue Fund:		
A. Goal: THRIFT SAFETY AND SOUNDNESS		
To aggressively enforce safety and soundness standards in the state chartered thrift industry and compliance with the Texas Finance Code in a manner that is constructive and maintains the interest of depositors, creditors, and borrowers of savings institutions as paramount.		
Outcome (Results/Impact):		
Percent of State-chartered S&Ls and Savings Banks Receiving Examinations as Required by Priority Schedule	100%	100%

SAVINGS AND LOAN DEPARTMENT
(Continued)

Percent of Safe and Sound Institutions to Total Savings and Loans and Savings Banks	80%	80%
Percentage of Applications Receiving Final Action within Statutory Time Frames	100%	100%
A.1.1. Strategy: THRIFT EXAMINATION AND SUPERVISION		
Perform full and limited scope examinations and participate with federal regulators in examinations according to the Priority Examination schedule; monitor and enforce the safe and sound operations of state chartered savings banks and S&Ls and their compliance with applicable laws and regulations.	\$ 958,114	\$ 966,213
Output (Volume):		
Number of Examinations Performed	26	26
Explanatory:		
Number of State-chartered Savings and Loans and Savings Banks	26	27
Dollar Amount of Assets under Regulation (in Billions)	14.8	15
A.2.1. Strategy: APPLICATION PROCESSING	\$ 45,359	\$ 45,933
Process, investigate and evaluate applications for new charters, new branch offices, mergers, acquisitions, and subsidiary investments, including scheduling of hearings, maintaining thrift institution corporate records and application submission and approval logs as required.		
Output (Volume):		
Number of Applications Processed	18	18
Total, Goal A: THRIFT SAFETY AND SOUNDNESS	\$ 1,003,473	\$ 1,012,146
B. Goal: MORTGAGE BROKER REGULATION		
To ensure timely and effective license issuance and renewal for eligible mortgage brokers and loan officers; to oversee and enforce appropriate standards, laws and regulations for licenses.		
Outcome (Results/Impact):		
Percent of Licensees Who Renew Online	71%	71%
Percent of New Individual Licenses Issued Online	0%	10%
Percent of New Individuals Licensed in Ten Days	70%	70%
B.1.1. Strategy: MORTGAGE BROKER LICENSING/REG	\$ 1,436,165	\$ 1,424,054
Process, investigate and evaluate mortgage broker and loan officer license applications; establish continuing education course standards; enforce compliance with standards of conduct.		
Output (Volume):		
Number of New Licenses Issued to Individuals	4,430	4,270
Number of Inspections Completed	950	1,250
C. Goal: CONSUMER RESPONSIVENESS		
To ensure responsiveness to inquiries, requests and complaints from the industry, citizens, public officials, and other state and federal governmental entities.		
Outcome (Results/Impact):		
Percentage of Complaints, Requests and Inquiries Answered within Ten Business Days	100%	100%

SAVINGS AND LOAN DEPARTMENT
(Continued)

C.1.1. Strategy: COMPLAINT AND INQUIRY PROCESS	\$	273,176	\$	274,271
Provide a forum for registering complaints, responding to requests and inquiries and taking appropriate action when warranted. Respond appropriately to requests or inquiries to obtain information regarding financial institutions and mortgage broker licensees giving particular priority to requests from state and federal agencies conducting civil and criminal investigations.				
Output (Volume):				
Number of Consumer Complaints Completed		1,400		2,300
D. Goal: INDIRECT ADMINISTRATION				
D.1.1. Strategy: INDIRECT ADMINISTRATION	\$	215,842	\$	218,185
Grand Total, SAVINGS AND LOAN DEPARTMENT	\$	<u>2,928,656</u>	\$	<u>2,928,656</u>
Other Direct and Indirect Costs Appropriated Elsewhere in this Act	\$	595,259	\$	594,841
Number of Full-Time-Equivalent Positions (FTE):		50.0		50.0
Number of FTEs in Riders:		37.0		40.0
Schedule of Exempt Positions:				
Commissioner, Group 3		\$92,676		\$92,676
Supplemental Appropriations Made in Riders:	\$	2,377,500	\$	2,604,100
Object-of-Expense Informational Listing:				
Salaries and Wages	\$	3,920,788	\$	4,097,536
Other Personnel Costs		12,060		14,820
Operating Costs		223,800		223,800
Professional Fees and Services		77,343		64,398
Consumable Supplies		29,889		29,889
Utilities		44,519		46,375
Travel		354,288		373,944
Rent - Building		3,514		3,714
Rent - Machine and Other		5,063		5,063
Other Operating Expense		634,892		668,217
Capital Expenditures		0		5,000
Total, Object-of-Expense Informational Listing	\$	<u>5,306,156</u>	\$	<u>5,532,756</u>

1. **Appropriation of Receipts.** Funds received by the Savings and Loan Department pursuant to supervision and conservatorship proceedings authorized by Subchapter B, Texas Finance Code and Subchapter C, Texas Finance Code, are hereby appropriated to the department to pay costs incidental to such proceedings, including the salary and per diem expenses of the appointed supervisory agent.
2. **Federal Per Diem Authorized.** Financial Institutions Examiners employed by the Savings and Loan Department, when (1) traveling on official state business related to the examining function of the Savings and Loan Department and (2) participating in either a joint or concurrent examination with the Office of Thrift Supervision, the Federal Deposit Insurance Corporation, or their successors, shall be authorized reimbursement for travel expenses at a rate of per diem equal to that of the participating federal regulatory agency.

SAVINGS AND LOAN DEPARTMENT
(Continued)

3. **Sharing of Receptionist.** It is the intent of the Legislature that the Department of Banking, Savings and Loan Department, and Office of Consumer Credit Commissioner share one full-time-equivalent position each year of the biennium for the switchboard duties for the Finance Commission Building.

4. **Contingency Appropriation: Thrift Regulatory Response.**

a. Contingent upon a finding of fact by the Finance Commission that:

- (1) the size of the state-chartered thrift industry under the jurisdiction of the Savings and Loan Department, determined either as a function of assets or number of institutions, has grown to a point where additional appropriations are deemed necessary to maintain adequate regulation of the industry; or
- (2) increased incidents of regulatory and supervisory concern regarding the safe and sound operations of thrift institutions under the Department's jurisdiction have occurred to the extent that additional appropriations are deemed necessary to maintain adequate regulation of the industry; or
- (3) a reduction of federal regulatory resources applied to the Texas state-chartered thrift industry by the Office of Thrift Supervision, the Federal Deposit Insurance Corporation, Federal Reserve Board, or their successors, has occurred to the extent that additional appropriations are deemed necessary to maintain adequate regulation of the industry; then

the following amounts, or any part thereof as found to be necessary by the Finance Commission, are hereby appropriated to the Savings and Loan Department out of fee revenues collected by the Department: an amount not to exceed \$512,500 for fiscal year 2004 and an amount not to exceed \$739,100 for fiscal year 2005 and the "Number of Full-Time-Equivalent Positions (FTE)" figure indicated above is hereby increased by no more than seven for fiscal year 2004 and 10 for fiscal year 2005.

b. None of the funds appropriated pursuant to this provision may be expended by the Savings and Loan Department unless:

- (1) the Finance Commission files a written copy of the finding of fact, referenced in subsection (a) above, with the Governor's Office and the Legislative Budget Board; and
- (2) neither the Governor's Office nor the Legislative Budget Board issues a written disapproval within 30 days of the receipt of the finding of fact.
- (3) The appropriations in subsection (a) above are also contingent upon the Department generating sufficient additional fee revenues to cover these contingency appropriations and related employee benefits and providing such information as may be deemed necessary by the Comptroller of Public Accounts to issue a finding of fact that the increased revenues will be available to fund the increased appropriations. These increased revenues must exceed \$1,050,000 for fiscal year 2004 and \$1,050,000 for fiscal year 2005 (Object Code 3172) contained in the Comptroller of Public Accounts' Biennial Revenue Estimate.

c. Funds appropriated in this provision may only be used to address issues included in the finding of fact submitted to the Governor and the Legislative Budget Board pursuant to subsection (a) above, and apply only to the 2004-05 biennium unless otherwise appropriated. It is the intent of the Legislature that these funds not be included in base level funding requests for the 2006-07 biennium.

SAVINGS AND LOAN DEPARTMENT
(Continued)

5. Contingency Appropriation: Mortgage Broker Regulatory Response.

a. Contingent upon a finding of fact by the Finance Commission that either:

- (1) the size of the mortgage broker industry under the jurisdiction of the Savings and Loan Department, determined as a function of the number of licensees, has grown to a point where additional appropriations are deemed necessary to maintain adequate regulation of the industry; or
- (2) increased incidents of regulatory and supervisory concern regarding compliance with applicable statutes and regulations by mortgage broker licensees under the Department's jurisdiction have occurred to the extent that additional appropriations are deemed necessary to maintain adequate regulation of the industry; then

the following amounts, or any part thereof as found to be necessary by the Finance Commission, are hereby appropriated to the Savings and Loan Department out of fee revenues collected by the Department: an amount not to exceed \$1,865,000 for fiscal year 2004 and an amount not to exceed \$1,865,000 for fiscal year 2005 and the "Number of Full-Time-Equivalent Positions (FTE)" figure indicated above is hereby increased by no more than 30 for fiscal year 2004 and 30 for fiscal year 2005.

b. None of the funds appropriated pursuant to this provision may be expended by the Savings and Loan Department unless:

- (1) the Finance Commission files a written copy of the finding of fact, referenced in subsection (a) above, with the Governor's Office and the Legislative Budget Board; and
- (2) neither the Governor's Office nor the Legislative Budget Board issues a written disapproval within 30 days of the receipt of the finding of fact.
- (3) The appropriations in subsection (a) above are also contingent upon the Department generating sufficient additional fee revenues to cover these contingency appropriations and related employee benefits and providing such information as may be deemed necessary by the Comptroller of Public Accounts to issue a finding of fact that the increased revenues will be available to fund the increased appropriations. These increased revenues must exceed \$1,200,000 for fiscal year 2004 and \$1,004,000 for fiscal year 2005 (Object Code 3175) contained in the Comptroller of Public Accounts' Biennial Revenue Estimate.

c. Funds appropriated in this provision may only be used to address issues included in the finding of fact submitted to the Governor and the Legislative Budget Board pursuant to subsection (a) above, and apply only to the 2004-05 biennium unless otherwise appropriated. It is the intent of the Legislature that these funds not be included in base level funding requests for the 2006-07 biennium.

FUNERAL SERVICE COMMISSION

For the Years Ending
August 31, August 31,
2004 2005

A. Goal: COMPETENT LICENSEES

To manage a program of examination and licensure that ensures the development of competent funeral professionals with high standards of professional and ethical conduct.

Outcome (Results/Impact):

Percent of Licensees with No Recent Violations	99%	99%
Percent of Applications and Renewals Processed within Three Working Days	75%	75%
Percent of Licensees Who Renew Online	13.3%	18.3%
Percent of New Individual Licenses Issued Online	0%	10%

A.1.1. Strategy: LICENSING REQUIREMENTS

Issue and renew licenses, manage a provisional licensing program and monitor continuing education requirements.	\$ 267,691	\$ 267,691
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Output (Volume):

Number of New Licenses Issued to Individuals	329	329
Number of Individual Licenses Renewed	2,300	2,300
Number of New Licenses Issued to Facilities	100	100
Number of Facility Licenses Renewed	1,196	1,196
Number of Individuals Examined	286	286

Efficiencies:

Average Licensing Cost Per Individual License Issued	31.54	31.54
Average Licensing Cost Per Facility License Issued	35	35
Average Cost Per Exam Administered	77.17	77.17

Explanatory:

Total Number of Individuals Licensed	4,463	4,463
Total Number of Facilities Licensed	1,292	1,292

B. Goal: ENFORCE STANDARDS

To aggressively and effectively provide enforcement and protect the public from incompetent services and unethical conduct.

Outcome (Results/Impact):

Percent of Complaints Resolved within Six Months	55%	55%
Percent of Complaints Resulting in Disciplinary Action	39%	39%

B.1.1. Strategy: INSPECTIONS

To provide enforcement through a vigorous program of inspections and investigations.	\$ 241,054	\$ 241,054
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Output (Volume):

Number of Complaints Resolved	314	314
Number of Establishments Inspected	900	900
Number of Complaints Pending	85	85

Efficiencies:

Average Time for Complaint Resolution (Days)	184.13	184.13
Average Cost Per Complaint Resolved	349.87	349.87

Explanatory:

Number of Jurisdictional Complaints Received	419	419
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B.2.1. Strategy: RULE COMPLIANCE

Review investigated complaints and recommend disciplinary or other action.	\$ 81,846	\$ 81,846
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Output (Volume):

Number of Licenses Revoked or Suspended (Individuals)	0	0
Number of Licenses Revoked or Suspended (Establishments)	0	0

Total, Goal B: ENFORCE STANDARDS \$ 322,900 \$ 322,901

Grand Total, FUNERAL SERVICE COMMISSION \$ 590,591 \$ 590,592

FUNERAL SERVICE COMMISSION
(Continued)

Method of Financing:		
General Revenue Fund	\$ 585,591	\$ 585,592
Appropriated Receipts	<u>5,000</u>	<u>5,000</u>
Total, Method of Financing	\$ <u>590,591</u>	\$ <u>590,592</u>
Other Direct and Indirect Costs Appropriated Elsewhere in this Act	\$ 144,177	\$ 144,177
Number of Full-Time-Equivalent Positions (FTE):	12.0	12.0
Schedule of Exempt Positions:		
Executive Director, Group 1	\$45,816	\$45,816
Per Diem of Board Members	3,850	3,850
Object-of-Expense Informational Listing:		
Salaries and Wages	\$ 411,945	\$ 411,945
Other Personnel Costs	27,612	27,612
Operating Costs	<u>151,034</u>	<u>151,035</u>
Total, Object-of-Expense Informational Listing	\$ <u>590,591</u>	\$ <u>590,592</u>

1. **Sunset Contingency.** Funds appropriated above for fiscal year 2005 for the Texas Funeral Service Commission are made contingent on the continuation of the Texas Funeral Service Commission by the Seventy-eighth Legislature. In the event that the agency is not continued, the funds appropriated for fiscal year 2004 or as much thereof as may be necessary are to be used to provide for the phase out of agency operations.

BOARD OF PROFESSIONAL GEOSCIENTISTS

	For the Years Ending-	
	August 31, <u>2004</u>	August 31, <u>2005</u>
Out of the General Revenue Fund:		
A. Goal: COMPETENT LICENSEES		
Provide a licensing system to assure that professional geoscience in Texas is practiced only by qualified and competent Texas licensees.		
Outcome (Results/Impact):		
Percent of Licensees with No Recent Violations	100%	99%
A.1.1. Strategy: REGISTRATION & EVALUATION		
Provide licensing assistance, review and evaluate all applications for licensure, and license those found to be qualified.	\$ 209,651	\$ 187,764
Output (Volume):		
Number of New Licenses Issued to Individuals	3,400	3,400
Efficiencies:		
Average Licensing Cost Per Individual License Issued	88	73
Percentage of New Individual Licenses Issued within 10 Days	25%	30%

BOARD OF PROFESSIONAL GEOSCIENTISTS
(Continued)

Percentage of Individual License Renewals Issued within 7 Days	65%	75%
Explanatory:		
Total Number of Individuals Licensed	5,000	5,000
A.1.2. Strategy: REGISTRY SERVICES	\$ 70,971	\$ 62,616
Maintain an up-to-date registry and provide timely information to license holders regarding the law, board rules, and continuing professional competency.		
Output (Volume):		
Number of Licenses Renewed (Individuals)	1,600	4,000
Explanatory:		
Average Time for Individual License Renewal (Days)	10	9
Total, Goal A: COMPETENT LICENSEES	\$ 280,622	\$ 250,380
B. Goal: ENFORCE GEOSCIENCE ACT		
To provide the public with swift, fair, effective enforcement and protect the health, safety, and welfare of the people of Texas.		
Outcome (Results/Impact):		
Percent of Complaints Resulting in Disciplinary Action	28%	28%
Percent of Documented Complaints Resolved within Six Months	50%	50%
B.1.1. Strategy: ENFORCEMENT	\$ 193,082	\$ 173,823
Investigate and reach final resolution of reported violations.		
Output (Volume):		
Complaints Resolved	10	45
Number of Enforcement Cases and Inquiries Resolved	10	45
Number of Compliance Orders Issued	3	15
Number of Disciplinary Actions Taken	3	15
Efficiencies:		
Average Time for Complaint Resolution (Days)	220	220
Average Cost Per Complaint Investigation	350	350
Explanatory:		
Jurisdictional Complaints Received	10	45
Grand Total, BOARD OF PROFESSIONAL GEOSCIENTISTS	\$ 473,704	\$ 424,203
Number of Full-Time-Equivalent Positions (FTE):	5.0	5.0
Schedule of Exempt Positions:		
Executive Director, Group I	\$50,000	\$50,000
Per Diem of Board Members	540	540
Object-of-Expense Informational Listing:		
Salaries and Wages	\$ 196,804	\$ 202,076
Professional Fees and Services	55,000	55,000
Consumable Supplies	11,200	11,200
Travel	22,000	22,000
Rent - Building	24,970	24,970
Rent - Machine and Other	12,000	12,000
Other Operating Expense	102,230	96,957
Capital Expenditures	49,500	0
Total, Object-of-Expense Informational Listing	\$ 473,704	\$ 424,203

DEPARTMENT OF INSURANCE

	For the Years Ending	
	August 31,	August 31,
	2004	2005
A. Goal: ENCOURAGE FAIR COMPETITION		
Encourage fair competition in the insurance industry.		
Outcome (Results/Impact):		
Percent of Agent License Filings Completed within 15 Days	95%	95%
Percent of Statutory Rate and Form Filings Completed within 90 Days	91%	91%
Number of Automobiles Covered by Voluntary Policies as a Percent of Total Private Passenger Automobiles in Underserved Markets	69%	69%
Percent of Market Assistance Program Applications Eligible for Referral Resulting in the Issuance of a Residential Property Insurance Policy	50%	50%
Percent of Personal Auto and Residential Property Rate and Form Filings Completed within 60 Days	100%	100%
A.1.1. Strategy: PROMOTE COMPETITION	\$ 13,014,287	\$ 13,013,168
Collect and analyze market data, provide information to consumers and industry, and process rates, forms and other required filings.		
Output (Volume):		
Number of Inquiries Answered	621,565	621,565
Number of Rate Guides Distributed	652,743	652,743
Number of Life/Health Insurance Filings Completed	31,149	31,149
Number of HMO Form Filings Completed	2,446	2,446
Explanatory:		
Total Number of Licensed Agents	231,578	231,578
Number of Licensed HMOs	90	90
A.1.2. Strategy: PROMOTE UNDERSERVED COVERAGE	\$ 323,394	\$ 323,394
Identify underserved markets and create incentives and implement requirements for insurers to write in underserved markets.		
Explanatory:		
Total Number of Market Assistance Program Applications Eligible for Referral	90	90
A.2.1. Strategy: INVESTIGATION/ENFORCEMENT	\$ 6,219,526	\$ 6,219,800
Respond promptly to complaints against insurers, agents, and other regulated entities; assist consumers in recovering valid claims; investigate apparent patterns of unlawful or questionable trade practices in the insurance industry; and bring enforcement actions as appropriate.		
Output (Volume):		
Number of Complaints Resolved	38,960	38,960
Dollar Amount Returned to Consumers through Complaint Resolution	48,583,149	48,583,149
Number of Contested Cases Closed	178	178
Efficiencies:		
Average Response Time (in Days) to Complaints	55	55
A.2.2. Strategy: INSURER FRAUD	\$ 1,149,540	\$ 1,149,590
Investigate potential insurer fraud and initiate legal action when appropriate.		

DEPARTMENT OF INSURANCE
(Continued)

Output (Volume):

Number of Referrals of Alleged Insurer Fraud to Attorney General, District Attorney, or Other Appropriate Law Enforcement Authority	70	70
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Total, Goal A: ENCOURAGE FAIR COMPETITION	\$ 20,706,747	\$ 20,705,952
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B. Goal: INSURANCE INDUSTRY FINANCIAL HEALTH
Encourage the financial health of the insurance industry through monitoring and regulation.

Outcome (Results/Impact):

Percent of Statutorily Mandated On-site Examinations Conducted During the Fiscal Year	100%	100%
Special Deputy Receiver Receivership Asset Recovery Expenses as a Percent of the Total Dollars Collected by Special Deputy Receivers	30%	30%
Average Number of Days from Company "At Risk" Identification to the Date of Solvency-related Regulatory Action	31	31
Percent of Companies Rehabilitated after Texas Department of Insurance Solvency-related Intervention	18%	18%

B.1.1. Strategy: INSURERS FINANCIAL CONDITION	\$ 13,976,678	\$ 13,977,275
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Analyze the financial condition of insurers, identify weak companies, and rehabilitate, liquidate or take other action against financially weak companies.

Output (Volume):

Number of Entities Receiving Texas Department of Insurance Solvency-related Intervention	19	19
Number of Holding Company Transactions Reviewed	751	751
Number of Actuarial Examinations Completed	80	80
Number of On-site Examinations Conducted	167	167
Efficiencies:		
Average State Cost Per Examination	28,246	28,246
Explanatory:		
Dollar Amount (in Millions) of Insurance Company Insolvencies	14.58	- 14.58
Number of Estates Placed in Receivership	3	3

C. Goal: DECREASE INDUSTRY LOSS COSTS

Decrease insurance industry loss costs.

Outcome (Results/Impact):

Percent of Commercial Property Inspections That Meet Filed Rating Schedule Requirements	85%	85%
Percent of Windstorm Inspections That Result in an "Approved" Status Code	29%	27%

C.1.1. Strategy: LOSS CONTROL PROGRAMS	\$ 3,073,428	\$ 3,073,572
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Inspect insurance loss control programs offered to policy holders, and assure compliance with filed property schedules and windstorm construction codes.

Output (Volume):

Number of Windstorm Inspections Completed	15,715	15,715
Number of Inspections of Insurer Loss Control Programs Completed	246	246
Number of Commercial Property Oversight Inspections Completed	1,160	1,160
Efficiencies:		
Average Cost Per Windstorm Inspection	45	45

DEPARTMENT OF INSURANCE
(Continued)

C.1.2. Strategy: PROVIDER/CONSUMER FRAUD	\$ 1,077,620	\$ 1,077,678
Investigate possible provider fraud and consumer fraud and refer violations for prosecution when appropriate.		
Output (Volume):		
Number of Referrals of Alleged Consumer and Provider Fraud to Attorney General, District Attorney, or Other Appropriate Law Enforcement Authority	155	155
Total, Goal C: DECREASE INDUSTRY LOSS COSTS	\$ 4,151,048	\$ 4,151,250
D. Goal: REDUCE LOSSES DUE TO FIRE		
Reduce loss of life and property due to fire.		
Outcome (Results/Impact):		
Percent of Referred State Fire Marshal's Office Criminal Investigations Resulting in Enforcement/Legal Action	86%	86%
Percent of Registrations, Licenses, and Permits Issued, after Receipt of a Completed Application, within 20 Days to Fire Alarm, Fire Extinguisher, Fire Sprinkler, and Fireworks Firms, Individuals, and Other Regulated Entities	99%	99%
D.1.1. Strategy: FIRE PROTECTION	\$ 3,987,337	\$ 3,987,322
Provide fire prevention and fire safety presentations, and enforce regulations related to fire safety through investigation, analysis of evidence, inspection of property, and licensing of the fire protection and fireworks industry.		
Output (Volume):		
Number of Fire Investigations Completed	678	678
Number of Registrations, Licenses, and Permits Issued to Fire Alarm, Fire Extinguisher, Fire Sprinkler and Fireworks Firms, Individuals, and Other Regulated Entities	11,250	11,250
E. Goal: INDIRECT ADMINISTRATION		
E.1.1. Strategy: CENTRAL ADMINISTRATION	\$ 4,154,874	\$ 4,154,879
E.1.2. Strategy: INFORMATION RESOURCES	\$ 3,875,889	\$ 3,875,893
E.1.3. Strategy: OTHER SUPPORT SERVICES	\$ 1,472,166	\$ 1,472,168
Total, Goal E: INDIRECT ADMINISTRATION	\$ 9,502,929	\$ 9,502,940
Grand Total, DEPARTMENT OF INSURANCE	\$ 52,324,739	\$ 52,324,739
Method of Financing:		
General Revenue - Insurance Companies Maintenance Tax and Insurance Department Fees	\$ 34,472,359	\$ 34,471,777
GR Dedicated - Texas Department of Insurance Operating Fund Account No. 036	17,515,349	17,515,931
Other Funds		
Appropriated Receipts	279,431	279,431
Interagency Contracts	57,600	57,600
Subtotal, Other Funds	\$ 337,031	\$ 337,031
Total, Method of Financing	\$ 52,324,739	\$ 52,324,739

DEPARTMENT OF INSURANCE
(Continued)

Other Direct and Indirect Costs Appropriated Elsewhere in this Act	\$ 19,014,619	\$ 18,984,386
Number of Full-Time-Equivalent Positions (FTE):	986.6	986.6
Schedule of Exempt Positions:		
Commissioner of Insurance, Group 6	\$163,800	\$163,800
Object-of-Expense Informational Listing:		
Salaries and Wages	\$ 41,026,034	\$ 41,026,034
Other Personnel Costs	827,319	827,319
Professional Fees and Services	278,575	278,575
Fuels and Lubricants	78,182	78,182
Consumable Supplies	379,342	379,342
Utilities	231,293	231,293
Travel	1,536,274	1,536,274
Rent - Building	287,870	287,870
Rent - Machine and Other	139,893	139,893
Other Operating Expense	6,871,964	6,787,735
Capital Expenditures	<u>667,993</u>	<u>752,222</u>
Total, Object-of-Expense Informational Listing	<u>\$ 52,324,739</u>	<u>\$ 52,324,739</u>

1. **Capital Budget.** None of the funds appropriated above may be expended for capital budget items except as listed below. The amounts shown below shall be expended only for the purposes shown and are not available for expenditure for other purposes. Amounts appropriated above and identified in this provision as appropriations either for "Lease payments to the Master Lease Purchase Program" or for items with a "(MLPP)" notation shall be expended only for the purpose of making lease-purchase payments to the Texas Public Finance Authority pursuant to the provisions of Government Code § 1232.103. Upon approval from the Legislative Budget Board, capital budgeted funds listed below under "Acquisition of Information Resource Technologies" may be used to lease information resources hardware and/or software, if determined by agency management to be in the best interest of the state of Texas.

	<u>2004</u>	<u>2005</u>
Out of the combined appropriation authority from the General Revenue Fund, which includes Insurance Companies Maintenance Tax (Object Code 3203), Insurance Department Fees (Object Code 3215), and GR Dedicated - Texas Department of Insurance Operating Fund Account No. 36:		
a. Acquisition of Information Resource Technologies		
(1) Acquisition of Information Resource Technologies	\$ 780,604	\$ 780,604
b. Transportation Items		
(1) Acquisition of Transportation Items	\$ 36,000	\$ 36,000
Total, Capital Budget	<u>\$ 816,604</u>	<u>\$ 816,604</u>

2. **Appropriation Source, Rehabilitation of Insurance Companies.** Of the amounts appropriated above, \$125,000 each year of the biennium is from fees that the Department of Insurance shall collect from companies that are successfully rehabilitated by the department.

DEPARTMENT OF INSURANCE
(Continued)

Fees collected and appropriated above shall be in amounts sufficient to cover, yet not exceed, costs of rehabilitating those companies. Any such fees collected in excess of \$125,000 each year of the biennium are also hereby appropriated for the biennium beginning September 1, 2003, for the sole purpose of the rehabilitation of other insurance companies pursuant to § 17(a) of Article 21.28A of the Texas Insurance Code (estimated to be \$0).

3. **NAIC Company Database.** Funds appropriated above include \$2,550,000 for the biennium from the combined appropriation authority from the General Revenue Fund, which includes Insurance Companies Maintenance Tax (Object Code 3203), Insurance Department Fees (Object Code 3215), and General Revenue Fund-Dedicated for payment of domestic company fees to the National Association of Insurance Commissioners (NAIC) for use of insurance company statistical reports in the NAIC national database. Such payments are necessary under provisions of the Insurance Code, Article 1.11(b), and directly support availability of the NAIC database to the agency for monitoring financial solvency of insurance companies licensed in the State of Texas.
4. **State Support for NAIC Activities.** The agency is prohibited from using resources in support of the National Association of Insurance Commissioners in the absence of NAIC accreditation of the Texas Department of Insurance for compliance with NAIC Financial Regulation Standards. The prohibition would be effective immediately upon loss of accreditation. The only exceptions to this prohibition shall be limited to expenditures necessary for (1) continued departmental use of the NAIC database for monitoring financial solvency of companies doing business in Texas; (2) solvency-related training; and (3) efforts to regain accreditation. The prohibition on using resources does not apply in the event that the Commissioner voluntarily determines not to participate in the state insurance department accreditation program.
5. **Liquidation Oversight and Title Examiner Full-Time Equivalent Positions.** In addition to the full-time equivalent positions authorized above, an additional 32.5 full-time equivalent positions are authorized for each year of the 2004-05 biennium to support liquidation oversight and title examiner activities. These positions are excluded from the FTE cap.
6. **Appropriations Limited to Revenue Collections.** The application of special provisions limiting appropriations to revenue collections elsewhere in this Article shall be consistent with relevant statutory provisions governing the agency's assessment of tax rates and fees. As provided by the Texas Insurance Code, the Commissioner shall take into account unexpended funds in the preceding year when adjusting rates of assessment necessary to pay all expenses of regulating insurance and conducting the operations of the State Fire Marshal during the succeeding year.
7. **Travel Cap.** Out of the funds appropriated above, expenditures for out-of-state travel by the Texas Department of Insurance are limited to \$600,551 in fiscal year 2004 and \$587,939 in fiscal year 2005. Of these amounts, \$483,488 in fiscal year 2004 and \$470,875 in fiscal year 2005 shall be utilized solely for out-of-state travel for the purpose of financial examinations.
8. **Limit on Estimated Appropriations.** Excluding appropriations for the TexasOnline Authority, the combined appropriation authority from the General Revenue Fund, which includes Insurance Companies Maintenance Tax (Object Code 3203), Insurance Department Fees (Object Code 3215), and General Revenue Fund-Dedicated-Texas Department of Insurance Operating Fund Account No. Fund 36 shall not exceed \$51,987,708 in fiscal year 2004 or \$51,987,708 in fiscal year 2005.
9. **State Support for NCOIL Activities.** Funds appropriated above include funds from the General Revenue - Insurance Companies Maintenance Tax, Insurance Department Fees and General Revenue Fund-Dedicated for payment of state dues for the National Conference of Insurance Legislators.
10. **Appropriation: Crash Records Information System.** Included in Strategy A.1.6, Traffic Accident Records at the Department of Public Safety is \$2,000,000 in fiscal year 2004 with

DEPARTMENT OF INSURANCE
(Continued)

any unexpended balance carried forward to fiscal year 2005 from the Department of Insurance Operating Fund, No. 36 to further develop and implement the Crash Records Information System. The Department of Public Safety and Department of Insurance are authorized to enter into interagency contracts as needed to develop and implement this system.

OFFICE OF PUBLIC INSURANCE COUNSEL

For the Years Ending
August 31, August 31,
2004 2005

Out of the General Revenue Fund:

A. Goal: ADVOCATE FOR INSURANCE CONSUMERS

To advocate positions advantageous to Texas consumers forcefully and effectively in rate hearings, rulemaking, court proceedings, and other public forums involving insurance matters.

Outcome (Results/Impact):

Percentage of Analyzed Rate and Rulemaking Proceedings in Which OPIC Participated	70%	70%
Savings to Consumers as a Result of Rate Hearings Participation (in Millions)	950	950
Percentage of Rate Filings and Rules Changed for the Benefit of Consumers as a Result of OPIC Participation	80%	80%

A.1.1. Strategy: PARTICIPATE IN RATE/RULE HEARINGS

\$ 823,637 \$ 823,637

Actively participate in industry-wide rate hearings, analyzed rate filings, and rulemaking proceedings on behalf of Texas insurance consumers by using expert witnesses, providing staff and consumer testimony, and relying on staff research and staff attorneys.

Output (Volume):

Number of Industry-wide Rate Hearings in Which OPIC Participated	5	5
Number of Analyzed Rate Filings in Which OPIC Participated	16	16
Number of Rulemaking Proceedings in Which OPIC Participated	24	24
A.2.1. Strategy: INFORMATION AND RESEARCH	<u>\$ 72,993</u>	<u>\$ 72,993</u>

Provide information and research assistance to the Legislature and Executive Branch, including results of ad hoc special research or analytical projects for current issues. Participate in judicial proceedings.

Output (Volume):

Number of Judicial Proceeding (Appellate and Otherwise) in Which OPIC Participated as a Party of Record	1	1
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Total, Goal A: ADVOCATE FOR INSURANCE CONSUMERS \$ 896,630 \$ 896,630

B. Goal: INCREASE CONSUMER CHOICE

To increase effective consumer choice by educating Texas insurance consumers about their rights and responsibilities and about the operation of Texas insurance markets, and to obtain market information which results in rate, rule, or legislative proposals benefiting Texas insurance consumers.

**OFFICE OF PUBLIC INSURANCE COUNSEL
(Continued)**

Outcome (Results/Impact):

Percent of Texas Insurance Consumers Reached by OPIC

Outreach Efforts

B.1.1. Strategy: INSURANCE INFORMATION

To contact Texas consumers to obtain market information and to provide consumers with information needed in order to make informed choices by conducting issue research, producing informational materials, and making public presentations, and formulating and revising consumer bills of rights.

Output (Volume):

Number of Newsletters and Report Cards Produced and Distributed

25%

25%

\$ 116,903 \$ 116,903

175,000

175,000

Number of Releases Produced and Interviews Given and Newspaper Op-ed Columns Produced

38

38

Grand Total, OFFICE OF PUBLIC INSURANCE COUNSEL

\$ 1,013,533 \$ 1,013,533

Other Direct and Indirect Costs Appropriated Elsewhere in this Act

\$ 315,193 \$ 314,781

Number of Full-Time-Equivalent Positions (FTE):

16.5

16.5

Schedule of Exempt Positions:

Public Counsel, Group 2

\$82,500

\$82,500

Object-of-Expense Informational Listing:

Salaries and Wages

\$ 791,300 \$ 791,300

Other Personnel Costs

7,500

7,500

Operating Costs

211,638

211,638

Capital Expenditures

3,095

3,095

Total, Object-of-Expense Informational Listing

\$ 1,013,533 \$ 1,013,533

BOARD OF PROFESSIONAL LAND SURVEYING

For the Years Ending
August 31, August 31,
2004 2005

Out of the General Revenue Fund:

A. Goal: LICENSING & ENFORCEMENT

To ensure that the residents of Texas will be able to obtain competent and accurate surveys prepared by qualified surveyors capable of meeting or exceeding the Professional and Technical Standards of Practice for surveying in Texas.

Outcome (Results/Impact):

Percent of Licensees with No Recent Violations

98%

98%

Percent of Documented Complaints Resolved within Six Months

76%

76%

Percent of Licensees Who Renew Online

15%

20%

Percent of New Individual Licenses Issued Online

0%

10%

BOARD OF PROFESSIONAL LAND SURVEYING
(Continued)

A.1.1. Strategy: LICENSING AND EDUCATION	\$	339,961	\$	339,961
The board will examine applicants and regulate practicing surveyors, licensing only competent surveyors who must maintain competency through the completion of continuing education courses.				
Output (Volume):				
Number of New Licenses Issued to Individuals		105		105
Number of Licenses Renewed (Individuals)		2,986		2,986
Complaints Resolved		46		46
Efficiencies:				
Average Licensing Cost Per Individual License Issued		5.81		5.81
Median Time for Complaint Resolution (Days)		119		119
A.1.2. Strategy: EXAMINATION	\$	<u>4,875</u>	\$	<u>4,875</u>
Purchase and grade the National Exam (estimated and nontransferable).				
Output (Volume):				
Individuals Examined (National Exam)		75		75
Total, Goal A: LICENSING & ENFORCEMENT	\$	<u>344,836</u>	\$	<u>344,836</u>
Grand Total, BOARD OF PROFESSIONAL LAND SURVEYING	\$	<u>344,836</u>	\$	<u>344,836</u>
Other Direct and Indirect Costs Appropriated Elsewhere in this Act	\$	67,426	\$	67,334
Number of Full-Time-Equivalent Positions (FTE):		4.5		4.5
Schedule of Exempt Positions:				
Executive Director, Group 1		\$47,000		\$47,000
Per Diem of Board Members		6,460		6,460
Object-of-Expense Informational Listing:				
Salaries and Wages	\$	203,802	\$	203,802
Other Personnel Costs		12,863		12,863
Operating Costs		19,096		19,096
Professional Fees and Services		30,100		30,100
Consumable Supplies		2,993		2,993
Utilities		3,126		3,126
Travel		14,000		14,000
Rent - Building		32,688		32,688
Rent - Machine and Other		5,748		5,748
Other Operating Expense		<u>20,420</u>		<u>20,420</u>
Total, Object-of-Expense Informational Listing	\$	<u>344,836</u>	\$	<u>344,836</u>

1. **Fee Rates.** To provide for the recovery of costs for the preceding appropriations, the following fee rates shall be in effect for fiscal years 2004 and 2005, pursuant to the provisions of Government Code § 316.043:

- a. **Certificate Renewal:**
 - (1) Registered Professional Surveyors Not less than \$130.00 or more than \$153.00

BOARD OF PROFESSIONAL LAND SURVEYING
(Continued)

- (2) Licensed State Land Surveyors \$ 35.00
- b. Examination Fee:
(1) Registered Professional Surveyors \$125.00
2. **Sunset Contingency.** Funds appropriated above for fiscal year 2005 for the Texas Board of Professional Land Surveying are made contingent on the continuation of the Texas Board of Professional Land Surveying by the Seventy-eighth Legislature. In the event that the agency is not continued, the funds appropriated for fiscal year 2004 or as much thereof as may be necessary are to be used to provide for the phase out of agency operations.

DEPARTMENT OF LICENSING AND REGULATION

	For the Years Ending	
	August 31, <u>2004</u>	August 31, <u>2005</u>
A. Goal: LICENSING		
To effectively serve the public by licensing, certifying, and registering qualified individuals and businesses, and provide information concerning the regulated industries.		
Outcome (Results/Impact):		
Percent of Licensees with No Recent Violations	98%	98%
Percent of Licensees Who Renew Online	22%	27%
Percent of New Individual Licenses Issued Online	0%	10%
A.1.1. Strategy: LICENSE/REGISTER/CERTIFY	\$ 818,353	\$ 818,353
Issue licenses, registrations, and certificates to qualified applicants.		
Output (Volume):		
Number of New Licenses Issued to Individuals	3,000	3,050
Number of Licenses Renewed (Individuals)	18,647	18,400
Efficiencies:		
Average Licensing Cost Per Individual License Issued	17.5	17.5
Explanatory:		
Total Number of Individuals Licensed	32,647	- 32,450
Total Number of Business Facilities Licensed	106,700	107,200
A.1.2. Strategy: EXAMINATIONS	\$ 136,000	\$ 136,000
Administer exams to applicants.		
A.1.3. Strategy: DISTRIBUTE INFORMATION	\$ 95,000	\$ 95,000
Develop and distribute information about regulated industries.		
Total, Goal A: LICENSING	\$ <u>1,049,353</u>	\$ <u>1,049,353</u>
B. Goal: ENFORCEMENT		
To protect the public by enforcing laws administered by the agency.		
Outcome (Results/Impact):		
Percent of Documented Complaints Resolved within Six Months	55%	51%
Percent of Building Architectural Barrier Inspections Completed within Statutory Time Limits	100%	100%
Percent of Architectural Barrier Building Plan Reviews Completed within Thirty Days	91.8%	91.8%
Inspection Coverage Rate	95%	95%
Percentage of Boilers Inspected for Certification within Appropriate Timelines	69%	68%

DEPARTMENT OF LICENSING AND REGULATION
(Continued)

B.1.1. Strategy: CONDUCT INSPECTIONS	\$	3,101,598	\$	3,101,598
To enforce laws by conducting routine, complex, and special inspections.				
Output (Volume):				
Total Number of Architectural Barrier Inspections				
Completed by Agency and Third Party Inspectors		12,682		12,682
Total Number of Plan Reviews Completed by Agency and Third Parties				
		13,458		13,458
Efficiencies:				
Average Number of Months to Complete Architectural Barrier Inspections by Agency Staff				
		3.29		3.29
Average Number of Days to Complete Architectural Barrier Building Plan Reviews by Agency Staff				
		20.4		20.4
Explanatory:				
Total Number of Inspections Completed		69,464		69,464
B.1.2. Strategy: RESOLVE COMPLAINTS	\$	<u>1,650,168</u>	\$	<u>1,650,168</u>
To enforce compliance through timely case settlements and prosecutions, administrative penalties, and sanctions.				
Output (Volume):				
Number of Complaints Resolved		1,967		1,913
Efficiencies:				
Average Time for Consumer Complaint Resolution (Days)				
		167		172
Explanatory:				
Number of Jurisdictional Complaints Received		2,652		2,532
Total, Goal B: ENFORCEMENT	\$	<u>4,751,766</u>	\$	<u>4,751,766</u>
C. Goal: INDIRECT ADMINISTRATION				
C.1.1. Strategy: CENTRAL ADMINISTRATION	\$	785,400	\$	785,400
C.1.2. Strategy: INFORMATION RESOURCES	\$	700,040	\$	700,040
C.1.3. Strategy: OTHER SUPPORT SERVICES	\$	<u>82,386</u>	\$	<u>82,386</u>
Total, Goal C: INDIRECT ADMINISTRATION	\$	<u>1,567,826</u>	\$	<u>1,567,826</u>
Grand Total, DEPARTMENT OF LICENSING AND REGULATION	\$	<u>7,368,945</u>	\$	<u>7,368,945</u>
Method of Financing:				
General Revenue Fund	\$	7,229,677	\$	7,229,677
Other Funds				
Appropriated Receipts		100,000		100,000
Interagency Contracts		37,268		37,268
Auctioneer Education and Recovery Trust Fund No. 898		2,000		2,000
Subtotal, Other Funds	\$	<u>139,268</u>	\$	<u>139,268</u>
Total, Method of Financing	\$	<u>7,368,945</u>	\$	<u>7,368,945</u>
Other Direct and Indirect Costs Appropriated Elsewhere in this Act	\$	2,288,275	\$	2,296,913
Number of Full-Time-Equivalent Positions (FTE):		149.0		149.0

DEPARTMENT OF LICENSING AND REGULATION
(Continued)

Schedule of Exempt Positions:

Commissioner, Group 3	\$76,000	\$76,000
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Object-of-Expense Informational Listing:

Salaries and Wages	\$ 6,285,168	\$ 6,375,900
Other Personnel Costs	88,243	80,854
Professional Fees and Services	67,737	64,477
Fuels and Lubricants	859	656
Consumable Supplies	42,929	39,840
Utilities	28,610	32,374
Travel	187,387	179,298
Rent - Building	27,915	26,191
Rent - Machine and Other	19,911	18,363
Other Operating Expense	563,170	493,976
Capital Expenditures	<u>57,016</u>	<u>57,016</u>
Total, Object-of-Expense Informational Listing	<u>\$ 7,368,945</u>	<u>\$ 7,368,945</u>

- Capital Budget.** None of the funds appropriated above may be expended for capital budget items except as listed below. The amounts shown below shall be expended only for the purposes shown and are not available for expenditure for other purposes. Amounts appropriated above and identified in this provision as appropriations either for "Lease payments to the Master Lease Purchase Program" or for items with an "(MLPP)" notation shall be expended only for the purpose of making lease-purchase payments to the Texas Public Finance Authority pursuant to the provisions of Government Code § 1232.103. Upon approval from the Legislative Budget Board, capital budgeted funds listed below under "Acquisition of Information Resource Technologies" may be used to lease information resources hardware and/or software, if determined by agency management to be in the best interest of the State of Texas.

	<u>2004</u>	<u>2005</u>
Out of the General Revenue Fund:		
a. Acquisition of Information Resource Technologies		
(1) Acquisition of Information Resource Technologies	\$ 57,016	\$ 57,016
Total, Capital Budget	<u>\$ 57,016</u>	<u>\$ 57,016</u>

- Appropriation: Travel Expenses and Fee Reimbursements.** Funds appropriated above include reimbursements for travel expenses and special inspection fees collected pursuant to Health and Safety Code, § 755.030, Boilers Fees. Contingent upon certification by the Department of Licensing and Regulation and verification by the Comptroller, all fees collected in excess of \$130,000 each year of the biennium are hereby appropriated to the Texas Department of Licensing and Regulation for the same purpose.
- Auctioneer Education and Recovery.** Funds appropriated above include all revenue deposited to the Auctioneer Education and Recovery Fund for the purpose and in the amounts specified in Subchapter D, § 1802.151, Occupations Code, not to exceed \$2,000 in each fiscal year from the interest on the fund.
- Elimination of Architectural Barriers.** Out of the General Revenue appropriated above, \$2,848,095 for each year of the biennium, is appropriated from fees collected pursuant to Rev. Civ. St. Ann. Art. 9102, for the purposes of administering and enforcing the Architectural Barrier Act, and any fees collected above those annual amounts are hereby appropriated to the Department of Licensing and Regulation for the same purpose.

DEPARTMENT OF LICENSING AND REGULATION
(Continued)

5. **Elevators, Escalators, and Related Equipment.** Out of the General Revenue appropriated above, \$627,924 for each year of the biennium, is appropriated from fees collected pursuant to Health and Safety Code, Chapter 754, Subchapter B for the purposes of administering and enforcing laws relating to elevators, escalators and related equipment, as set out in Chapter 754, Health and Safety Code. Any fees collected above those annual amounts are hereby appropriated to the Department of Licensing and Regulation for the same purpose.
6. **Reciprocity Agreements.** It is the intent of the Legislature that the Department of Licensing and Regulation initiate and enter into reciprocity agreements with other states for the purpose of performing industrialized housing inspections in order to minimize the need for the agency sending state employees out of state to perform such inspections. The Department may enter into contracts with out-of-state inspectors to conduct such inspections.
7. **Elimination of Architectural Barriers: Reduce Duplicate Inspections.** None of the funds appropriated by this Act shall be expended for the purpose of conducting inspections and plan reviews within the corporate boundaries of a municipality which has applied with the department to perform review and inspection functions pursuant to the Elimination of Architectural Barriers Act, Rev. Civ. St. Ann. Art. 9102, § 5(f).
8. **Architectural Barrier Standards: Exemption.** None of the funds appropriated by this Act shall be expended for the purpose of enforcing the accessibility standards under the Elimination of Architectural Barriers program, Rev. Civ. St. Ann. Art. 9102, with respect to a structure or facility used primarily for religious rituals within a building or facility of a religious organization and which is exempt from the application of Rev. Civ. St. Ann. Art. 9102, pursuant to § 2(g) of that article.
9. **Electronic Examinations.** It is the intent of the Legislature that the Department of Licensing and Regulation identify programs for which the required examinations could be offered in an electronic medium, and that the agency develop and implement electronic examinations for these programs.
10. **Sunset Contingency.** Funds appropriated above for fiscal year 2005 for the Department of Licensing and Regulation are made contingent on the continuation of the Department of Licensing and Regulation by the Seventy-eighth Legislature. In the event that the agency is not continued, the funds appropriated for fiscal year 2004 or as much thereof as may be necessary are to be used to provide for the phase out of agency operations.

BOARD OF MEDICAL EXAMINERS

For the Years Ending
August 31, August 31,
2004 2005

A. Goal: LICENSURE

Protect the public by licensing qualified practitioners, and non-profit entities, by determining eligibility for licensure through credential verification or renewal, and by collecting information on professionals regulated by the Texas State Board of Medical Examiners, the Texas State Board of Acupuncture Examiners, and the Texas State Board of Physician Assistant Examiners.

Outcome (Results/Impact):

Percent of Licensees with No Recent Violations (Physician)	99%	99%
Percent of Licensees Who Renew Online (Physicians)	93%	98%
Percent of Licensees Who Renew Online (Physician Assistant)	10%	15%
Percent of New Individual Licenses Issued Online (Physicians)	0%	10%
Percent of New Individual Licenses Issued Online (Physician Assistant)	0%	10%

A.1.1. Strategy: LICENSING

\$ 2,017,597 \$ 2,017,104

Conduct a timely, efficient, and cost-effective licensure issuance and renewal process by which credentials are verified and applications are reviewed.

Output (Volume):

Number of New Licenses Issued to Individuals (Physicians)	4,507	4,507
Number of New Licenses Issued to Individuals (Acupuncture)	96	104
Number of New Licenses Issued to Individuals (Physician Assistant)	400	400
Number of New Licenses Issued to Individuals (Surgical Assistant)	39	39
Number of Licenses Renewed (Individuals) (Physicians)	53,709	53,709
Number of Licenses Renewed (Individuals) (Acupuncture)	496	504
Number of Licenses Renewed (Individuals) (Physician Assistant)	2,694	2,694
Number of Licenses Renewed (Individuals) (Surgical Assistant)	192	230
Efficiencies:		
Average Licensing Cost Per Individual License Issued (Physician)	21.56	21.56
Average Licensing Cost Per Individual License Issued (Acupuncture)	70.07	69.77
Average Licensing Cost Per Individual License Issued (Physician Assistant)	70.07	69.77
Average Licensing Cost Per Individual License Issued (Surgical Assistant)	566.82	486.75
Average Licensing Cost Per Facility License Issued	21.15	21.15
Average Number of Days for Individual License Issuance (Physicians)	135	135

B. Goal: ENFORCE ACTS

To protect the public by conducting investigations of allegations against licensees and taking appropriate corrective and/or disciplinary action when necessary; by educating the public, staff, and licensees regarding the functions and services of the Texas State Board of Medical Examiners, the Texas State Board of Acupuncture Examiners, and the Texas State Board of Physician Assistant Examiners.

BOARD OF MEDICAL EXAMINERS
(Continued)

Outcome (Results/Impact):		
Percent of Complaints Resulting in Disciplinary Action (Physician)	10%	10%
Percent of Complaints Resulting in Disciplinary Action (Acupuncture)	10%	10%
Percent of Complaints Resulting in Disciplinary Action (Physician Assistant)	10%	10%
Percent of Complaints Resulting in Disciplinary Action (Surgical Assistant)	10%	10%
B.1.1. Strategy: ENFORCEMENT	\$ 2,309,543	\$ 2,309,048
Conduct competent, fair, and timely investigations; ensure due process for respondents; monitor the resolution of complaints; maintain adequate monitoring of all probationers in a timely fashion; and contact consumer complainants in a timely and regular manner.		
Output (Volume):		
Number of Complaints Resolved (Physician)	1,466	1,466
Number of Complaints Resolved (Acupuncture)	8	8
Number of Complaints Resolved (Physician Assistant)	47	47
Number of Complaints Resolved (Surgical Assistant)	3	3
Efficiencies:		
Average Time for Complaint Resolution (Physician) (Days)	250	250
Explanatory:		
Number of Jurisdictional Complaints Received (Physician)	1,750	1,750
Number of Jurisdictional Complaints Received (Acupuncture)	5	5
Number of Jurisdictional Complaints Received (Physician Assistant)	40	40
Number of Jurisdictional Complaints Received (Surgical Assistant)	3	3
B.2.1. Strategy: PUBLIC EDUCATION	\$ 126,045	\$ 127,032
Provide public awareness and educational programs to educate the public and licensees regarding the agency's functions, services and responsibilities.		
Total, Goal B: ENFORCE ACTS	\$ 2,435,588	\$ 2,436,080
C. Goal: INDIRECT ADMINISTRATION		
C.1.1. Strategy: INDIRECT ADMINISTRATION	\$ 847,959	\$ 847,960
Grand Total, BOARD OF MEDICAL EXAMINERS	\$ 5,301,144	\$ 5,301,144
Method of Financing:		
General Revenue Fund	\$ 5,156,144	\$ 5,156,144
Appropriated Receipts	145,000	145,000
Total, Method of Financing	\$ 5,301,144	\$ 5,301,144
Other Direct and Indirect Costs Appropriated Elsewhere in this Act	\$ 1,608,791	\$ 1,606,562
Number of Full-Time-Equivalent Positions (FTE):	113.0	113.0

BOARD OF MEDICAL EXAMINERS
(Continued)

Schedule of Exempt Positions:

Executive Director, Group 3	\$85,000	\$85,000
Salary Supplement	12,000	12,000
Per Diem of Board Members	23,500	23,500

Object-of-Expense Informational Listing:

Salaries and Wages	\$ 3,745,007	\$ 3,745,007
Other Personnel Costs	93,082	93,082
Operating Costs	1,139,749	1,139,749
Professional Fees and Services	180,068	180,068
Travel	130,932	130,932
Capital Expenditures	<u>12,306</u>	<u>12,306</u>
Total, Object-of-Expense Informational Listing	<u>\$ 5,301,144</u>	<u>\$ 5,301,144</u>

1. **Capital Budget.** None of the funds appropriated above may be expended for capital budget items except as listed below. The amounts shown below shall be expended only for the purposes shown and are not available for expenditure for other purposes. Amounts appropriated above and identified in this provision as appropriations either for "Lease Payments to the Master Lease Purchase Program" or for items with an "(MLPP)" notation shall be expended only for the purpose of making lease-purchase payments to the Texas Public Finance Authority pursuant to the provisions of Government Code § 1232.103. Upon approval from the Legislative Budget Board, capital budgeted funds listed below under "Acquisition of Information Resource Technologies" may be used to lease information resources hardware and/or software versus the purchase of information resources hardware and/or software, if determined by agency management to be in the best interest of the State of Texas.

	<u>2004</u>	<u>2005</u>
Out of the General Revenue Fund:		
a. Acquisition of Information Resource Technologies		
(1) Replacement of Computer Hardware and Software	\$ 51,063	\$ 57,615
Total, Capital Budget	<u>\$ 51,063</u>	<u>\$ 57,615</u>

2. **Salary Supplementation.** In addition to the amount specified in the schedule of exempt positions for the salary of the executive director, the State Board of Medical Examiners may approve a salary supplement not to exceed \$12,000 annually if the executive director is a medical doctor and an attorney.
3. **Executive Director Salary.** If the executive director is not a physician, the amount listed in the Schedule of Exempt Positions shall be \$68,173 for fiscal year 2004 and \$68,173 for fiscal year 2005. The exempt position shall also be listed as "Group 2."

BOARD OF NURSE EXAMINERS

For the Years Ending
August 31, August 31,
2004 2005

A. Goal: LICENSING

To manage cost-effective, quality programs of accreditation, examination, licensure, and regulation that ensure legal standards for professional nursing education and practice and which effectively serve the market demand for qualified professional nurses.

Outcome (Results/Impact):

Percentage of Licensees with No Recent Violations	97.8%	97.8%
Percent of Licensees Who Renew Online	95%	100%
Percent of New Individual Licenses Issued Online	0%	10%

A.1.1. Strategy: LICENSING

	\$ 1,745,149	\$ 1,905,510
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Operate an efficient system of licensing, examination, and credentials verification for the practice of professional nursing.

Output (Volume):

Number of New Licenses Issued to Individuals	8,800	8,800
Number of Individual Licenses Renewed	79,000	79,000

Efficiencies:

Average Licensing Cost Per Individual License Issued	2.2	2.2
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~~**A.2.1. Strategy: ACCREDITATION**~~

	\$ 223,387	\$ 227,850
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~~Operate an effective accreditation program for professional nursing programs that includes the implementation of essential competencies curricula.~~

Total, Goal A: LICENSING

	<u>\$ 1,968,536</u>	<u>\$ 2,133,360</u>
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B. Goal: PROTECT PUBLIC

To ensure swift, fair, and effective enforcement of the Nursing Practice Act so that consumers are protected from unsafe, incompetent, and unethical nursing practice by registered professional nurses.

Outcome (Results/Impact):

Percent of Complaints Resulting in Disciplinary Action	47%	47%
Recidivism Rate for Peer Assistance Programs	2%	2%

B.1.1. Strategy: ADJUDICATE VIOLATIONS

	\$ 777,350	\$ 791,000
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Administer an effective system of enforcement and adjudication which includes investigating and resolving complaints.

Output (Volume):

Number of Complaints Resolved	2,300	2,300
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Efficiencies:

Average Time for Complaint Resolution (Days)	190	195
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Explanatory:

Number of Jurisdictional Complaints Received	2,400	2,400
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B.1.2. Strategy: PEER ASSISTANCE

	<u>\$ 323,750</u>	<u>\$ 323,750</u>
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Identify, refer and assist those registered professional nurses whose practice is impaired.

Output (Volume):

Number of Licensed Individuals Participating in a Peer Assistance Program	450	450
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Total, Goal B: PROTECT PUBLIC

	<u>\$ 1,101,100</u>	<u>\$ 1,114,750</u>
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Grand Total, BOARD OF NURSE EXAMINERS

	<u>\$ 3,069,636</u>	<u>\$ 3,248,110</u>
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BOARD OF NURSE EXAMINERS
(Continued)

Method of Financing:		
General Revenue Fund	\$ 2,426,636	\$ 2,605,110
<u>Other Funds</u>		
Appropriated Receipts	643,000	643,000
Subtotal, Other Funds	<u>\$ 643,000</u>	<u>\$ 643,000</u>
Total, Method of Financing	<u>\$ 3,069,636</u>	<u>\$ 3,248,110</u>
Other Direct and Indirect Costs Appropriated Elsewhere in this Act	\$ 731,154	\$ 735,762
Number of Full-Time-Equivalent Positions (FTE):	55.0	55.0
Schedule of Exempt Positions:		
Executive Director, Group 2	\$62,000	\$62,000
Per Diem of Board Members	10,000	10,000
Object-of-Expense Informational Listing:		
Salaries and Wages	\$ 1,834,653	\$ 1,881,735
Other Personnel Costs	100,000	102,000
Professional Fees and Services	8,000	8,000
Consumable Supplies	265,000	275,000
Utilities	37,000	38,000
Travel	37,000	39,000
Other Operating Expense	772,983	889,375
Capital Expenditures	<u>15,000</u>	<u>15,000</u>
Total, Object-of-Expense Informational Listing	<u>\$ 3,069,636</u>	<u>\$ 3,248,110</u>

1. **Capital Budget.** None of the funds appropriated above may be expended for capital budget items except as listed below. The amounts shown below shall be expended only for the purposes shown and are not available for expenditure for other purposes. Amounts appropriated above and identified in this provision as appropriations either for "Lease Payments to the Master Lease Purchase Program" or for items with an "(MLPP)" notation shall be expended only for the purpose of making lease-purchase payments to the Texas Public Finance Authority pursuant to the provisions of Government Code § 1232.103. Upon approval from the Legislative Budget Board, capital budgeted funds listed below under "Acquisition of Information Resource Technologies" may be used to lease information resources hardware and/or software versus the purchase of information resources hardware and/or software, if determined by agency management to be in the best interest of the State of Texas.

	<u>2004</u>	<u>2005</u>
Out of the General Revenue Fund:		
a. Acquisition of Information Resource Technologies		
(1) Acquisition of Information Resource Technologies	\$ 15,000	\$ 15,000
Total, Capital Budget	<u>\$ 15,000</u>	<u>\$ 15,000</u>

BOARD OF VOCATIONAL NURSE EXAMINERS

	For the Years Ending	
	August 31, <u>2004</u>	August 31, <u>2005</u>
A. Goal: LICENSING		
To establish and implement cost-effective and efficient systems of regulation through education, practice, and licensure and discipline to meet the market demand for safe, competent, and ethical vocational nurses.		
Outcome (Results/Impact):		
Percentage of Licensees with No Recent Violations	96%	96%
Percent of Licensees Who Renew Online	30%	35%
Percent of New Individual Licenses Issued Online	0%	10%
Percent of Complaints Resulting in Disciplinary Action	52%	53%
A.1.1. Strategy: LICENSING	\$ 450,099	\$ 445,299
Operate an efficient and comprehensive licensure system.		
Output (Volume):		
Number of New Licenses Issued to Individuals	4,000	4,000
Number of Individual Licenses Renewed	37,000	37,000
Efficiencies:		
Average Licensure Cost Per Individual License Issued	8.6	8.6
A.2.1. Strategy: NURSING PROGRAM APPROVAL	\$ 345,524	\$ 346,724
Ensure a cost-effective and comprehensive vocational nursing program approval system.		
Output (Volume):		
Total Number of Programs Licensed	114	114
A.3.1. Strategy: ENFORCEMENT	\$ 343,126	\$ 337,727
Investigate jurisdictional complaints, institute disciplinary action, and monitor and enforce probationary stipulations.		
Output (Volume):		
Number of Complaints Resolved	1,350	1,350
Efficiencies:		
Average Time for Complaint Resolution (Days)	180	180
Explanatory:		
Number of Jurisdictional Complaints Received	1,200	1,200
A.3.2. Strategy: PEER ASSISTANCE	\$ 180,000	\$ 180,000
To identify, refer, and assist those licensed vocational nurses whose practice is impaired.		
Output (Volume):		
Number of Licensed Individuals Participating in a Peer Assistance Program	100	100
Total, Goal A: LICENSING	\$ 1,318,749	\$ 1,309,750
Grand Total, BOARD OF VOCATIONAL NURSE EXAMINERS	\$ 1,318,749	\$ 1,309,750
Method of Financing:		
General Revenue Fund	\$ 1,288,649	\$ 1,279,650
Appropriated Receipts	30,100	30,100
Total, Method of Financing	\$ 1,318,749	\$ 1,309,750
Other Direct and Indirect Costs Appropriated Elsewhere in this Act	\$ 386,796	\$ 385,852
Number of Full-Time-Equivalent Positions (FTE):	24.0	24.0

BOARD OF VOCATIONAL NURSE EXAMINERS
(Continued)

Schedule of Exempt Positions:

Executive Director, Group 2	\$58,000	\$58,000
Per Diem of Board Members	9,090	9,090

Object-of-Expense Informational Listing:

Salaries and Wages	\$ 907,200	\$ 912,000
Other Personnel Costs	17,000	17,000
Consumable Supplies	5,000	5,000
Utilities	15,000	15,000
Travel	28,000	28,000
Rent - Machine and Other	9,180	9,180
Other Operating Expense	<u>337,369</u>	<u>323,570</u>
Total, Object-of-Expense Informational Listing	<u>\$ 1,318,749</u>	<u>\$ 1,309,750</u>

OPTOMETRY BOARD

For the Years Ending	
August 31, <u>2004</u>	August 31, <u>2005</u>

A. Goal: EXAMINATION AND LICENSURE

To manage a quality program of examination and licensure to ensure the initial and continuing competency of optometrists and enforce the optometry statutes to ensure that the public is protected from incompetent services, fraud and misrepresentation.

Outcome (Results/Impact):

Percent of Licensees with No Recent Violations	99.6%	99.6%
Percent of Licensees Who Renew Online	12.4%	17.4%
Percent of New Individual Licenses Issued Online	0%	10%

A.1.1. Strategy: LICENSURE AND ENFORCEMENT

Operate an efficient and comprehensive optometry licensure and enforcement system.

Output (Volume):

Number of New Licenses Issued to Individuals	147	147
Number of Licenses Renewed (Individuals)	3,123	3,123
Number of Complaints Resolved	141	141

Efficiencies:

Average Time for Complaint Resolution (Days)	70	70
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Grand Total, OPTOMETRY BOARD

<u>\$ 372,450</u>	<u>\$ 372,450</u>
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Method of Financing:

General Revenue Fund	\$ 338,626	\$ 338,626
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Other Funds

Appropriated Receipts	10,000	10,000
Interagency Contracts	23,824	23,824

Subtotal, Other Funds

<u>\$ 33,824</u>	<u>\$ 33,824</u>
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Total, Method of Financing

<u>\$ 372,450</u>	<u>\$ 372,450</u>
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Other Direct and Indirect Costs Appropriated Elsewhere in this Act

\$ 127,090	\$ 126,916
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OPTOMETRY BOARD
(Continued)

Number of Full-Time-Equivalent Positions (FTE):	7.0	7.0
Schedule of Exempt Positions:		
Executive Director, Group 1	\$60,000	\$60,000
Per Diem of Board Members	3,720	3,720
Object-of-Expense Informational Listing:		
Salaries and Wages	\$ 268,000	\$ 268,000
Other Personnel Costs	7,100	7,800
Operating Costs	<u>97,350</u>	<u>96,650</u>
Total, Object-of-Expense Informational Listing	<u>\$ 372,450</u>	<u>\$ 372,450</u>

1. **Investigative Expenses Authorized.** The Texas Optometry Board is authorized to hire investigators as independent contractors and to establish a petty cash account not to exceed \$5,000 for the advancement of monies for purposes of purchases of evidence and investigative expenses, including travel, deemed necessary by the Board.

STRUCTURAL PEST CONTROL BOARD

	For the Years Ending	
	August 31, <u>2004</u>	August 31, <u>2005</u>
A. Goal: LICENSE AND EDUCATE		
To appropriately license all individuals in commercial and noncommercial pest control.		
Outcome (Results/Impact):		
Percent of Licensees with No Recent Violations	98%	98%
Percent of Licensees Who Renew Online	10%	15%
Percent of New Individual Licenses Issued Online	0%	10%
A.1.1. Strategy: LICENSING AND EXAMINATIONS	\$ 432,064	\$ 432,064
Examine and license applicators and technicians and ensure appropriate standards for training.		
Output (Volume):		
Number of New Licenses Issued to Individuals	5,510	5,394
Number of Licenses Renewed (Individuals)	12,825	12,555
Efficiencies:		
Average Licensing Cost per Individual License Issued	25	25
B. Goal: REGULATE PEST SERVICES		
To ensure compliance with regulations therefore providing environmentally sound and effective pest control.		
Outcome (Results/Impact):		
Percent of Complaints Resolved Within Six Months	65%	65%
B.1.1. Strategy: REGULATORY ACTIVITIES	\$ 856,548	\$ 856,548
Conduct programs to disseminate information, respond to complaints, perform inspections and necessary investigations, and take appropriate enforcement actions.		
Output (Volume):		
Number of Complaints Resolved	805	805
Number of Inspections Performed	1,520	1,488
Efficiencies:		
Average Time for Complaint Resolution (Days)	75	75

STRUCTURAL PEST CONTROL BOARD
(Continued)

C. Goal: EDUCATION AND AWARENESS

To provide for the education and awareness to the citizenry of Texas concerning matters relating to pest control, with emphasis on Integrated Pest Management in Texas public schools.

Outcome (Results/Impact):

Percent of Independent School Districts Reviewed Regarding Integrated Pest Management

C.1.1. Strategy: PUBLIC AWARENESS EFFORTS

Conduct a program for public awareness and education concerning Integrated Pest Management and compliance assistance.

Output (Volume):

Number of School Inspections Performed

Grand Total, STRUCTURAL PEST CONTROL BOARD

	15%		15%
	\$ 81,650		\$ 81,650
			200
	\$ 1,370,262		\$ 1,370,262

Method of Financing:

General Revenue Fund

Federal Funds

Appropriated Receipts

Total, Method of Financing

Other Direct and Indirect Costs Appropriated Elsewhere in this Act

Number of Full-Time-Equivalent Positions (FTE):

Schedule of Exempt Positions:

Executive Director, Group 1

Object-of-Expense Informational Listing:

Salaries and Wages

Other Personnel Costs

Operating Costs

Consumable Supplies

Utilities

Travel

Rent - Building

Rent - Machine and Other

Other Operating Expense

Total, Object-of-Expense Informational Listing

	\$ 1,219,662		\$ 1,219,662
	150,000		150,000
	600		600
	\$ 1,370,262		\$ 1,370,262
			\$ 372,715
			31.0
			\$ 63,000
			\$ 1,053,248
	25,060		25,060
	57,625		57,625
	13,000		13,000
	8,050		8,050
	123,987		123,987
	1,625		1,625
	6,729		6,729
	80,938		80,938
	\$ 1,370,262		\$ 1,370,262

1. **Use of Temporary and Contract Workers.** None of the amounts appropriated above to the Structural Pest Control Board may be expended for temporary staffing service contracts.
2. **Field Investigators.** It is the intent of the legislature that the Structural Pest Control Board, whenever possible, hire qualified job candidates from the region where the vacancy exists.

BOARD OF PHARMACY

For the Years Ending
August 31, August 31,
2004 2005

Out of the Pharmacy Board Operating Account No. 823:

A. Goal: MAINTAIN STANDARDS

To establish and implement reasonable standards for pharmacist education and practice, and for the operations of pharmacies to assure that safe and effective pharmaceutical care is delivered to the citizens of Texas.

Outcome (Results/Impact):

Percent of Licensees with No Recent Violations	99%	99%
Percent of Licensees Who Renew Online	18%	23%
Percent of New Individual Licenses Issued Online	0%	10%

A.1.1. Strategy: LICENSING

Operate a timely, cost-effective application and renewal licensure system for pharmacies and pharmacists.	\$ 797,216	\$ 766,519
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Output (Volume):

Number of New Licenses Issued to Individuals	780	800
Number of Licenses Renewed (Individuals)	10,880	11,650

Efficiencies:

Average Licensing Cost per Individual License Issued	15.74	19.37
Average Licensing Cost per Facility License Issued	36.98	40.82

Explanatory:

Total Number of Business Facilities Licensed	5,850	5,900
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B. Goal: ENFORCE REGULATIONS

To assertively and swiftly enforce all laws relating to the practice of pharmacy to ensure that the public health and safety is protected from the following: incompetent pharmacists; unprofessional conduct, fraud, and misrepresentation by licensees; and diversion of prescription drugs from pharmacies; and to promote positive patient outcomes through the following: reduction of medication errors by encouraging or requiring licensees to implement self-assessment programs and continuous quality improvement programs, including peer review processes; and enforcement of rules relating to patient counseling and drug regimen review, including prevention of misuse and abuse of prescription drugs.

Outcome (Results/Impact):

Percent of Complaints Resulting in Disciplinary Action	10%	10%
B.1.1. Strategy: ENFORCEMENT	\$ 1,662,032	\$ 1,924,884

Emphasize preventative enforcement by conducting compliance inspections of pharmacies; promote voluntary compliance by providing information, education, and technical assistance to licensees; and protect public health and safety by receiving, investigating, and resolving complaints, disciplining licensees, and monitoring compliance with disciplinary orders resulting from board adjudication.

Output (Volume):

Number of Complaints Resolved	1,700	1,700
Efficiencies:		
Average Time for Complaint Resolution (Days)	250	250

Explanatory:

Number of Jurisdictional Complaints Received	1,800	1,800
B.1.2. Strategy: PEER ASSISTANCE	\$ 146,825	\$ 146,825

Operate a peer assistance program.

BOARD OF PHARMACY
(Continued)

Output (Volume):		
Number of Individuals Participating in a Peer Assistance Program	135	135
Total, Goal B: ENFORCE REGULATIONS	\$ 1,808,857	\$ 2,071,709
C. Goal: INDIRECT ADMINISTRATION		
C.1.1. Strategy: INDIRECT ADMINISTRATION	\$ 545,619	\$ 536,263
Grand Total, BOARD OF PHARMACY	\$ 3,151,692	\$ 3,374,491
Other Direct and Indirect Costs Appropriated Elsewhere in this Act	\$ 779,282	\$ 835,422
Number of Full-Time-Equivalent Positions (FTE):	45.0	45.0
Number of FTEs in Riders:	3.0	9.0
Schedule of Exempt Positions:		
Executive Director, Group 2	\$70,000	\$70,000
Per Diem of Board Members	9,450	9,450
Object-of-Expense Informational Listing:		
Salaries and Wages	\$ 2,156,680	\$ 2,324,916
Other Personnel Costs	45,136	45,136
Operating Costs	267,840	261,662
Professional Fees and Services	146,000	132,500
Other Operating Expense	475,143	542,476
Capital Expenditures	<u>60,893</u>	<u>67,801</u>
Total, Object-of-Expense Informational Listing	\$ 3,151,692	\$ 3,374,491

1. **Capital Budget.** None of the funds appropriated above may be expended for capital budget items except as listed below. The amounts shown below shall be expended only for the purposes shown and are not available for expenditure for other purposes. Amounts appropriated above and identified in this provision as appropriations either for "Lease Payments to the Master Equipment Purchase Program" or for items with an "(MLPP)" notation shall be expended only for the purpose of making lease-purchase payments to the Texas Public Finance Authority pursuant to the provisions of Government Code § 1232.103. Upon approval from the Legislative Budget Board, capital budgeted funds listed below under "Acquisition of Information Resource Technologies" may be used to lease information resources hardware and/or software versus the purchase of information resources hardware and/or software, if determined by agency management to be in the best interest of the State of Texas.

	<u>2004</u>	<u>2005</u>
Out of the GR Dedicated - Pharmacy Board Operating Account No. 523:		
a. Acquisition of Information Resource Technologies		
(1) Replacement and Acquisition of New Computer Hardware	\$ 47,100	\$ 18,301
b. Transportation Items		
(1) Purchase of New Vehicles (3)	\$ 0	\$ 49,500
Total, Capital Budget	\$ 47,100	\$ 67,801

BOARD OF PHARMACY
(Continued)

2. Contingent Appropriation for Registration of Pharmacy Technicians.

- a. Of the amounts appropriated above to the Board of Pharmacy the following amounts are contingent on the Pharmacy Board assessing fees sufficient to generate \$246,432 in excess of \$3,651,000 (Object Code 3562) in fiscal year 2004 and \$479,837 in excess of \$3,881,000 (Object Code 3562) in fiscal year 2005, as contained in the Comptroller of Public Accounts' Biennial Revenue Estimate for the 2004-2005 biennium:
 - (1) in Strategy A.1.1, Licensing, the amount of \$246,432 in fiscal year 2004 and the amount of \$177,525 in fiscal year 2005; and
 - (2) in Strategy B.1.1, Enforcement, the amount of \$302,312 in fiscal year 2005.
- b. The Pharmacy Board, upon completion of necessary actions to assess or increase such additional fees, shall furnish copies of the board meeting minutes and other information supporting the estimated revenues to be generated for the 2004-2005 biennium under the revised fee structure to the Comptroller of Public Accounts. If the Comptroller finds the information sufficient to support the projection of increased revenues, a finding of fact to that effect shall be issued and the contingent appropriation shall be made available.
- c. Also contingent upon the Board of Pharmacy assessing fees sufficient to generate \$246,432 in excess of \$3,651,000 (Object Code 3562) in fiscal year 2004 and \$479,837 in excess of \$3,881,000 (Object Code 3562) in fiscal year 2005, as contained in the Comptroller of Public Accounts' Biennial Revenue Estimate, the "Number of Full-Time Equivalent Positions" figure indicated above is increased by 3 for FY 2004 and by 9 for FY 2005. In no event shall the amount expended by this provision exceed the amount of additional revenue generated.
- d. None of the funds out of the GR-Dedicated-Pharmacy Board Operating Account No. 523 that are appropriated by this provision may be expended for capital budget items except as identified below and included in the capital budget:
 - (1) Acquisition of Information Resources Technologies
 - (a) Acquisition of new computer hardware: \$18,301 in FY2005; and
 - (2) Transportation Items
 - (a) Acquisition of vehicles: \$49,500 in FY 2005.

**EXECUTIVE COUNCIL OF PHYSICAL THERAPY &
OCCUPATIONAL THERAPY EXAMINERS**

For the Years Ending
August 31, August 31,
2004 2005

A. Goal: LICENSING AND REGISTRATION

To protect the public health and safety by licensing qualified practitioners of physical therapy and occupational therapy and registering the eligible facilities providing such services.

Outcome (Results/Impact):

Percent of Licensees with No Recent Violations: Physical Therapy	99%	99%
Percent of Licensees with No Recent Violations: Occupational Therapy	100%	100%
Percent of Licensees Who Renew Online	27.5%	32.5%
Percent of New Individual Licenses Issued Online	0%	10%

A.1.1. Strategy: OPERATE LICENSING SYSTEM

\$	562,056	\$	562,056
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Operate an efficient, accurate, and timely licensure process to license physical therapists, physical therapist assistants, occupational therapists and occupational therapy assistants, through specific requirements for preparatory education, examinations, endorsements, continuing education, and renewal, and operate an efficient, accurate and timely registration process to register and renew licenses for facilities in which the practices of physical therapy and occupational therapy are conducted.

Output (Volume):

Number of New Licenses Issued to Individuals: Physical Therapy	803	803
Number of New Licenses Issued to Individuals: Occupational Therapy	527	527
Number of Licenses Renewed (Individuals): Physical Therapy	5,206	5,206
Number of Licenses Renewed (Individuals): Occupational Therapy	3,072	3,072

Efficiencies:

Average Licensing Cost Per Individual License Issued: Physical Therapy	45	45
Average Licensing Cost Per Individual License Issued: Occupational Therapy	70	70
Average Cost Per Facility Registration Issued	32	32

Explanatory:

Total Number of Business Facilities Registered	2,271	2,271
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B. Goal: ENFORCEMENT

To protect the public by investigating allegations against individuals in violation of the laws governing the practice of physical therapy and occupational therapy, and taking appropriate corrective and/or disciplinary action when necessary; and by educating the public, staff and licensees regarding board functions and services.

Outcome (Results/Impact):

Percent of Complaints Resulting in Disciplinary Action: Physical Therapy	20%	20%
Percent of Complaints Resulting in Disciplinary Action: Occupational Therapy	29.3%	29.3%

B.1.1. Strategy: ADMINISTER ENFORCEMENT

\$	303,820	\$	303,820
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Administer a system of enforcement and adjudication of the laws governing the practice of physical therapy and occupational therapy.

**EXECUTIVE COUNCIL OF PHYSICAL THERAPY &
OCCUPATIONAL THERAPY EXAMINERS**

(Continued)

Output (Volume):		
Number of Complaints Resolved: Physical Therapy	150	170
Number of Complaints Resolved: Occupational Therapy	41	41
Efficiencies:		
Average Time for Complaint Resolution: Physical Therapy (Days)	200	200
Average Time for Complaint Resolution: Occupational Therapy (Days)	142.1	142.1
Explanatory:		
Number of Jurisdictional Complaints Received: Physical Therapy	184	184
Number of Jurisdictional Complaints Received: Occupational Therapy	64	64
Grand Total, EXECUTIVE COUNCIL OF PHYSICAL THERAPY & OCCUPATIONAL THERAPY EXAMINERS		
	<u>\$ 865,876</u>	<u>\$ 865,876</u>
Method of Financing:		
General Revenue Fund	\$ 840,876	\$ 840,876
Appropriated Receipts	<u>25,000</u>	<u>25,000</u>
Total, Method of Financing	<u>\$ 865,876</u>	<u>\$ 865,876</u>
Other Direct and Indirect Costs Appropriated Elsewhere in this Act		
	\$ 256,812	\$ 256,555
Number of Full-Time-Equivalent Positions (FTE):		
	18.0	18.0
Schedule of Exempt Positions:		
Executive Director, Group 1	\$51,198	\$51,198
Per Diem of Board Members	5,070	5,070
Object-of-Expense Informational Listing:		
Salaries and Wages	\$ 624,198	\$ 624,198
Other Personnel Costs	15,500	15,500
Operating Costs	86,850	86,850
Professional Fees and Services	20,350	-20,350
Consumable Supplies	12,000	12,000
Utilities	10,900	10,900
Travel	31,230	31,230
Rent - Building	175	175
Other Operating Expense	<u>64,673</u>	<u>64,673</u>
Total, Object-of-Expense Informational Listing	<u>\$ 865,876</u>	<u>\$ 865,876</u>

BOARD OF PLUMBING EXAMINERS

For the Years Ending	
August 31, 2004	August 31, 2005

A. Goal: ENSURE PUBLIC SAFETY/PLUMBING

To protect the health and safety of Texas citizens by ensuring that each person has access to uncontaminated drinking water, air and medical gases through quality plumbing systems installed and maintained by competent Master Plumbers, Journeyman Plumbers, Tradesman Plumber-Limited Licensees, Plumber's Apprentices, Residential Utility Installers, Drain Cleaners, Drain Cleaner-restricted Registrants and that the systems are inspected by competent Plumbing Inspectors; to ensure that all individuals involved in the installation, maintenance and inspection of plumbing systems in each city and public water system in the state are regulated by fair and responsive enforcement of clear standards, in order that the public may live and work in the safe environment that properly installed plumbing systems are designed to provide.

Outcome (Results/Impact):

Percentage of Complaints Resolved Resulting in Disciplinary Action	60%	60%
Percentage of Licensees with No Recent Violations	97%	97%
Percent of Licensees Who Renew Online	14.8%	19.8%
Percent of New Individual Licenses Issued Online	0%	10%

A.1.1. Strategy: EXAMINE AND LICENSE PLUMBERS

Administer competency examinations and issue and renew licenses for master plumbers, journeyman plumbers, tradesman plumber-limited licensees, plumbing inspectors, medical gas endorsements, and water supply protection endorsements; issue and renew registrations for plumber's apprentices, residential utility installers, drain cleaners and drain cleaner-restricted registrants.

Output (Volume):

Number of New Licenses Issued to Individuals	1,069	1,087
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Efficiencies:

Average Licensing Cost Per Individual License Issued	4.75	4.75
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A.1.2. Strategy: INSPECTIONS AND ENFORCEMENT

Inspect and monitor job sites; conduct continuing education seminars and training sessions; respond to inquiries; investigate and resolve complaints; issue reprimands and revoke or suspend licenses and registrations; issue citations; monitor providers of instruction in medical gas piping programs, water supply protection specialist programs, and continuing professional education programs; inspect plumbing for compliance with state plumbing codes; and maintain contacts with municipal authorities that comply with the Act through local ordinances.

Output (Volume):

Number of Job Sites Monitored	6,750	6,750
Number of Field Investigations Conducted	317	317
Number of Complaints Resolved	317	317

Total, Goal A: ENSURE PUBLIC SAFETY/PLUMBING	\$ 1,182,019	\$ 1,182,019
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BOARD OF PLUMBING EXAMINERS
(Continued)

B. Goal: INDIRECT ADMINISTRATION		
B.1.1. Strategy: INDIRECT ADMINISTRATION	\$ 387,500	\$ 387,500
Grand Total, BOARD OF PLUMBING EXAMINERS	<u>\$ 1,569,519</u>	<u>\$ 1,569,519</u>
Method of Financing:		
General Revenue Fund	\$ 1,559,519	\$ 1,559,519
Appropriated Receipts	<u>10,000</u>	<u>10,000</u>
Total, Method of Financing	<u>\$ 1,569,519</u>	<u>\$ 1,569,519</u>
Other Direct and Indirect Costs Appropriated Elsewhere in this Act	\$ 350,501	\$ 349,931
Number of Full-Time-Equivalent Positions (FTE):	22.0	22.0
Schedule of Exempt Positions:		
Administrator, Group 2	\$62,000	\$62,000
Per Diem of Board Members	2,030	2,030
Object-of-Expense Informational Listing:		
Salaries and Wages	\$ 877,100	\$ 877,100
Other Personnel Costs	19,800	19,800
Operating Costs	657,619	672,619
Capital Expenditures	<u>15,000</u>	<u>0</u>
Total, Object-of-Expense Informational Listing	<u>\$ 1,569,519</u>	<u>\$ 1,569,519</u>

1. **Sunset Contingency.** Funds appropriated above for fiscal year 2005 for the Texas State Board of Plumbing Examiners are made contingent on the continuation of the Texas State Board of Plumbing Examiners by the Seventy-eighth Legislature. In the event that the agency is not continued, the funds appropriated for fiscal year 2004 or as much thereof as may be necessary are to be used to provide for the phase out of agency operations.

BOARD OF PODIATRIC MEDICAL EXAMINERS

	For the Years Ending	
	August 31, <u>2004</u>	August 31, <u>2005</u>
A. Goal: PROTECT TEXANS		
To protect the citizens of Texas from incompetent and unethical podiatrists with a quality program of examination and licensure and swift, fair, and effective enforcement of statutes and rules.		
Outcome (Results/Impact):		
Percent of Licensees with No Recent Violations	98%	98%
Percent of Documented Complaints Resolved within Six Months	62%	62%
Percent of Licensees Who Renew Online	10%	15%
Percent of New Individual Licenses Issued Online	0%	10%
A.1.1. Strategy: LICENSURE AND ENFORCEMENT	\$ 209,557	\$ 204,792
Operate a system of: (1) testing and examination of candidates for licensure; (2) mandatory continuing medical education of licensees; and (3) investigation and disciplinary hearings for alleged violations of the Texas Podiatric Medical Practice Act.		

BOARD OF PODIATRIC MEDICAL EXAMINERS
(Continued)

Output (Volume):		
Number of New Licenses Issued to Individuals	56	56
Complaints Resolved	108	108
Efficiencies:		
Average Licensing Cost Per Individual License Issued	8.43	8.43
Average Time for Complaint Resolution (Days)	201.1	201.1
Explanatory:		
Total Number of Individuals Licensed	1,043	1,043
Grand Total, BOARD OF PODIATRIC MEDICAL EXAMINERS	\$ 209,557	\$ 204,792
Method of Financing:		
General Revenue Fund	\$ 206,357	\$ 201,592
Appropriated Receipts	<u>3,200</u>	<u>3,200</u>
Total, Method of Financing	\$ 209,557	\$ 204,792
Other Direct and Indirect Costs Appropriated Elsewhere in this Act	\$ 74,881	\$ 74,778
Number of Full-Time-Equivalent Positions (FTE):	4.0	4.0
Schedule of Exempt Positions:		
Executive Director, Group 1	\$52,000	\$52,000
Per Diem of Board Members	1,080	1,080
Object-of-Expense Informational Listing:		
Salaries and Wages	\$ 153,064	\$ 153,064
Other Personnel Costs	3,120	3,120
Operating Costs	45,373	43,108
Capital Expenditures	<u>8,000</u>	<u>5,500</u>
Total, Object-of-Expense Informational Listing	\$ 209,557	\$ 204,792

BOARD OF EXAMINERS OF PSYCHOLOGISTS

	For the Years Ending	
	August 31,	August 31,
	2004	2005
A. Goal: LICENSURE		
To protect the public by maintaining a quality program of examination and licensure to ensure the initial and continuing competency of psychologists, psychological associates, and licensed specialists in school psychology.		
Outcome (Results/Impact):		
Percent of Licensees with No Recent Violations	99%	99%
Percent of Licensees Who Renew Online	24.5%	29.5%
Percent of New Individual Licenses Issued Online	0%	10%
A.1.1. Strategy: LICENSING	\$ 440,033	\$ 440,033
To operate a quality licensure program through an efficient and cost effective program of licensure, including education, experience and examination requirements, continuing education requirements and renewal requirements.		

BOARD OF EXAMINERS OF PSYCHOLOGISTS
(Continued)

Output (Volume):		
Number of New Certificates/Licenses Issued to Individuals	385	385
Number of Certificates/Licenses Renewed (Individuals)	6,385	6,385
Efficiencies:		
Average Licensing Cost Per Individual License Issued	23	23
B. Goal: ENFORCEMENT LAWS & RULES		
To protect the public through enforcement of the laws and rules governing the practice of psychology in Texas and to ensure swift, fair and effective disciplinary action for violators, including re-education and/or rehabilitation of those violators.		
Outcome (Results/Impact):		
Percent of Documented Complaints Resolved within Six Months	27%	35%
B.1.1. Strategy: ENFORCEMENT		
Operate a quality investigation/enforcement program in response to complaints concerning psychological practice consistent with the due process laws of Texas, in a timely manner and with a focus during enforcement on rehabilitation of the psychological provider.	\$ 280,530	\$ 280,531
Output (Volume):		
Complaints Resolved	150	150
Efficiencies:		
Average Time for Complaint Resolution (Days)	250	250
Explanatory:		
Number of Jurisdictional Complaints Received	160	160
 Grand Total, BOARD OF EXAMINERS OF PSYCHOLOGISTS	 \$ 720,563	 \$ 720,564
 Method of Financing:		
General Revenue Fund	\$ 655,563	\$ 655,564
Appropriated Receipts	65,000	65,000
Total, Method of Financing	\$ 720,563	\$ 720,564
 Other Direct and Indirect Costs Appropriated Elsewhere in this Act		
	\$ 198,683	\$ 198,396
 Number of Full-Time-Equivalent Positions (FTE):		
	14.0	14.0
 Schedule of Exempt Positions:		
Executive Director, Group 1	\$52,000	\$52,000
Per Diem of Board Members	7,050	7,050
 Object-of-Expense Informational Listing:		
Salaries and Wages	\$ 493,797	\$ 493,797
Other Personnel Costs	11,200	11,200
Operating Costs	30,000	30,000
Professional Fees and Services	80,800	80,800
Consumable Supplies	10,000	10,000
Utilities	6,200	6,200
Travel	22,000	22,000
Rent - Building	3,400	3,400
Rent - Machine and Other	1,000	1,000
Other Operating Expense	62,166	62,167
Total, Object-of-Expense Informational Listing	\$ 720,563	\$ 720,564

RACING COMMISSION

	For the Years Ending	
	August 31, 2004	August 31, 2005
A. Goal: ENFORCE RACING REGULATION		
To enforce racing regulations in Texas.		
Outcome (Results/Impact):		
Percentage of Investigations (Individuals) Resulting in Disciplinary Action	97%	97%
Percentage of Licensees with No Recent Violations	98%	98%
Percentage of Race Animals Injured or Dismissed from the Racetrack	.3%	.3%
A.1.1. Strategy: REGULATE RACETRACK OWNERS	\$ 160,546	\$ 160,546
Monitor racetrack owners and their operations through regulatory and enforcement activities.		
Output (Volume):		
Number of Racetrack Inspections	69	69
Efficiencies:		
Average Regulatory Cost per Horse Racetrack	21,281	21,281
Average Regulatory Cost per Greyhound Racetrack	21,281	21,281
Explanatory:		
Number of Horse Tracks Regulated	7	7
Number of Greyhound Tracks Regulated	3	3
A.2.1. Strategy: TEXAS BRED INCENTIVE PROGRAM	\$ 5,418,494	\$ 5,418,494
Administer the Texas Bred Incentive Program by monitoring the Texas bred races and account, and through timely allocation of funds to the breed registries (nontransferable).		
Output (Volume):		
Number of Texas-bred Awards	25,960	26,400
A.3.1. Strategy: SUPERVISE RACING CONDUCT	\$ 3,383,535	\$ 1,383,736
Supervise the conduct of racing through enforcement of regulations and monitoring of races.		
Output (Volume):		
Number of Occupational Licensees Suspended or Revoked	220	220
Number of Investigations Completed	1,527	1,527
A.4.1. Strategy: HEALTH AND DRUG TESTING PROGRAM	\$ 674,735	\$ 674,935
Administer Animal Health and Drug Testing Program through animal drug tests and veterinary inspections.		
Output (Volume):		
Number of Race Animals Inspected Pre-race	136,554	136,554
Total, Goal A: ENFORCE RACING REGULATION	\$ 9,637,310	\$ 7,637,711
B. Goal: REGULATE PARTICIPATION		
Regulate the participation in racing.		
Outcome (Results/Impact):		
Average Time Required to Issue a New Occupational License (Minutes)	7	7
B.1.1. Strategy: OCCUPATIONAL LICENSING PROGRAM	\$ 444,020	\$ 444,420
Administer the Occupational Licensing Program through enforcement of regulations.		
Output (Volume):		
Number of New Occupational Licenses Issued	6,150	6,150
Number of Occupational Licenses Renewed	9,500	9,500
Efficiencies:		
Average Regulatory Cost per Licensee	28.72	28.72
C. Goal: REGULATE PARI-MUTUEL WAGERING		
Regulate pari-mutuel wagering in Texas.		
Outcome (Results/Impact):		
Percentage of Compliance Audits Passed	96%	96%

RACING COMMISSION
(Continued)

C.1.1. Strategy: REGULATE PARI-MUTUEL WAGERING	\$	697,479	\$	697,679
Regulate pari-mutuel wagering to maintain an honest racing industry.				
Output (Volume):				
Number of Illegal Wagering Investigations Completed		12		12
Efficiencies:				
Average Cost per Illegal Wagering Investigation		430.73		430.73
Explanatory:				
Total Pari-mutuel Handle (In Millions)		632.36		635.46
Total Take to the State Treasury from Pari-mutuel Wagering on Live and Simulcast Races		5,417,301		5,562,937
D. Goal: INDIRECT ADMINISTRATION				
D.1.1. Strategy: CENTRAL ADMINISTRATION	\$	772,249	\$	772,249
D.1.2. Strategy: INFORMATION RESOURCES	\$	255,978	\$	255,978
D.1.3. Strategy: OTHER SUPPORT SERVICES	\$	22,368	\$	22,368
		<u>1,050,595</u>		<u>1,050,595</u>
Total, Goal D: INDIRECT ADMINISTRATION		<u>1,050,595</u>		<u>1,050,595</u>
Grand Total, RACING COMMISSION		<u>11,829,404</u>		<u>9,830,405</u>
Method of Financing:				
GR Dedicated - Texas Racing Commission Account No. 597	\$	9,829,404	\$	9,830,405
GR Dedicated - Breeders' Cup Developmental Account		<u>2,000,000</u>		<u>0</u>
Total, Method of Financing		<u>11,829,404</u>		<u>9,830,405</u>
Other Direct and Indirect Costs Appropriated Elsewhere in this Act	\$	914,453	\$	912,526
Number of Full-Time-Equivalent Positions (FTE):		81.4		81.4
Schedule of Exempt Positions:				
Executive Secretary, Group 2		\$77,760		\$77,760
Per Diem of Commissioners		6,500		6,500
Object-of-Expense Informational Listing:				
Salaries and Wages	\$	3,512,844	\$	3,512,845
Other Personnel Costs		73,881		74,881
Operating Costs		739,728		739,728
Travel		50,000		50,000
Grants		7,418,494		5,418,494
Capital Expenditures		<u>34,457</u>		<u>34,457</u>
Total, Object-of-Expense Informational Listing		<u>11,829,404</u>		<u>9,830,405</u>

1. **Capital Budget.** None of the funds appropriated above may be expended for capital budget items except as listed below. The amount shown below shall be expended only for the purposes shown and are not available for expenditure for other purposes. Amounts appropriated above and identified in this provision as appropriations either for "Lease Payments to the Master Lease Purchase" or for other items with an "(MLPP)" notation shall be expended only for the purpose of making lease-purchase payments to the Texas Public Finance Authority pursuant to the provisions of Government Code § 1232.103. Upon approval from the Legislative Budget Board, capital budgeted funds listed below under "Acquisition of Information Resource Technologies" may be used to lease information resources hardware and/or software versus the purchase of information resources hardware and/or software, if determined by commission management to be in the best interest of the State of Texas.

RACING COMMISSION
(Continued)

	2004	2005
Out of the GR Dedicated - Texas Racing Commission Account No. 597:		
a. Acquisition of Information Resource Technologies		
(1) Purchase Computer Hardware & Software	\$ 34,457	\$ 34,457
Total, Capital Budget	\$ 34,457	\$ 34,457
2. Limitation on Travel Reimbursement. Out of the funds appropriated above, not more than \$1,500 per Commissioner may be expended on out-of-state travel and not more than \$3,000 per Commissioner may be expended on in-state travel in each year of the biennium.		
3. Appropriation: Unexpended Balances. Unexpended balances remaining in Racing Commission Receipts as of August 31, 2004, are hereby appropriated for the fiscal year beginning September 1, 2004.		
4. Texas Bred Incentive Program Receipts. Amounts set aside by the Texas Racing Act for the Texas Bred Incentive Program are appropriated above in Strategy A.2.1, Texas Bred Incentive Program.		
5. Criminal History Checks. Out of the funds appropriated above in Strategy B.1.1, Occupational Licensing Program, \$25,000 in fiscal year 2004 and \$25,000 in fiscal year 2005 are appropriated to the Racing Commission for the purpose of reimbursing the Department of Public Safety for costs incurred in conducting criminal history checks on Racing Commission license applicants and renewals. Any additional revenue received from occupational license fees to cover the costs of criminal history checks is hereby appropriated to the Racing Commission for the purpose of reimbursing the Department of Public Safety.		
6. Texas Bred Incentive Program Awards. None of the funds appropriated above for Texas Bred Incentive Program Awards may be expended for payments to a member serving on the commission. The Racing Commission shall take all necessary steps to ensure compliance with this provision.		
7. Contingency Appropriation for Breeders' Cup. Out of the amounts appropriated above, \$2,000,000 in Strategy A.3.1, Supervise Racing Conduct, is contingent on a Breeders' Cup race being awarded to a Texas racetrack for a race date during the 2004-05 biennium. The amount is appropriated from state set asides collected during the year the race is hosted, as authorized by §§ 6.091 (a) (1) and 6.093, Rev. Civ. St. Ann. Art. 179e, and is contingent on the Comptroller's certification that increased activity from the Breeders' Cup race will generate additional revenue in the Breeders' Cup Developmental Account No. 8073 in the General Revenue Fund equal to or greater than the amount appropriated. The money is to be used to reimburse the racetrack for costs incurred as a result of hosting the races pursuant to § 6.094, Rev. Civ. St. Ann. Art. 179e. Of these funds, balances on hand as of August 31, 2004 are hereby appropriated to the Texas Racing Commission for the fiscal year beginning September 1, 2004, for the purpose specified.		

REAL ESTATE COMMISSION

	For the Years Ending	
	August 31, 2004	August 31, 2005
A. Goal: ENSURE STANDARDS		
To determine that applicants for licensure meet legal requirements for real estate license issuance.		
Outcome (Results/Impact):		
Percent of Licensees with No Recent Violations	98%	98%
Percent of Licensees Who Renew Online	34%	39%
Percent of New Individual Licenses Issued Online	0%	10%
A.1.1. Strategy: TREC LICENSING	\$ 1,260,024	\$ 1,260,024
Perform the commission's licensing function by: reviewing applications; processing criminal records checks; issuing candidate information brochures to take competency examinations; and issuing licenses.		
Output (Volume):		
Number of New Licenses Issued to Individuals	13,000	13,000
Number of Licenses Renewed (Individuals)	53,000	53,000
Efficiencies:		
Average Licensing Cost per Individual License Issued	13.42	13.42
Average Time for Individual License Issuance (Days)	40	40
B. Goal: ENFORCE REGULATIONS		
To act promptly and aggressively to enforce the laws and rules of the commission in a fair and evenhanded manner.		
Outcome (Results/Impact):		
Percent of Documented Complaints Resolved Within Six Months	70%	70%
B.1.1. Strategy: TREC INVESTIGATION	\$ 1,222,057	\$ 1,222,057
Investigate and resolve complaints by reviewing complaints for validity and opening complaint files as indicated and by reviewing investigative reports.		
Output (Volume):		
Number of Complaints Resolved	2,700	2,700
Efficiencies:		
Average Time for Complaint Resolution (Days)	120	120
C. Goal: PROVIDE EDUCATION		
To communicate effectively with the public and licensees concerning matters within the commission's jurisdiction.		
C.1.1. Strategy: LICENSEE/CONSUMER EDUCATION	\$ 470,294	\$ 470,294
Prepare and distribute information describing the functions of the commission and statutory and regulatory provisions.		
Output (Volume):		
Number of Calls Received	275,000	275,000
D. Goal: LICENSING APPRAISERS		
To protect the public and ensure the availability of qualified appraisers by implementing and enforcing the Texas Appraiser Licensing and Certification Act and by providing information to appraisers and the general public for the maintenance of high professional standards and informed consumer decisions in real estate transactions in all areas of Texas (§ 1103.156, Occupations Code).		
Outcome (Results/Impact):		
Percent of Licensed or Certified Appraisers with No Recent Violations	97.7%	97.7%
Percent of Licensees Who Renew Online	42%	47%
Percent of New Individual Licenses Issued Online	0%	10%
Percent of Documented Complaints Resolved Within Six Months	60%	60%
D.1.1. Strategy: TALCB LICENSING	\$ 358,087	\$ 379,737
Process appraiser license applications; issue licenses and renewals; approve appraisal educational coursework offered by proprietary		

REAL ESTATE COMMISSION
(Continued)

schools, appraisal organizations, and colleges and universities; and develop standards and agreements for reciprocity with other states for appraiser licensing and certification.		
Output (Volume):		
Number of New Licenses and Certifications Issued to Individuals	261	261
Number of Licenses and Certifications Renewed (Individuals)	1,614	1,614
D.2.1. Strategy: TALCB ENFORCEMENT	\$ 113,822	\$ 113,822
Investigate and resolve complaints, imposing penalties when appropriate.		
Output (Volume):		
Number of Complaints Resolved	85	85
Efficiencies:		
Average Time for Complaint Resolution (Days)	136	136
Total, Goal D: LICENSING APPRAISERS	\$ 471,909	\$ 493,559
E. Goal: INDIRECT ADMINISTRATION		
E.1.1. Strategy: INDIRECT ADMINISTRATION	\$ 1,175,940	\$ 1,175,940
Grand Total, REAL ESTATE COMMISSION	\$ 4,600,224	\$ 4,621,874
 Method of Financing:		
General Revenue Fund	\$ 4,306,596	\$ 4,307,246
OR Dedicated - Appraiser Registry Account No. 028	99,000	120,000
Other Funds		
Appropriated Receipts	190,628	190,628
Real Estate Recovery Trust Fund	3,500	3,500
Real Estate Inspection Trust Fund	500	500
Subtotal, Other Funds	\$ 194,628	\$ 194,628
Total, Method of Financing	\$ 4,600,224	\$ 4,621,874
Other Direct and Indirect Costs Appropriated Elsewhere in this Act	\$ 966,964	\$ 964,383
Number of Full-Time-Equivalent Positions (FTE):	83.0	83.0
Schedule of Exempt Positions:		
Administrator, Group 2	\$70,000	\$70,000
Per Diem of TREC Commission Members	7,500	7,500
Per Diem of TALCB Board Members	9,720	9,720
Object-of-Expense Informational Listing:		
Salaries and Wages	\$ 2,880,317	\$ 2,880,317
Other Personnel Costs	177,499	177,699
Operating Costs	1,330,458	1,351,908
Professional Fees and Services	6,250	6,250
Other Operating Expense	205,700	205,700
Total, Object-of-Expense Informational Listing	\$ 4,600,224	\$ 4,621,874
 1. Appropriation of Residential Service Company Examination Fees. In addition to the funds appropriated above (\$5,500 each year of the biennium), all monies collected pursuant to § 1303.052 (c), Occupations Code, are hereby appropriated to the Texas Real Estate		

REAL ESTATE COMMISSION
(Continued)

- Commission for the purposes of conducting examinations and related activities included within Strategy B.1.1, TREC Investigation.
2. **Reporting Requirement.** In its annual report, the Real Estate Commission shall provide a schedule showing a breakdown of the number of broker and salesman license renewals and the amount of funds transferred to the Real Estate Research Center.
 3. **Appropriation of Receipts, National Registry Fees.** Fee revenue deposited to the Appraiser Registry Account No. 028, in the General Revenue Fund pursuant to § 1103.156, Occupations Code, including the estimated amounts appropriated above, \$99,000 in fiscal year 2004 and \$120,000 in fiscal year 2005, is hereby appropriated to the Texas Appraiser Licensing and Certification Board, as an independent subdivision of the Texas Real Estate Commission. The appropriation made herein shall be expended only for the purpose specified in § 1103.156, Occupations Code, relating to revenue transmitted to the federal Appraisal Subcommittee.
 4. **Real Estate Recovery Fund and Inspection Recovery Fund.** The amounts appropriated above include an estimated \$4,000 per year from the Real Estate Recovery Trust Fund and the Real Estate Inspection Trust Fund to recover travel and related expenses incurred for collection of court judgments affecting the funds.
 5. **Promotion of On-line Services.** It is the intent of the Legislature that the Texas Real Estate Commission print, in at least 13 point font, a notice on any form with an on-line alternative that such services are available on the Internet, listing the website address.

SECURITIES BOARD

	For the Years Ending	
	August 31, <u>2004</u>	August 31, <u>2005</u>
Out of the General Revenue Fund:		
A. Goal: PROTECT INVESTORS		
To protect investors from fraud and misrepresentation; to assure that access to capital is available to business.		
Outcomes (Results/Impact):		
Number of Enforcement Actions Taken	432	432
Percentage of Enforcement Actions Successful	100%	100%
Percentage of Texas Dealers Inspected	4%	4%
Percentage of Inspected Dealers Found Out of Compliance	57.4%	57.4%
A.1.1. Strategy: LAW ENFORCEMENT	\$ 1,488,911	\$ 1,488,911
Aggressively investigate suspected violations of the Texas Securities Act and work closely with local, state, and federal prosecutors and law enforcement officials to insure that appropriate enforcement action is taken, including the criminal referral, indictment, and conviction of individuals who violate the provisions of the Act.		
Output (Volume):		
Number of Investigations Opened	261	261
Efficiencies:		
Average Cost of Enforcement Actions	3,743	3,743
A.2.1. Strategy: SECURITIES REGISTRATION	\$ 304,191	\$ 304,191
Perform a comprehensive, timely, and responsive review of the prospectus and related documentation submitted with securities registration applications. Negotiate with the		

SECURITIES BOARD
(Continued)

<p>issuer or its representatives to remove unfair elements from offerings, to insert safeguards for the public, and to assure full disclosure of material considerations to facilitate the registration of offerings. Refer suspected fraudulent offerings to enforcement personnel.</p>		
Output (Volume):		
Number of Securities Applications Processed	29,427	29,427
A.3.1. Strategy: DEALER REGISTRATION	\$ 272,623	\$ 272,623
<p>Perform an extensive, timely, and responsive review of applications; conduct criminal and disciplinary investigation of applicants by contacting other law enforcement and regulatory organizations; ensure compliance with examination requirements; and oppose registration of unqualified applicants.</p>		
Output (Volume):		
Number of New Applications Reviewed	43,496	43,496
Explanatory:		
Number of Dealers/Agents Registered	162,122	162,122
A.4.1. Strategy: INSPECT DEALER RECORDS	\$ 612,381	\$ 612,381
<p>Perform a comprehensive inspection of records to ensure continuing compliance with statutory and rule requirements.</p>		
Output (Volume):		
Number of Inspections Conducted	94	94
Efficiencies:		
Average Cost Per Inspection	6,107	6,107
Total, Goal A: PROTECT INVESTORS	\$ 2,678,106	\$ 2,678,106
B. Goal: INDIRECT ADMINISTRATION		
B.1.1. Strategy: INDIRECT ADMIN & SUPPORT COSTS		
Indirect administration and support costs.		
Grand Total, SECURITIES BOARD	\$ 3,530,014	\$ 3,530,014
Number of Full-Time-Equivalent Positions (FTE):		
	66.9	66.9
Schedule of Exempt Positions:		
Securities Commissioner, Group 3	\$90,000	\$90,000
Per Diem of Board Members	1,290	1,290
Object-of-Expense Informational Listing:		
Salaries and Wages	\$ 2,899,775	\$ 2,899,775
Other Personnel Costs	57,000	57,000
Operating Costs	573,239	573,239
Total, Object-of-Expense Informational Listing	\$ 3,530,014	\$ 3,530,014

- Donations for Personal Financial Literacy Educational Materials.** The State Securities Board is hereby authorized to accept and expend donations from nonprofit foundations for the sole purpose of reproducing and distributing educational materials relating to "personal financial literacy" and introducing those materials to classroom teachers in Texas schools.

BOARD OF TAX PROFESSIONAL EXAMINERS

For the Years Ending
August 31, August 31,
2004 2005

Out of the General Revenue Fund:

A. Goal: ESTABLISH AND OVERSEE PROCESS

To ensure the State is served by qualified, certified and ethical property tax professionals.

Outcome (Results/Impact):

Percent of Licensees with No Recent Violations	99%	99%
Number of Approved Courses Presented	120	120
Percent of Licensees Who Renew Online	10%	15%
Percent of New Individual Licenses Issued Online	0%	10%
Percent of Complaints Resulting in Disciplinary Action	20%	20%

A.1.1. Strategy: CERTIFICATION PROGRAM

	\$ 163,318	\$ 163,318
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Manage a certification program by conducting exams, registering eligible individuals, administering a continuing education program and distributing information to local officials and registrants.

Output (Volume):

Number of Persons Certified/Recertified	400	400
Number of New Licenses Issued to Individuals	350	350
Number of Course, Sponsor and Instructor Applications Processed	20	20
Number of Complaints Resolved	9	9

Efficiencies:

Average Licensing Cost per Individual License Issued	35	35
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Explanatory:

Total Number of Individuals Licensed	4,000	4,000
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Grand Total, BOARD OF TAX PROFESSIONAL EXAMINERS

	\$ 163,318	\$ 163,318
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Other Direct and Indirect Costs Appropriated Elsewhere in this Act

	\$ 79,082	\$ 78,990
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Number of Full-Time-Equivalent Positions (FTE):

	4.0	4.0
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Schedule of Exempt Positions:

Executive Director, Group I

	\$52,000	\$52,000
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Object-of-Expense Informational Listing:

Salaries and Wages	\$ 127,098	\$ 127,098
Other Personnel Costs	1,220	1,220
Operating Costs	35,000	35,000

Total, Object-of-Expense Informational Listing

	\$ 163,318	\$ 163,318
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1. **Fees Established.** To provide for the recovery of costs for the preceding appropriations, the following fee rates shall be in effect for fiscal years 2004 and 2005, pursuant to provisions of Government Code § 316.041-316.045:

- | | |
|------------------------|--------------------------------------|
| (1) Registration Fee | Not Less Than \$45 or More Than \$75 |
| (2) Annual Renewal Fee | Not Less Than \$45 or More Than \$75 |

2. **Sunset Contingency.** Funds appropriated above for fiscal year 2005 for the Board of Tax Professional Examiners are made contingent on the continuation of the Board of Tax Professional Examiners by the Seventy-eighth Legislature. In the event that the agency is not continued, the funds appropriated for fiscal year 2004 or as much thereof as may be necessary are to be used to provide for the phase out of agency operations.

PUBLIC UTILITY COMMISSION OF TEXAS

For the Years Ending
August 31, August 31,
 2004 2005

A. Goal: COMPETITION/CHOICE/RATES/SERVICE

To ensure fair competition, customer choice, just and reasonable rates, system reliability, a high level of service quality, and technological advancement in the electric and telecommunications industries.

Outcome (Results/Impact):

Average Price of Electricity Per kWh in Texas for Residential Customers from Competitive Suppliers as a Percentage of the National Residential Average	99.5%	98%
Average Annual Residential Electric Bill from Competitive Suppliers as a Percentage of the National Average	149.9%	149.9%
Percent of Texas Cities Served by Three or More Certificated Telecommunication Providers	66%	67%
Average Annual Residential Telephone Bill in Texas as a Percentage of the National Average	76.4%	76.6%

A.1.1. Strategy: MARKET COMPETITION

Foster and monitor market competition by evaluating the relevant electric and telecommunications markets, including market design, market power, abusive conduct, and develop policies to enhance effectiveness of competition and benefits for customers; and register and license competitive service providers. Develop rules, conduct studies and prepare reports responsive to changes in electric and telecom markets.

\$ 5,839,419 \$ 5,839,419

Output (Volume):

Number of Investigations Conducted for Market Power, Market Design, or Anti-competitive Conduct in the Electric Market	7	10
Number of Investigations Conducted for Market Power, Market Design, or Anti-competitive Conduct in the Telephone Market	3	3
Number of Cases Completed Related to Competition Among Providers	500	500

Efficiencies:

Average Number of Days to Process an Application for a Certificate of Authority for a Local Telecommunications Provider	60	60
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A.2.1. Strategy: UTILITY REGULATION

Conduct rate cases for regulated telephone and electric utilities under the Administrative Procedures Act and methods of alternative dispute resolution to evaluate whether revenue requirements, cost allocation, rate design, and affiliate transactions are reasonable and in compliance with all laws and PUC rules; register and license regulated service providers; evaluate utility infrastructure and quality of service; administer agency rules relating to quality of service.

\$ 2,739,002 \$ 2,739,002

Output (Volume):

Number of Rate Cases Completed for Regulated Electric Utilities	13	13
Number of Rate Cases Completed for Regulated Telecom Providers	4	4

Efficiencies:

Average Number of Days to Process a Rate Case for a Regulated Electric Utility	240	240
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Total, Goal A: COMPETITION/CHOICE/RATES/SERVICE \$ 8,578,428 \$ 8,578,428

PUBLIC UTILITY COMMISSION OF TEXAS
(Continued)

B. Goal: EDUCATION AND COMPLIANCE

To serve the public by distributing customer education information, administering customer service programs, ensuring compliance with relevant laws and regulations, and assisting customers in resolving disputes concerning electric and telecommunications services.

Outcome (Results/Impact):

Percentage of Customer Complaints Resolved through Informal Complaint Resolution Process

	97%		97%
B.1.1. Strategy: PROVIDE INFO ABOUT CHANGES	\$ 1,633,794	\$	\$ 1,633,794

Provide information and distribute materials to customers on changes in the electric and telecommunications industries. Respond to requests for information from the public and media. Conduct outreach activities, administer Relay Texas and the Specialized Telecommunications Assistance Program (STAP) responsibilities.

Output (Volume):

Number of Information Requests to Which Responses Were Provided	85,000		85,000
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Efficiencies:

Average Cost Per Customer Information Product Distributed	1.8		1.8
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Explanatory:

Number of Calls Completed through Relay Texas	4,659,425		4,659,425
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B.2.1. Strategy: INVESTIGATIONS AND ENFORCEMENT	\$ 1,441,583	\$	\$ 1,441,583
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Conduct investigations and initiate enforcement actions to ensure compliance with relevant law, Public Utility Commission rules and orders. Investigate emerging issues based on customer complaints.

Output (Volume):

Number of Utilities for Which a Detailed Review of Earnings Is Conducted	5		5
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Number of Compliance Investigations Conducted	100		100
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Number of Customer Complaints Concluded	30,000		30,000
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Efficiencies:

Average Cost Per Compliance Investigation Conducted	850		850
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Average Number of Days to Conclude Customer Complaints	48		48
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Total, Goal B: EDUCATION AND COMPLIANCE	\$ 3,075,377	\$	\$ 3,075,377
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C. Goal: ELECTRIC UTILITY RESTRUCTURING

Administer special programs for energy assistance to low-income Texans, for customer education information in regions subject to electric competition (nontransferable).

Outcome (Results/Impact):

Percentage of Change in Customer Knowledge Resulting from the Education Campaign for Electric Competition, Choices and Resources	35%		35%
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Percent of Eligible Low-income Customers Provided a Discount for Electric Service

	99%		99%
C.1.1. Strategy: ENERGY ASSISTANCE	\$ 97,129,705	\$	\$ 117,504,085

Reimburse retail electric providers from the System Benefit Trust Fund for electric service billing discounts; administer a third party database of eligible participants for the billing discounts.

Efficiencies:

Average Number of Days for Retail Electric Provider Reimbursement	5		5
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C.1.2. Strategy: CONSUMER EDUCATION	\$ 750,000	\$	\$ 750,000
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Produce and disseminate customer education information for electric market competition

PUBLIC UTILITY COMMISSION OF TEXAS

(Continued)

through outsourcing; address customer inquiries through a third party call center and Web site.

Total, Goal C: ELECTRIC UTILITY RESTRUCTURING	\$ <u>97,879,705</u>	\$ <u>118,254,085</u>
D. Goal: ENERGY EFFICIENCY GRANTS		
To implement an energy-efficiency grant program as part of a multi-agency program to reduce air emissions in areas of the state where federal clean-air standards are not being met or are at risk of not being met.		
D.1.1. Strategy: ENERGY EFFICIENCY GRANTS	\$ 1,765,665	\$ 1,800,810
Award energy efficiency grants and monitor performance of grantees; prepare reports.		
Output (Volume):		
Number of Grants Awarded to Utilities for Energy Efficiency Programs	5	5
Efficiencies:		
Average Number of Days To Award Utilities Energy Efficiency Grants	20	20
E. Goal: INDIRECT ADMINISTRATION		
E.1.1. Strategy: CENTRAL ADMINISTRATION	\$ 808,324	\$ 808,324
E.1.2. Strategy: INFORMATION RESOURCES	\$ 605,150	\$ 605,150
E.1.3. Strategy: OTHER SUPPORT SERVICES	\$ <u>426,008</u>	\$ <u>426,008</u>
Total, Goal E: INDIRECT ADMINISTRATION	\$ <u>1,839,482</u>	\$ <u>1,839,482</u>
Grand Total, PUBLIC UTILITY COMMISSION OF TEXAS	\$ <u>113,138,657</u>	\$ <u>133,548,182</u>
Method of Financing:		
General Revenue Fund	\$ 10,242,444	\$ 10,242,444
GR Dedicated - Texas Emissions Reduction Plan Account No. 5071	1,765,665	1,800,810
Other Funds		
Appropriated Receipts	375,000	375,000
System Benefit Trust Fund	100,755,548	121,129,928
Subtotal, Other Funds	\$ <u>101,130,548</u>	\$ <u>121,504,928</u>
Total, Method of Financing	\$ <u>113,138,657</u>	\$ <u>133,548,182</u>
Number of Full-Time-Equivalent Positions (FTE):	210.9	210.9
Schedule of Exempt Positions:		
Commission Chairman, Group 4	\$111,800	\$111,800
Commissioners, Group 4	(2) 109,200	(2) 109,200
Executive Director, Group 4	92,000	92,000
Supplemental Appropriations Made in Riders:	\$ 9,800,000	\$ 9,800,000
Object-of-Expense Informational Listing:		
Salaries and Wages	\$ 10,001,315	\$ 10,062,893
Other Personnel Costs	260,001	260,001
Operating Costs	14,006,971	13,930,394
Client Services	96,679,705	117,054,085

PUBLIC UTILITY COMMISSION OF TEXAS
(Continued)

Grants	1,550,665	1,585,810
Capital Expenditures	<u>440,000</u>	<u>454,999</u>
Total, Object-of-Expense Informational Listing	\$ <u>122,938,657</u>	\$ <u>143,348,182</u>

1. **Capital Budget.** None of the funds appropriated above may be expended for capital budget items except as listed below. The amounts shown below shall be expended only for the purposes shown and are not available for expenditure for other purposes. Amounts appropriated above and identified in this provision as appropriations either for "Lease payments to the Master Lease Purchase Program" or for items with a "(MLPP)" notation shall be expended only for the purpose of making lease-purchase payments to the Texas Public Finance Authority pursuant to the provisions of Government Code § 1232.103. Upon approval from the Legislative Budget Board, capital budget funds listed below under "Acquisition of Information Resource Technologies" may be used to lease information resources hardware and/or software versus the purchase of information resources hardware and/or software, if determined by commission management to be in the best interest of the State of Texas.

	<u>2004</u>	<u>2005</u>
Out of the General Revenue Fund:		
a. Acquisition of Information Resource Technologies		
(1) Digital Copiers Lease	\$ 220,000	\$ 220,000
(2) Desktop Computer Lease and Microsoft Open License Software Lease (MS Office 2000, MS SQL Server, MS BACK Office, MS Exchange)	<u>\$ 220,000</u>	<u>\$ 204,999</u>
Total, Acquisition of Information Resource Technologies	\$ <u>440,000</u>	\$ <u>424,999</u>
Total, Capital Budget	\$ <u>440,000</u>	\$ <u>424,999</u>

2. **Appropriation of Receipts, Electronic Information System.** Out of Appropriated Receipts appropriated above, \$30,000 each year from fee revenue derived from implementation of an electronic information system for public access to records on file with the agency may be used only for operating lease payments; and for service agreements limited to PUC interchange support.
3. **Transfer Authority.** The Public Utility Commission has no authority to transfer an appropriation to or from any item under Goal C: Electric Utility Restructuring, and may not expend amounts above those appropriated above in each strategy of Goal C: Electric Utility Restructuring.
4. **System Benefit Trust Fund Reporting.** The Public Utility Commission shall submit a quarterly report to the Legislative Budget Board and the Governor on revenues and expenditures made from the System Benefit Trust Fund. The report shall be submitted with documentation as specified by the Legislative Budget Board and the Governor.
5. **Appropriation of Unexpended Balances: 2004 Appropriations.** The unobligated and unexpended balances of appropriations to the Public Utility Commission for the fiscal year ending August 31, 2004, are hereby appropriated to the commission for the same purposes for the fiscal year ending August 31, 2005.
6. **Contingent Revenue.** Of the amounts appropriated to the Public Utility Commission from the System Benefit Trust Fund, the estimated amounts of \$100,755,548 in fiscal year 2004 and

PUBLIC UTILITY COMMISSION OF TEXAS
(Continued)

\$121,129,928 in fiscal year 2005 are contingent on the Public Utility Commission assessing a rate sufficient to generate the estimated needs of the System Benefit Trust Fund. The Public Utility Commission, upon completion of necessary actions for the assessment, shall furnish copies of the Public Utility Commission's order and other information supporting the estimated revenues to be generated for the 2004-05 biennium to the Comptroller of Public Accounts. If the comptroller finds the information sufficient to support the projection of revenues, a finding of fact to that effect shall be issued and the contingent appropriation shall be made available for the intended purposes.

7. **Allocation of System Benefit Trust Fund.** The System Benefit Trust Fund, calculated at the maximum statutory assessment rate estimated to be \$166,130,408 in fiscal year 2004 and \$213,435,225 in fiscal year 2005, has been allocated throughout this Act as follows: The estimated balance as of August 31, 2003 is \$21,712,446, interest income is estimated to be \$6,203,958 for the biennium. The total fund balance available for appropriation for 2004-05 is estimated to be \$407,482,037.

	2004	2005
Public Utility Commission:		
Administration	\$ 2,875,843	\$ 2,875,843
10 Percent Low Income Discount	\$ 97,129,705	\$ 117,504,085
Customer Education	\$ 750,000	\$ 750,000
Office of Public Utility Counsel:		
Administration	\$ 288,138	\$ 288,138
Total	\$ 101,043,686	\$ 121,418,066

8. **Contingent Revenue: Municipally Owned Utilities and Electric Cooperatives.** Contingent upon the Public Utility Commission assessing a nonbypassable fee on a municipally owned utility or electric cooperative that exercise its right to offer customer choice by opting into the competitive market, the Public Utility Commission is hereby appropriated an amount sufficient to fund the low income discount program at 10 percent for the newly competitive market, from the System Benefit Trust Fund, for the biennium beginning September 1, 2003. In each fiscal year, in no event shall the total amount appropriated by this provision exceed either \$9.8 million or the amount of additional revenue collected from municipally owned utility or electric cooperatives opting into the competitive market.

The Public Utility Commission upon completion of actions necessary to implement the assessment, shall furnish copies of the Public Utility Commission's order and other information supporting the estimated revenues to be generated for the 2004-05 biennium to the Comptroller of Public Accounts. If the comptroller finds the information sufficient to support the projection of revenues, a finding of fact to that effect shall be issued and the contingent appropriation shall be made available for the intended purposes.

OFFICE OF PUBLIC UTILITY COUNSEL

For the Years Ending
August 31, August 31,
2004 2005

A. Goal: EQUITABLE ELECTRIC RATES

To represent residential and small business consumers aggressively in electric utility matters to ensure that residential and small commercial customers benefit from competition and are protected during the transition to a more competitive market.

Outcome (Results/Impact):

Percentage of OPUC Electric Proceedings That Are Competition Related

	74%		74%
A.1.1. Strategy: PARTICIPATION IN PROCEEDINGS	\$ 1,266,111		\$ 1,266,111

Participate in electric proceedings involving competitive and customer protection issues or impacting consumer's bills.

Output (Volume):

Number of Electric Cases in Which OPUC Participates	45		45
Number of Electric Projects in Which OPUC Participates	15		15

Efficiencies:

Average Cost Per Electric Proceeding in Which OPUC Participates	12,000		12,000
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B. Goal: TELEPHONE COMPETITION

To represent residential and small business consumers aggressively by providing comprehensive telecommunications analysis and representation at the Public Utility Commission, the FCC, and in state and federal courts to ensure that residential and small commercial consumers benefit from competition and are protected during the transition to a more competitive market.

Outcome (Results/Impact):

Percent of OPUC Telecommunications Proceedings That Are Competition Related

	67%		67%
B.1.1. Strategy: TELECOMMUNICATIONS PROCEEDINGS	\$ 481,689		\$ 481,689

Participate in telecommunications proceedings involving competitive issues/consumer safeguards or new and/or advanced technologies and services. Review and analyze information, present testimony, and submit legal pleadings in proceedings affecting residential and small business telecommunications customers.

Output (Volume):

Number of Telecommunications Cases in Which OPUC Participates	6		6
Number of Telecommunications Projects in Which OPUC Participates	21		21

Efficiencies:

Average Cost Per Telecommunications Proceeding in Which OPUC Participates	4,000		4,000
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Grand Total, OFFICE OF PUBLIC UTILITY COUNSEL

\$ 1,747,800		\$ 1,747,800
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Method of Financing:

General Revenue Fund	\$ 1,459,662		\$ 1,459,662
System Benefit Trust Fund	288,138		288,138

Total, Method of Financing

\$ 1,747,800		\$ 1,747,800
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Number of Full-Time-Equivalent Positions (FTE):

23.0		23.0
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Schedule of Exempt Positions:

Public Counsel, Group 2	\$83,000		\$83,000
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OFFICE OF PUBLIC UTILITY COUNSEL
(Continued)

Object-of-Expense Informational Listing:

Salaries and Wages	\$ 1,249,861	\$ 1,249,861
Other Personnel Costs	20,000	20,000
Operating Costs	49,405	49,405
Professional Fees and Services	301,866	301,866
Consumable Supplies	15,300	15,300
Utilities	400	400
Travel	3,840	3,840
Rent - Building	5,720	5,720
Rent - Machine and Other	39,021	39,021
Other Operating Expense	<u>62,387</u>	<u>62,387</u>
Total, Object-of-Expense Informational Listing	\$ <u>1,747,800</u>	\$ <u>1,747,800</u>

1. **Unexpended Balance Authority.** The unobligated and unexpended balances of appropriations to the Office of Public Utility Counsel for the fiscal year ending August 31, 2004, are hereby appropriated to the agency for the same purposes for the fiscal year ending August 31, 2005.
2. **Contingent Revenue.** Of the amounts appropriated above to the Office of Public Utility Counsel from the System Benefit Trust Fund, the amounts of \$288,138 in fiscal year 2004 and \$288,138 in fiscal year 2005 are contingent on the Public Utility Commission assessing a rate sufficient to generate the estimated needs of the System Benefit Trust Fund. The Public Utility Commission, upon completion of necessary actions for assessment, shall furnish copies of the Public Utility Commission's order and other information supporting the estimated revenues to be generated for the 2004-05 biennium to the Comptroller of Public Accounts. If the comptroller finds the information sufficient to support the projection of revenues, a finding of fact to that effect shall be issued and the contingent appropriation shall be made available for the intended purposes.

BOARD OF VETERINARY MEDICAL EXAMINERS

	For the Years Ending	
	August 31,	August 31,
	<u>2004</u>	<u>2005</u>

A. Goal: VETERINARY REGULATION

To establish and implement reasonable standards for veterinary practice, investigate complaints, and enforce Chapter 801, Texas Occupations Code to assure that safe and effective veterinary services are delivered to the citizens of Texas.

Outcome (Results/Impact):

Percentage of Licensees with No Recent Violations	98.59%	98.59%
Percent of Licensees Who Renew Online	15.8%	20.8%
Percent of New Individual Licenses Issued Online	0%	10%
Percentage of Complaints Resulting in Disciplinary Action	17%	17%
Recidivism Rate for Peer Assistance Programs	0%	0%

A.1.1. Strategy: OPERATE LICENSURE SYSTEM

Operate an efficient and comprehensive veterinary licensure program to include initial licensure by examination and the ongoing renewal of licenses.	\$ 174,738	\$ 174,738
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Output (Volume):

Number of New Licenses Issued to Individuals	282	282
Number of Licenses Renewed (Individuals)	6,139	6,139

Efficiencies:

Average Licensing Cost per Individual License Issued	4.82	4.82
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BOARD OF VETERINARY MEDICAL EXAMINERS
(Continued)

A.2.1. Strategy: COMPLAINTS AND ACTION	\$	403,694	\$	403,694
Investigate all complaints received and take disciplinary action against veterinarians who have violated the law and/or board rules and conduct a compliance program to secure voluntary compliance with the law and board rules.				
Output (Volume):				
Number of Complaints Resolved		306		306
Efficiencies:				
Average Time for Complaint Resolution (Days)		160		160
Explanatory:				
Number of Jurisdictional Complaints Received		286		299
A.2.2. Strategy: PEER ASSISTANCE	\$	<u>15,000</u>	\$	<u>15,000</u>
Identify, refer and assist those veterinarians whose practice is impaired.				
Output (Volume):				
Number of Licensed Individuals Participating in a Peer Assistance Program		10		10
Total, Goal A: VETERINARY REGULATION	\$	<u>593,432</u>	\$	<u>593,432</u>
Grand Total, BOARD OF VETERINARY MEDICAL EXAMINERS	\$	<u>593,432</u>	\$	<u>593,432</u>
Method of Financing:				
General Revenue Fund	\$	592,932	\$	592,932
Appropriated Receipts		<u>500</u>		<u>500</u>
Total, Method of Financing	\$	<u>593,432</u>	\$	<u>593,432</u>
Other Direct and Indirect Costs Appropriated Elsewhere in this Act	\$	163,099	\$	162,797
Number of Full-Time-Equivalent Positions (FTE):		10.8		10.8
Schedule of Exempt Positions:				
Executive Director, Group I		\$60,000		\$60,000
Per Diem of Board Members		8,500		8,500
Object-of-Expense Informational Listing:				
Salaries and Wages	\$	441,441	\$	441,441
Other Personnel Costs		13,080		13,080
Professional Fees and Services		26,700		26,700
Consumable Supplies		3,000		3,000
Utilities		2,373		2,373
Travel		17,900		17,900
Rent - Building		240		240
Rent - Machine and Other		800		800
Other Operating Expense		<u>87,898</u>		<u>87,898</u>
Total, Object-of-Expense Informational Listing	\$	<u>593,432</u>	\$	<u>593,432</u>

1. **Appropriation: Peer Assistance Program Penalties.** The amounts appropriated above in A.2.2. Strategy: Peer Assistance include \$6,000 per year from administrative penalties generated pursuant to Occupations Code, § 801.451. Any additional penalties are hereby appropriated to the Board of Veterinary Medical Examiners for the purpose of financing the Peer Assistance program, as defined in the Health and Safety Code, Chapter 467.

WORKERS' COMPENSATION COMMISSION

	For the Years Ending	
	August 31, 2004	August 31, 2005
A. Goal: SAFE AND HEALTHY WORK PLACES		
To promote safe and healthy workplaces.		
Outcome (Results/Impact):		
Statewide Incidence Rate of Injuries and Illnesses per 100		
Full-time Employees	5.2	5.2
A.1.1. Strategy: HEALTH AND SAFETY SERVICES	\$ 4,959,784	\$ 4,970,715
Develop and provide health and safety services (e.g. needs analyses, education, consultations, investigations and inspections) to employers, employees, academic institutions, and other entities in the Texas workplace.		
Output (Volume):		
Number of Inspections, Consultations and Investigations Provided to Employers	3,750	3,750
Efficiencies:		
Average Cost per Consultation/inspection/investigation	798	798
B. Goal: BENEFITS AND DELIVERY		
To ensure the cost effective delivery of appropriate benefits.		
Outcome (Results/Impact):		
Average Number of Days for the Required Initial Benefit Payment to Be Issued after Benefits Begin to Accrue		
	9	8.8
Percentage of Documents Received and Maintained Electronically by the Commission		
	75%	76%
B.1.1. Strategy: MEDICAL COST CONTAINMENT	\$ 2,531,538	\$ 2,488,150
Establish and maintain rules, guidelines, and programs (e.g., doctor monitoring, healthcare delivery networks, general education on medical rules and processes, and approved doctors list/designated doctors list training and certification) that ensure appropriate utilization of medical services and quality of medical providers.		
Output (Volume):		
Number of Quality of Care Audits for Healthcare Providers Completed	28	30
Number of Quality of Care Audits for Insurance Carriers	8	10
B.2.1. Strategy: INVESTIGATIONS/COMPLIANCE	\$ 2,414,602	\$ 2,416,851
Monitor and enforce compliance of health care providers, insurance carriers, employees, employers, attorneys, and other participants with the statute and rules through audits, fraud investigations and administrative violation referral reviews and take appropriate enforcement action.		
Output (Volume):		
Number of Fraud Investigations Completed	630	630
B.3.1. Strategy: DEVELOP AND IMPLEMENT PROCESSES	\$ 6,076,172	\$ 5,881,412
Develop and implement processes to receive, provide, and maintain information in an electronic format.		
Output (Volume):		
Number of Injury Records Created	202,000	204,000
Number of Injury Records Created for Income/Indemnity Injuries	102,500	105,576
Explanatory:		
Estimated Percentage of Employers Reported Participating in the Workers' Compensation System		
	68%	68%
B.4.1. Strategy: REGULATE SELF-INSURANCE	\$ 716,393	\$ 717,419
Ensure that certified self-insuring employers		

WORKERS' COMPENSATION COMMISSION
(Continued)

meet statutory financial, claims administration, and safety requirements through an ongoing process of qualifying, renewing, and revoking certification.

Output (Volume):

Number of Self-insurance Applicants or Renewals Certified	56	57
Total, Goal B: BENEFITS AND DELIVERY	\$ 11,738,705	\$ 11,503,832

C. Goal: DISPUTE RESOLUTION

To minimize and resolve disputes.

Outcome (Results/Impact):

Percentage of Benefit Dispute Cases Resolved by the Commission's Informal Dispute Resolution System	88%	88%
Percentage of Medical Benefit Dispute Cases Resolved by Initial Administrative Decision	65%	65%
Average Number of Days to Resolve Benefit Dispute	40	40
Percent of Appeals to Medical Fee Disputes Resolved Prior to a Formal Hearing at SOAH	55%	55%

C.1.1. Strategy: INFORMAL RESOLUTION

Provide injured workers, employers and insurance carriers with information about their rights and responsibilities, minimize and resolve benefit and medical disputes as informally as possible by talking with the participants, conduct compensation benefit review conferences; conduct medical dispute resolution reviews (including reviews by Independent Review Organizations).	\$ 10,823,029	\$ 10,841,231
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Output (Volume):

Number of Compensation Benefit Dispute Cases Concluded in Benefit Review Conference	20,000	20,000
Number of Persons Receiving Return-to-Work Training Products and Services	13,200	13,700
Number of Medical Benefit Dispute Cases Resolved by Initial Administrative Decision	5,801	6,169

Efficiencies:

Average Number of Days from the Request for Benefit Review Conference to the Conclusion of the Benefit Review Conference	74	74
Average Number of Participants Per Return to Work Seminar	65	68
Average Number of Days to Conclude Medical Dispute Cases by Initial Administrative Decisions	152	152

C.1.2. Strategy: FORMAL RESOLUTION

Conduct benefit contested case hearings, conduct reviews when participants appeal decisions made by benefit contested case hearings officers, and provide arbitration; and process hearings under the Administrative Procedure Act.	\$ 7,427,382	\$ 7,430,638
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Output (Volume):

Number of Compensation Benefit Dispute Cases Concluded in Contested Case Hearings	6,800	6,800
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Efficiencies:

Average Number of Days from the Request for a Contested Case Hearing to the Distribution of the Decision	73	73
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Total, Goal C: DISPUTE RESOLUTION	\$ 18,250,411	\$ 18,271,869
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D. Goal: INDIRECT ADMINISTRATION

D.1.1. Strategy: CENTRAL ADMINISTRATION	\$ 4,592,571	\$ 4,649,621
D.1.2. Strategy: INFORMATION RESOURCES	\$ 10,793,097	\$ 8,810,961

WORKERS' COMPENSATION COMMISSION
(Continued)

D.1.3. Strategy: OTHER SUPPORT SERVICES	\$ 1,403,693	\$ 1,392,380
D.1.4. Strategy: REGIONAL ADMINISTRATION	\$ 791,455	\$ 792,258
Total, Goal D: INDIRECT ADMINISTRATION	\$ 17,580,816	\$ 15,645,220
Grand Total, WORKERS' COMPENSATION COMMISSION	\$ 52,529,716	\$ 50,391,636
Method of Financing:		
<u>General Revenue Fund</u>		
General Revenue Fund	\$ 49,002,445	\$ 46,857,203
Earned Federal Funds	224,407	224,406
Subtotal, General Revenue Fund	\$ 49,226,852	\$ 47,081,609
Federal Funds	2,022,758	2,022,758
<u>Other Funds</u>		
Appropriated Receipts	1,264,106	1,271,269
Interagency Contracts	16,000	16,000
Subtotal, Other Funds	\$ 1,280,106	\$ 1,287,269
Total, Method of Financing	\$ 52,529,716	\$ 50,391,636
Number of Full-Time-Equivalent Positions (FTE):	1,050.0	1,050.0
Schedule of Exempt Positions:		
Executive Director, Group 4	\$112,000	\$112,000
Object-of-Expense Informational Listing:		
Salaries and Wages	\$ 35,617,539	\$ 35,617,543
Other Personnel Costs	1,825,568	1,905,473
Professional Fees and Services	3,445,693	2,673,648
Consumable Supplies	452,881	437,526
Utilities	1,095,318	1,110,956
Travel	868,753	853,258
Rent - Building	2,832,122	2,815,845
Rent - Machine and Other	525,035	282,465
Other Operating Expense	4,156,960	4,381,910
Capital Expenditures	1,709,847	313,012
Total, Object-of-Expense Informational Listing	\$ 52,529,716	\$ 50,391,636

1. **Capital Budget.** None of the funds appropriated above may be expended for capital budget items except as listed below. The amounts shown below shall be expended only for the purposes shown and are not available for expenditure for other purposes. Amounts appropriated above and identified in this provision as appropriations either for "Lease Payments to Master Lease Purchase Program" or for items with an "(MLPP)" notation shall be expended only for the purpose of making lease-purchase payments to the Texas Public Finance Authority pursuant to the provisions of Government Code § 1232.103. Upon approval from the Legislative Budget Board, capital budgeted funds listed below under "Acquisition of Information Resource Technologies" may be used to lease information resources hardware and/or software versus the purchase of information resources hardware and/or software, if determined by commission management to be in the best interest of the State of Texas.

WORKERS' COMPENSATION COMMISSION
(Continued)

	<u>2004</u>	<u>2005</u>
Out of the General Revenue Fund:		
a. Acquisition of Information Resource Technologies		
(1) Business Process Improvement	\$ 2,869,750	\$ 690,250
(2) Network Enhancements	\$ 130,072	\$ 0
Total, Acquisition of Information Resource Technologies	\$ 2,999,822	\$ 690,250
Total, Capital Budget	\$ 2,999,822	\$ 690,250

2. **Appropriation of Certain Fees.** Revenues collected by the commission as reproduction fees, third party reimbursements, seminar fees, publication fees, and fees collected for audits, inspections, and consultations are estimated to be \$1,264,106 for fiscal year 2004 and \$1,271,269 for fiscal year 2005 are included in the above method of financing as Appropriated Receipts.
3. **Administrative Penalties.** The amounts appropriated above in Strategy B.2.1, Investigations/Compliance, include \$100,000 each year from revenues collected by the commission as administrative penalties provided that expenditure of such funds appropriated above shall be limited to such expenses as may be necessary to prosecute administrative violations under the Texas Workers' Compensation Act, including costs of conducting Administrative Procedure Act hearings.
4. **Appropriations Limited to Revenue Collections.** It is the intent of the Legislature that revenues as authorized and generated by the commission cover, at a minimum, the cost of general revenue appropriations made above, as well as covering "other direct and indirect costs" associated with such general revenue appropriations. "Other direct and indirect costs" associated with such general revenue appropriations are estimated to be \$11,219,230 for fiscal year 2004 and \$11,191,794 for fiscal year 2005. In the event that actual and/or projected revenue collections are insufficient to offset the costs identified by this provision, the Legislative Budget Board may direct that the Comptroller of Public Accounts reduce the appropriation authority provided above to be within the amount of revenue expected to be available. The application of this provision shall be consistent with applicable statutory provisions governing the commission's assessment of tax rates and fees. When the commission sets the rate of assessment for the maintenance tax, it shall take into account a surplus or deficit produced by the tax in the preceding year and other factors as provided by § 403.003, Labor Code, Rate of Assessment.
5. **Appropriation of Unexpended Balances.** Any unexpended balances as of August 31, 2004, not to exceed 5 percent for any item of appropriation, are hereby appropriated to the Texas Workers' Compensation Commission for the same purposes for the year beginning September 1, 2004.
6. **Business Process Improvement.** Of the amounts appropriated above to the Texas Workers' Compensation Commission, an amount not to exceed \$3.56 million for the biennium shall be used for the Business Process Improvement Project expenditures. As an exception to Rider 5: Appropriation of Unexpended Balances, the unexpended balances for the Business Process Improvement Project for the fiscal year ending August 31, 2004, not to exceed \$2,869,750, are hereby appropriated to the agency for the same purposes for the fiscal year ending August 31, 2005. If the amounts for the Business Process Improvement in Rider 1, Capital Budget are reduced by other provisions in this Act, this rider shall not take effect.

RESEARCH AND OVERSIGHT COUNCIL ON WORKERS' COMPENSATION

For the Years Ending
August 31, August 31,
2004 2005

A. Goal: STUDY AND MONITOR SYSTEM

To conduct factual, unbiased research and professional studies, monitor the agencies and entities involved in the workers' compensation system, develop sound policy recommendations regarding regulatory or legislative changes, provide information on workers' compensation to the general public and respond to constituents' needs for assistance.

Outcome (Results/Impact):

Percentage of Professional Studies Completed within Schedule	100%	100%
Number of Publications Produced	11	11

A.1.1. Strategy: CONDUCT PROFESSIONAL STUDIES	\$ 804,290	\$ 804,290
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Determine research needed relating to the workers' compensation system; collect and analyze workers' compensation data; conduct research projects relating to workers' compensation; administer research contracts and manage research projects; and conduct professional studies.

Output (Volume):

Number of Professional Studies Completed by the ROC	11	11
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Efficiencies:

Average Cost Per Professional Study Completed by the ROC	34,545	34,545
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A.1.2. Strategy: PROVIDE OVERSIGHT	\$ 175,000	\$ 175,000
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Provide oversight by reviewing and analyzing Texas workers' compensation agencies and entities; evaluate legislative recommendations made by workers' compensation agencies and entities; monitor workers' compensation-related meetings of boards, commissions and legislative committees with workers' compensation responsibilities; develop legislative and regulatory recommendations; provide the public with information pertaining to the workers' compensation system; distribute professional studies and publications; and respond to constituent requests for assistance.

Output (Volume):

Number of Publications Distributed	22,662	22,662
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Total, Goal A: STUDY AND MONITOR SYSTEM	\$ 979,290	\$ 979,290
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**Grand Total, RESEARCH AND OVERSIGHT
COUNCIL ON WORKERS'
COMPENSATION**

	\$ 979,290	\$ 979,290
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Method of Financing:

General Revenue Fund	\$ 946,974	\$ 946,974
GR Dedicated - Research and Oversight Council on Workers' Compensation Fund Account No 5016	<u>32,316</u>	<u>32,316</u>

Total, Method of Financing	\$ 979,290	\$ 979,290
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Other Direct and Indirect Costs Appropriated Elsewhere in this Act

\$ 140,685	\$	140,456
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Number of Full-Time-Equivalent Positions (FTE):	13.0	13.0
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RESEARCH AND OVERSIGHT COUNCIL ON WORKERS' COMPENSATION
(Continued)

Schedule of Exempt Positions:

Executive Director, Group 2	\$76,000	\$76,000
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Object-of-Expense Informational Listing:

Salaries and Wages	\$ 629,895	\$ 629,895
Other Personnel Costs	13,108	13,808
Professional Fees and Services	191,774	191,774
Fuels and Lubricants	1,999	1,999
Consumable Supplies	4,200	4,200
Travel	3,800	3,800
Rent - Building	63,500	63,500
Rent - Machine and Other	3,000	3,000
Other Operating Expense	<u>68,014</u>	<u>67,314</u>
Total, Object-of-Expense Informational Listing	<u>\$ 979,290</u>	<u>\$ 979,290</u>

1. **Appropriations Limited to Revenue Collections.** The application of special provisions limiting appropriations to revenue collections elsewhere in this article shall be consistent with the application of § 404.003, Labor Code, relating to the Research and Oversight Council on Workers' Compensation Maintenance Tax, and other applicable statutory provisions governing support of the agency.
2. **Unexpended Balance Authority.** Any unexpended balances of appropriations to the Research and Oversight Council on Workers' Compensation for the fiscal year ending August 31, 2004, not to exceed 20 percent or \$20,000 of Strategy A.1.1, Conduct Professional Studies, are hereby appropriated to the agency for the same purposes for fiscal year ending August 31, 2005.

RETIREMENT AND GROUP INSURANCE

	For the Years Ending	
	<u>August 31,</u> <u>2004</u>	<u>August 31,</u> <u>2005</u>
A. Goal: EMPLOYEES RETIREMENT SYSTEM		
A.1.1. Strategy: RETIREMENT CONTRIBUTIONS	\$ 8,794,343	\$ 8,882,275
Provide an actuarially sound level of funding as defined by state law. Estimated.		
A.1.2. Strategy: GROUP INSURANCE	<u>\$ 24,576,339</u>	<u>\$ 24,784,421</u>
Provide a basic health care and life insurance program for general state employees. Estimated.		
Total, Goal A: EMPLOYEES RETIREMENT SYSTEM	<u>\$ 33,370,682</u>	<u>\$ 33,666,696</u>
Grand Total, RETIREMENT AND GROUP INSURANCE	<u>\$ 33,370,682</u>	<u>\$ 33,666,696</u>
Method of Financing:		
General Revenue Fund, estimated	\$ 22,950,776	\$ 23,126,235
General Revenue Dedicated Accounts, estimated	9,626,549	9,743,832
Federal Funds, estimated	362,222	363,345
Other Special State Funds, estimated	<u>431,135</u>	<u>433,284</u>
Total, Method of Financing	<u>\$ 33,370,682</u>	<u>\$ 33,666,696</u>

SOCIAL SECURITY AND BENEFIT REPLACEMENT PAY

	For the Years Ending	
	August 31, 2004	August 31, 2005
A. Goal: SOCIAL SECURITY/BENEFIT REPLACEMENT		
To provide funding to the Comptroller of Public Accounts for Social Security Contributions and Benefit Replacement Pay.		
A.1.1. Strategy: STATE MATCH – EMPLOYER	\$ 10,742,793	\$ 10,850,207
Provide an employer match for Social Security contributions. Estimated.		
A.1.2. Strategy: BENEFIT REPLACEMENT PAY	\$ 1,812,372	\$ 1,719,941
Provide Benefit Replacement Pay to eligible employees. Estimated.		
Total, Goal A: SOCIAL SECURITY/BENEFIT REPLACEMENT	\$ 12,555,165	\$ 12,570,148
Grand Total, SOCIAL SECURITY AND BENEFIT REPLACEMENT PAY	\$ 12,555,165	\$ 12,570,148
Method of Financing:		
General Revenue Fund, estimated	\$ 7,880,581	\$ 7,894,015
General Revenue Dedicated Accounts, estimated	4,303,798	4,308,416
State Highway Fund No. 006, estimated	191,460	191,880
Federal Funds, estimated	132,690	131,580
Other Special State Funds, estimated	46,636	44,257
Total, Method of Financing	\$ 12,555,165	\$ 12,570,148

LEASE PAYMENTS

	For the Years Ending	
	August 31, 2004	August 31, 2005
A. Goal: FINANCE CAPITAL PROJECTS		
To provide funding to the Building and Procurement Commission for payment to the Texas Public Finance Authority for the payment of revenue bond debt service requirements.		
A.1.1. Strategy: LEASE PAYMENTS	\$ 5,349,731	\$ 5,348,752
Make lease payments to the Texas Public Finance Authority on facilities financed through the Texas Public Finance Authority.		& UB
Grand Total, LEASE PAYMENTS	\$ 5,349,731	\$ 5,348,752
Method of Financing:		
General Revenue Fund	\$ 2,374,806	\$ 2,375,342
GR Dedicated - Texas Department of Insurance Operating Fund Account No. 036	2,974,925	2,973,410
Total, Method of Financing	\$ 5,349,731	\$ 5,348,752

SPECIAL PROVISIONS RELATING TO ALL REGULATORY AGENCIES

Sec. 2. Appropriations Limited to Revenue Collections. It is the intent of the Legislature that fees, fines, and other miscellaneous revenues as authorized and generated by each of the following agencies cover, at a minimum, the cost of appropriations made above and elsewhere in this Act to those agencies as well as an amount equal to the amount identified in the informational item "Other Direct and Indirect Costs Appropriated Elsewhere in This Act." Contingent upon the continuation of the Self-directed Semi-independent Agency Project Act (Article 8930, Vernons Annotated Texas Civil Statutes) by the Seventy-eighth Legislature relating to the operation of the self-directed semi-independent agency pilot project, the Board of Public Accountancy, the Board of Professional Engineers, and the Board of Architectural Examiners shall be removed from this section.

Board of Public Accountancy
Board of Architectural Examiners
Board of Barber Examiners
Board of Chiropractic Examiners
Cosmetology Commission
Credit Union Department
Board of Dental Examiners
Board of Professional Engineers
Department of Banking
Office of Consumer Credit Commissioner
Savings and Loan Department
Funeral Service Commission
Board of Professional Geoscientists
Department of Insurance
Office of Public Insurance Counsel
Board of Professional Land Surveying
Department of Licensing and Regulation
Board of Medical Examiners
Board of Nurse Examiners
Board of Vocational Nurse Examiners
Optometry Board
Structural Pest Control Board
Board of Pharmacy
Executive Council of Physical Therapy and Occupational Therapy Examiners
Board of Plumbing Examiners
Board of Podiatric Medical Examiners
Board of Examiners of Psychologists
Racing Commission
Real Estate Commission
Board of Tax Professional Examiners
Board of Veterinary Medical Examiners
Research and Oversight Council on Workers Compensation

In the event that actual and/or projected revenue collections are insufficient to offset the costs identified by this provision, the Legislative Budget Board and Governor may direct that the Comptroller of Public Accounts reduce the appropriation authority provided by this Act to be within the amount of fee revenue expected to be available.

Sec. 3. Funding for Health Professions Council. An agency participating in the Health Professions Council shall transfer funds through interagency contract to the Health Professions Council from appropriations made to the agency elsewhere in this Act in order to carry out the functions required under Chapter 101, Occupation Code. The number of full-time-equivalent staff employed by the Council may not exceed three (3). Funds shall be transferred by the following participating agencies in the amounts noted below for each year of the 2004-05 biennium:

**SPECIAL PROVISIONS RELATING
TO ALL REGULATORY AGENCIES
(Continued)**

	<u>2004</u>	<u>2005</u>
Board of Chiropractic Examiners	\$ 3,218	\$ 3,523
Board of Dental Examiners	9,742	10,666
Board of Medical Examiners	24,239	26,538
Board of Nurse Examiners	16,224	17,762
Optometry Board	6,234	6,826
Board of Pharmacy	27,557	30,171
Executive Council of Physical and Occupational Therapy Examiners	6,014	6,584
Board of Podiatric Medical Examiners	2,172	2,378
Board of Examiners of Psychologists	8,070	8,836
Board of Veterinary Medical Examiners	7,669	8,397
Funeral Service Commission	1,897	1,906
Board of Vocational Nurse Examiners	11,271	12,348
Subtotal	\$ 124,307	\$ 135,935

The Texas Department of Health also contributes \$13,465 in fiscal year 2004 and \$14,741 in fiscal year 2005 to the Health Professions Council.

Sec. 4. TexasOnline Authority Appropriation. Each Article VIII licensing agency participating in the TexasOnline Authority is authorized in accordance with § 2054.252 of the Government Code to increase the occupational license renewal fees imposed on the licensees by an amount sufficient to cover the cost of the subscription fee charged by the TexasOnline Authority.

- a. Each Article VIII licensing agency participating in the TexasOnline Authority is hereby appropriated any additional fee revenue generated in excess of the amounts listed below for the purpose of paying the TexasOnline Authority subscription fee.

	<u>Fiscal Year 2004</u>	<u>Fiscal Year 2005</u>
Board of Barber Examiners	\$ 33,000	\$ 33,000
Board of Chiropractic Examiners	17,832	17,832
Cosmetology Commission	150,000	150,000
Board of Dental Examiners	86,949	90,132
Board of Professional Engineers	72,000	144,000
Board of Professional Land Surveying	14,221	14,221
Board of Vocational Nurse Examiners	72,000	72,000
Optometry Board	15,725	15,725
Structural Pest Control Board	57,625	57,625
Executive Council of Physical Therapy & Occupational Therapy Examiners	86,850	86,850
Board of Plumbing Examiners	65,000	65,000
Board of Podiatric Medical Examiners	3,900	3,900
Board of Examiners of Psychologists	30,000	30,000
Board of Tax Professional Examiners	17,500	17,500
Board of Veterinary Medical Examiners	30,485	30,485
Real Estate Commission	223,958	223,958
Funeral Services Commission	25,000	25,000
Board of Nurse Examiners	171,000	171,000
Board of Pharmacy	136,020	136,020
Department of Licensing and Regulation	45,745	45,745

**SPECIAL PROVISIONS RELATING
TO ALL REGULATORY AGENCIES
(Continued)**

Board of Medical Examiners	228,306	228,306
Department of Insurance	270,000	234,000
Savings and Loan	26,000	20,000
Total	\$ 1,879,116	\$ 1,912,299

- b. In the event that actual and/or projected revenue collections from fee increases to cover the cost of TexasOnline subscription fees are insufficient to offset the costs identified above, the Comptroller is hereby directed to reduce the appropriation authority provided by this Act to agencies participating in TexasOnline to be within the amount of fee revenue expected to be available.

Sec. 5. Peer Assistance Program Funding Requirements. Funds collected during the biennium beginning September 1, 2003, by the Board of Pharmacy pursuant to Chapter 564, Occupations Code, and by the Board of Nurse Examiners, the Board of Vocational Nurse Examiners, the Board of Dental Examiners, and the Board of Veterinary Medical Examiners pursuant to Chapter 467 of the Health and Safety Code, in order to administer or finance peer assistance programs for professionals impaired by chemical dependency or mental illness, are appropriated elsewhere in this Act as identified in each Board's peer assistance strategy. The expenditure of the appropriations identified by this section is hereby made contingent upon sufficient revenue collections from peer assistance surcharges or other receipts collected pursuant to Chapter 467 of the Health and Safety Code or Chapter 564, Occupations Code as appropriate. None of the appropriations identified by this section may be expended unless each agency with a peer assistance program has on file the following current documents:

1. Request for proposal documentation and contracts documenting that the respective agency governing board has a competitively bid contract with the peer assistance program;
2. documentation for programs authorized under Chapter 467 of the Health and Safety Code that the agency's peer assistance program has been certified by the Texas Commission on Alcohol and Drug Abuse (TCADA) as meeting all TCADA criteria for peer assistance programs;
3. documentation for programs authorized under Chapter 467 showing compliance with statutory requirements regarding eligible participants and conditions for which services may be offered; and
4. documentation that the program has been approved by the agency governing board.

**RECAPITULATION - ARTICLE VIII
REGULATORY
(General Revenue)**

	For the Years Ending	
	August 31, <u>2004</u>	August 31, <u>2005</u>
Board of Public Accountancy	\$ 2,968,589	\$ 2,502,073
State Office of Administrative Hearings	2,246,741	2,246,741
Board of Architectural Examiners	1,760,089	1,766,960
Board of Barber Examiners	577,176	577,176
Board of Chiropractic Examiners	327,213	327,213
Cosmetology Commission	2,008,700	1,994,766
Credit Union Department	1,655,593	1,703,218
Contingency Appropriations	<u>120,000</u>	<u>192,000</u>
Total	1,775,593	1,895,218
Texas State Board of Dental Examiners	1,440,034	1,322,597
Board of Professional Engineers	1,665,900	1,737,900
Department of Banking	11,282,901	11,227,584
Contingency Appropriations	<u>5,550,432</u>	<u>5,550,432</u>
Total	16,833,333	16,778,016
Office of Consumer Credit Commissioner	3,428,283	3,428,283
Savings and Loan Department	2,928,656	2,928,656
Contingency Appropriations	<u>2,377,500</u>	<u>2,604,100</u>
Total	5,306,156	5,532,756
Funeral Service Commission	585,591	585,592
Board of Professional Geoscientists	473,704	424,203
Department of Insurance	34,472,359	34,471,777
Office of Public Insurance Counsel	1,013,533	1,013,533
Board of Professional Land Surveying	344,836	344,836
Department of Licensing and Regulation	7,229,677	7,229,677
Board of Medical Examiners	5,156,144	5,156,144
Board of Nurse Examiners	2,426,636	2,605,110
Board of Vocational Nurse Examiners	1,288,649	1,279,650
Optometry Board	338,626	338,626
Structural Pest Control Board	1,219,662	1,219,662
Executive Council of Physical Therapy & Occupational Therapy Examiners	840,876	840,876
Board of Plumbing Examiners	1,559,519	1,559,519
Board of Podiatric Medical Examiners	206,357	201,592
Board of Examiners of Psychologists	655,563	655,564
Real Estate Commission	4,306,596	4,307,246
Securities Board	3,530,014	3,530,014
Board of Tax Professional Examiners	163,318	163,318
Public Utility Commission of Texas	10,242,444	10,242,444
Office of Public Utility Counsel	1,459,662	1,459,662
Board of Veterinary Medical Examiners	592,932	592,932
Workers' Compensation Commission	49,226,852	47,081,609
Research and Oversight Council on Workers' Compensation	<u>946,974</u>	<u>946,974</u>
Subtotal, Regulatory	<u>\$ 168,618,331</u>	<u>\$ 166,360,259</u>

**RECAPITULATION - ARTICLE VIII
REGULATORY
(General Revenue)
(Continued)**

Retirement and Group Insurance	22,950,776	23,126,235
Social Security and Benefit Replacement Pay	<u>7,880,581</u>	<u>7,894,015</u>
Subtotal, Employee Benefits	<u>\$ 30,831,357</u>	<u>\$ 31,020,250</u>
Lease Payments	2,374,806	2,375,342
TOTAL, ARTICLE VIII - REGULATORY	<u>\$ 201,824,494</u>	<u>\$ 199,755,851</u>

**RECAPITULATION - ARTICLE VIII
REGULATORY
(General Revenue - Dedicated)**

	For the Years Ending	
	August 31, 2004	August 31, 2005
Department of Insurance	\$ 17,515,349	\$ 17,515,931
Board of Pharmacy	3,151,692	3,374,491
Racing Commission	11,829,404	9,830,405
Real Estate Commission	99,000	120,000
Public Utility Commission of Texas	1,765,665	1,800,810
Research and Oversight Council on Workers' Compensation	<u>32,316</u>	<u>32,316</u>
Subtotal, Regulatory	<u>\$ 34,393,426</u>	<u>\$ 32,673,953</u>
Retirement and Group Insurance	9,626,549	9,743,832
Social Security and Benefit Replacement Pay	<u>4,303,798</u>	<u>4,308,416</u>
Subtotal, Employee Benefits	<u>\$ 13,930,347</u>	<u>\$ 14,052,248</u>
Lease Payments	2,974,925	2,973,410
TOTAL, ARTICLE VIII - REGULATORY	<u>\$ 51,298,698</u>	<u>\$ 49,699,611</u>

**RECAPITULATION - ARTICLE VIII
REGULATORY
(Federal Funds)**

	For the Years Ending	
	August 31, <u>2004</u>	August 31, <u>2005</u>
Department of Banking	\$ 58,005	\$ 58,005
Structural Pest Control Board	150,000	150,000
Workers' Compensation Commission	<u>2,022,758</u>	<u>2,022,758</u>
Subtotal, Regulatory	\$ <u>2,230,763</u>	\$ <u>2,230,763</u>
Retirement and Group Insurance	362,222	363,345
Social Security and Benefit Replacement Pay	<u>132,690</u>	<u>131,580</u>
Subtotal, Employee Benefits	\$ <u>494,912</u>	\$ <u>494,925</u>
TOTAL, ARTICLE VIII - REGULATORY	\$ <u>2,725,675</u>	\$ <u>2,725,688</u>

**RECAPITULATION - ARTICLE VIII
REGULATORY
(Other Funds)**

	For the Years Ending	
	August 31, 2004	August 31, 2005
Board of Public Accountancy	\$ 50,000	\$ 50,000
State Office of Administrative Hearings	4,461,566	4,461,566
Board of Architectural Examiners	10,054	10,054
Board of Barber Examiners	37,500	37,500
Board of Chiropractic Examiners	13,007	13,007
Cosmetology Commission	315,000	315,000
Texas State Board of Dental Examiners	200,000	200,000
Board of Professional Engineers	8,700	8,700
Department of Banking	6,100	6,100
Rider Appropriations	5,000	5,000
Total	<u>11,100</u>	<u>11,100</u>
Funeral Service Commission	5,000	5,000
Department of Insurance	337,031	337,031
Department of Licensing and Regulation	139,268	139,268
Board of Medical Examiners	145,000	145,000
Board of Nurse Examiners	643,000	643,000
Board of Vocational Nurse Examiners	30,100	30,100
Optometry Board	33,824	33,824
Structural Pest Control Board	600	600
Executive Council of Physical Therapy & Occupational Therapy Examiners	25,000	25,000
Board of Plumbing Examiners	10,000	10,000
Board of Podiatric Medical Examiners	3,200	3,200
Board of Examiners of Psychologists	65,000	65,000
Real Estate Commission	194,628	194,628
Public Utility Commission of Texas	101,130,548	121,504,928
Contingency Appropriations	9,800,000	9,800,000
Total	<u>110,930,548</u>	<u>131,304,928</u>
Office of Public Utility Counsel	288,138	288,138
Board of Veterinary Medical Examiners	500	500
Workers' Compensation Commission	1,280,106	1,287,269
Subtotal, Regulatory	<u>\$ 119,237,870</u>	<u>\$ 139,619,413</u>
Retirement and Group Insurance	431,135	433,284
Social Security and Benefit Replacement Pay	238,096	236,137
Subtotal, Employee Benefits	<u>\$ 669,231</u>	<u>\$ 669,421</u>
Article VIII, Special Provisions, Rider Appropriations	124,307	135,935
Less Interagency Contracts	<u>\$ 1,820,832</u>	<u>\$ 1,832,460</u>
TOTAL, ARTICLE VIII - REGULATORY	<u>\$ 118,210,576</u>	<u>\$ 138,592,309</u>

**RECAPITULATION - ARTICLE VIII
REGULATORY
(All Funds)**

	For the Years Ending	
	August 31, <u>2004</u>	August 31, <u>2005</u>
Board of Public Accountancy	\$ 3,018,589	\$ 2,552,073
State Office of Administrative Hearings	6,708,307	6,708,307
Board of Architectural Examiners	1,770,143	1,777,014
Board of Barber Examiners	614,676	614,676
Board of Chiropractic Examiners	340,220	340,220
Cosmetology Commission	2,323,700	2,309,766
Credit Union Department	1,655,593	1,703,218
Contingency Appropriations	<u>120,000</u>	<u>192,000</u>
Total	1,775,593	1,895,218
Texas State Board of Dental Examiners	1,640,034	1,522,597
Board of Professional Engineers	1,674,600	1,746,600
Department of Banking	11,347,006	11,291,689
Rider Appropriations	5,000	5,000
Contingency Appropriations	<u>5,550,432</u>	<u>5,550,432</u>
Total	16,902,438	16,847,121
Office of Consumer Credit Commissioner	3,428,283	3,428,283
Savings and Loan Department	2,928,656	2,928,656
Contingency Appropriations	<u>2,377,500</u>	<u>2,604,100</u>
Total	5,306,156	5,532,756
Funeral Service Commission	590,591	590,592
Board of Professional Geoscientists	473,704	424,203
Department of Insurance	52,324,739	52,324,739
Office of Public Insurance Counsel	1,013,533	1,013,533
Board of Professional Land Surveying	344,836	344,836
Department of Licensing and Regulation	7,368,945	7,368,945
Board of Medical Examiners	5,301,144	5,301,144
Board of Nurse Examiners	3,069,636	3,248,110
Board of Vocational Nurse Examiners	1,318,749	1,309,750
Optometry Board	372,450	372,450
Structural Pest Control Board	1,370,262	1,370,262
Board of Pharmacy	3,151,692	3,374,491
Executive Council of Physical Therapy & Occupational Therapy Examiners	865,876	865,876
Board of Plumbing Examiners	1,569,519	1,569,519
Board of Podiatric Medical Examiners	209,557	204,792
Board of Examiners of Psychologists	720,563	720,564
Racing Commission	11,829,404	9,830,405
Real Estate Commission	4,600,224	4,621,874
Securities Board	3,530,014	3,530,014
Board of Tax Professional Examiners	163,318	163,318
Public Utility Commission of Texas	113,138,657	133,548,182
Contingency Appropriations	<u>9,800,000</u>	<u>9,800,000</u>
Total	122,938,657	143,348,182

**RECAPITULATION - ARTICLE VIII
REGULATORY
(All Funds)
(Continued)**

Office of Public Utility Counsel	1,747,800	1,747,800
Board of Veterinary Medical Examiners	593,432	593,432
Workers' Compensation Commission	52,529,716	50,391,636
Research and Oversight Council on Workers' Compensation	<u>979,290</u>	<u>979,290</u>
Subtotal, Regulatory	<u>\$ 324,480,390</u>	<u>\$ 340,884,388</u>
Retirement and Group Insurance	33,370,682	33,666,696
Social Security and Benefit Replacement Pay	<u>12,555,165</u>	<u>12,570,148</u>
Subtotal, Employee Benefits	<u>\$ 45,925,847</u>	<u>\$ 46,236,844</u>
Lease Payments	5,349,731	5,348,752
Article VIII, Special Provisions, Rider Appropriations	124,307	135,935
Less Interagency Contracts	<u>\$ 1,820,832</u>	<u>\$ 1,832,460</u>
TOTAL, ARTICLE VIII - REGULATORY	<u>\$ 374,059,443</u>	<u>\$ 390,773,459</u>
Number of Full-Time-Equivalent Positions (FTE)	3,734.4	3,745.4

ARTICLE IX

PART 1.

GENERAL PROVISIONS LEGISLATIVE INTENT

Sec. 1.01. Limitations. The provisions of this Article and all other Articles of this Act are limitations on the appropriations made by this Act. It is the purpose of the Legislature in enacting this bill only to appropriate funds and to restrict and limit by its provisions the amount and conditions under which the appropriations can be expended.

PART 2.

PROVISIONS RELATING TO THE POSITION CLASSIFICATION PLAN

Sec. 2.01. Position Classification Plan. Except as otherwise specifically provided in this Act, expenditures of appropriations for the salaries of employees, in classified positions in all affected agencies appropriated funds by this Act, other than institutions of higher education, university system offices, and the Texas Higher Education Coordinating Board, are governed by Chapter 654, Government Code (the Position Classification Act), Chapter 659, Government Code, and this section, including the following lists of position classification numbers, position titles, salary group allocations, and rates of pay in classification salary schedules as provided by this Article.

CLASSIFIED POSITIONS FOR THE 2004-05 BIENNIUM

<u>Class Number</u>	<u>Class Title</u>	<u>Salary Group</u>
0004	Switchboard Operator I	A04
0005	Switchboard Operator II	A05
0051	Clerk I	A02
0053	Clerk II	A04
0055	Clerk III	A06
0057	Clerk IV	A08
0059	Clerk V	A10
0147	Word Processing Operator I	A06
0143	Word Processing Operator II	A08
0149	Word Processing Operator III	A10
0150	Administrative Assistant I	A08
0152	Administrative Assistant II	A11
0154	Administrative Assistant III	A13
0155	Administrative Assistant IV	A15
0160	Executive Assistant I	B09
0162	Executive Assistant II	B11
0203	Data Entry Operator I	A06
0205	Data Entry Operator II	A08
0207	Data Entry Operator III	A10
0213	ADP Record Control Clerk I	A07
0220	ADP Record Control Clerk II	A09
0221	ADP Equipment Operator I	A07
0223	ADP Equipment Operator II	A09
0225	ADP Equipment Operator III	A11
0227	ADP Equipment Operator IV	A14
0233	ADP Supervisor I	B08
0234	ADP Supervisor I	B10
0235	Systems Support Specialist I	A10
0236	Systems Support Specialist II	A12
0237	Systems Support Specialist III	A14
0238	Systems Support Specialist IV	A16
0239	Programmer I	B06
0240	Programmer II	B08
0241	Programmer III	B10
0242	Programmer IV	B12
0243	Programmer V	B14
0244	Programmer VI	B16
0245	Programmer VII	B18
0254	Systems Analyst I	B08
0255	Systems Analyst II	B10
0256	Systems Analyst III	B12
0257	Systems Analyst IV	B14
0258	Systems Analyst V	B16
0259	Systems Analyst VI	B18
0271	Data Base Administrator I	B08
0272	Data Base Administrator II	B10
0273	Data Base Administrator III	B12

**CLASSIFIED POSITIONS FOR THE 2004-05 BIENNIUM
(Continued)**

0274	Data Base Administrator IV	B14
0275	Data Base Administrator V	B16
0276	Data Base Administrator VI	B18
0277	Web Administrator I	B10
0278	Web Administrator II	B11
0279	Web Administrator III	B13
0281	Telecommunications Specialist I	B06
0282	Telecommunications Specialist II	B08
0283	Telecommunications Specialist III	B10
0284	Telecommunications Specialist IV	B12
0285	Telecommunications Specialist V	B14
0287	Network Specialist I	B08
0288	Network Specialist II	B10
0289	Network Specialist III	B12
0290	Network Specialist IV	B14
0291	Network Specialist V	B16
0293	Business Continuity Coordinator I	B13
0294	Business Continuity Coordinator II	B15
0295	Business Continuity Coordinator III	B17
0330	Printing Services Technician I	A07
0331	Printing Services Technician II	A09
0332	Printing Services Technician III	A11
0333	Printing Services Technician IV	A13
0334	Printing Services Technician V	A15
0335	Printing Services Technician VI	A16
0340	Microfilm Camera Operator I	A06
0341	Microfilm Camera Operator II	A08
0350	Micrographics Technician I	A09
0352	Micrographics Technician II	A11
0354	Micrographics Technician III	A13
0356	Micrographics Technician IV	A15
0365	Photographer I	A14
0367	Photographer II	A16
0515	Planning Assistant	B08
0516	Planner I	B09
0517	Planner II	B11
0518	Planner III	B12
0519	Planner IV	B13
0540	Research Assistant I	A11
0542	Research Assistant II	A13
0600	Research Specialist I	B07
0602	Research Specialist II	B09
0604	Research Specialist III	B10
0606	Research Specialist IV	B11
0608	Research Specialist V	B13
0620	Statistician I	B01
0622	Statistician II	B04
0624	Statistician III	B07
0626	Statistician IV	B09
0640	Economist I	B08
0642	Economist II	B10
0644	Economist III	B12
0810	Teacher Aide I	A06

CLASSIFIED POSITIONS FOR THE 2004-05 BIENNIUM

(Continued)

0812	Teacher Aide II	A09
0814	Teacher Aide III	A13
1010	Accountant I	B03
1012	Accountant II	B05
1014	Accountant III	B08
1016	Accountant IV	B09
1018	Accountant V	B11
1020	Accountant VI	B12
1022	Accountant VII	B13
1040	Auditor I	B05
1042	Auditor II	B07
1044	Auditor III	B09
1046	Auditor IV	B11
1048	Auditor V	B13
1050	Auditor VI	B15
1059	Taxpayer Compliance Officer I	B03
1060	Taxpayer Compliance Officer II	B04
1061	Taxpayer Compliance Officer III	B06
1062	Taxpayer Compliance Officer IV	B08
1063	Taxpayer Compliance Officer V	B10
1073	Accounts Examiner I	B03
1074	Accounts Examiner II	B05
1075	Accounts Examiner III	B07
1075	Accounts Examiner IV	B09
1077	Accounts Examiner V	B10
1080	Financial Analyst I	B11
1082	Financial Analyst II	B13
1084	Financial Analyst III	B15
1100	Financial Examiner I	B07
1102	Financial Examiner II	B09
1104	Financial Examiner III	B11
1105	Financial Examiner IV	B13
1103	Financial Examiner V	B15
1110	Financial Examiner VI	B17
1112	Financial Examiner VII	B19
1130	Investment Analyst I	B12
1131	Investment Analyst II	B15
1132	Investment Analyst III	B18
1133	Investment Analyst IV	B20
1150	Portfolio Manager I	B18
1151	Portfolio Manager II	B20
1152	Portfolio Manager III	B21
1153	Portfolio Manager IV	B22
1155	Budget Analyst I	B06
1156	Budget Analyst II	B09
1157	Budget Analyst III	B11
1158	Budget Analyst IV	B13
1161	Trader I	B16
1162	Trader II	B19
1165	Chief Investment Officer	B22
1175	Chief Trader I	B21
1176	Chief Trader II	B22
1240	Reimbursement Officer I	A09

**CLASSIFIED POSITIONS FOR THE 2004-05 BIENNIUM
(Continued)**

1242	Reimbursement Officer II	A11
1244	Reimbursement Officer III	A13
1246	Reimbursement Officer IV	A15
1248	Reimbursement Officer V	A17
1320	Inspector I	B01
1321	Inspector II	B03
1322	Inspector III	B05
1323	Inspector IV	B07
1324	Inspector V	B08
1325	Inspector VI	B10
1326	Inspector VII	B12
1350	Investigator I	B04
1351	Investigator II	B06
1352	Investigator III	B08
1353	Investigator IV	B09
1354	Investigator V	B10
1355	Investigator VI	B12
1356	Investigator VII	B13
1360	Sample Technician I	A06
1362	Sample Technician II	A08
1364	Sample Technician III	A10
1372	Seed Technician I	A10
1374	Seed Technician II	A12
1376	Seed Technician III	A14
1378	Seed Technician IV	A16
1550	Staff Services Officer I	B08
1551	Staff Services Officer II	B10
1552	Staff Services Officer III	B11
1553	Staff Services Officer IV	B12
1554	Staff Services Officer V	B13
1563	Program Administrator I	B09
1564	Program Administrator II	B10
1565	Program Administrator III	B11
1566	Program Administrator IV	B12
1567	Program Administrator V	B13
1568	Program Administrator VI	B15
1570	Program Specialist I	B09
1571	Program Specialist II	B10
1572	Program Specialist III	B11
1573	Program Specialist IV	B12
1574	Program Specialist V	B13
1575	Program Specialist VI	B15
1600	Manager I	B13
1601	Manager II	B14
1602	Manager III	B15
1603	Manager IV	B16
1604	Manager V	B17
1620	Director I	B17
1621	Director II	B18
1622	Director III	B19
1623	Director IV	B20
1624	Director V	B21
1630	Deputy Director	B22

**CLASSIFIED POSITIONS FOR THE 2004-05 BIENNIUM
(Continued)**

1640	Deputy Comptroller	B22
1727	Human Resources Assistant	A11
1729	Human Resources Specialist I	B05
1731	Human Resources Specialist II	B07
1733	Human Resources Specialist III	B09
1735	Human Resources Specialist IV	B11
1737	Human Resources Specialist V	B13
1730	Training Assistant	A11
1731	Training Specialist I	B05
1732	Training Specialist II	B07
1733	Training Specialist III	B09
1734	Training Specialist IV	B11
1735	Training Specialist V	B13
1821	Marketing Specialist I	B04
1822	Marketing Specialist II	B06
1823	Marketing Specialist III	B08
1824	Marketing Specialist IV	B10
1830	Information Specialist I	B06
1831	Information Specialist II	B08
1832	Information Specialist III	B10
1833	Information Specialist IV	B13
1840	Audio/Visual Technician I	A09
1841	Audio/Visual Technician II	A11
1842	Audio/Visual Technician III	A14
1843	Audio/Visual Technician IV	A16
1850	Methods and Procedures Specialist I	B06
1851	Methods and Procedures Specialist II	B08
1852	Methods and Procedures Specialist III	B10
1870	Technical Writer I	B07
1871	Technical Writer II	B09
1880	State and Federal Relations Representative I	B15
1881	State and Federal Relations Representative II	B17
1882	State and Federal Relations Representative III	B19
19 2	Inventory Coordinator I	A12
19 3	Inventory Coordinator II	A14
1954	Purchaser I	B04
1955	Purchaser II	B06
1956	Purchaser III	B08
1957	Purchaser IV	B10
1958	Purchaser V	B12
1970	Contract Technician I	A09
1972	Contract Technician II	A11
1974	Contract Technician III	A13
1976	Contract Specialist I	B07
1978	Contract Specialist II	B08
1980	Contract Specialist III	B09
1982	Contract Specialist IV	B10
1950	Property Manager I	B08
1952	Property Manager II	B10
1954	Property Manager III	B12
2040	Survey Specialist	B09
2050	Land Surveyor I	B11
2052	Land Surveyor II	B12

CLASSIFIED POSITIONS FOR THE 2004-05 BIENNIUM
(Continued)

2054	Land Surveyor III	B13
2050	Appraiser I	B05
2051	Appraiser II	B07
2052	Appraiser III	B09
2053	Appraiser IV	B10
2054	Appraiser V	B11
2055	Appraiser VI	B13
2030	Right of Way Agent I	B04
2032	Right of Way Agent II	B06
2034	Right of Way Agent III	B08
2036	Right of Way Agent IV	B10
2031	Utility Specialist I	B09
2032	Utility Specialist II	B11
2033	Utility Specialist III	B12
2034	Utility Specialist IV	B13
2119	Engineering Aide	A06
2121	Engineering Technician I	A08
2122	Engineering Technician II	A10
2123	Engineering Technician III	A12
2124	Engineering Technician IV	A14
2125	Engineering Technician V	A16
2127	Engineering Specialist I	B09
2128	Engineering Specialist II	B10
2129	Engineering Specialist III	B11
2130	Engineering Specialist IV	B12
2131	Engineering Specialist V	B13
2132	Engineering Specialist VI	B14
2135	Engineering Assistant I	B06
2137	Engineering Assistant II	B07
2139	Engineering Assistant III	B08
2150	Engineer I	B11
2151	Engineer II	B12
2152	Engineer III	B13
2153	Engineer IV	B14
2154	Engineer V	B15
2155	Engineer VI	B16
2156	Engineer VII	B17
2166	Graphic Designer I	A12
2167	Graphic Designer II	A14
2168	Graphic Designer III	A16
2179	Drafting Technician I	A11
2180	Drafting Technician II	A13
2181	Drafting Technician III	A15
2182	Drafting Technician IV	A17
2251	Project Design Assistant I	B06
2253	Project Design Assistant II	B07
2255	Project Design Assistant III	B08
2258	Architect I	B10
2260	Architect II	B11
2262	Architect III	B12
2264	Architect IV	B13
2266	Architect V	B15
2351	Geologist Assistant I	B06

**CLASSIFIED POSITIONS FOR THE 2004-05 BIENNIUM
(Continued)**

2353	Geologist Assistant II	B07
2355	Geologist Assistant III	B08
2356	Geologist I	B09
2358	Geologist II	B10
2360	Geologist III	B11
2362	Geologist IV	B12
2364	Geologist V	B13
2365	Geologist VI	B15
2455	Hydrologist Assistant	B08
2456	Hydrologist I	B09
2458	Hydrologist II	B10
2460	Hydrologist III	B11
2462	Hydrologist IV	B12
2464	Hydrologist V	B13
2465	Hydrologist VI	B15
2471	Chemist I	B05
2472	Chemist II	B07
2473	Chemist III	B09
2474	Chemist IV	B11
2475	Chemist V	B13
2476	Chemist VI	B15
2581	Sanitarian I	B05
2582	Sanitarian II	B07
2583	Sanitarian III	B09
2584	Sanitarian IV	B11
2585	Sanitarian V	B13
2660	Environmental Specialist I	B05
2661	Environmental Specialist II	B07
2662	Environmental Specialist III	B09
2663	Environmental Specialist IV	B11
2664	Environmental Specialist V	B13
2665	Environmental Specialist VI	B15
2661	Natural Resources Specialist I	B05
2662	Natural Resources Specialist II	B07
2663	Natural Resources Specialist III	B09
2664	Natural Resources Specialist IV	B11
2665	Natural Resources Specialist V	B13
2666	Natural Resources Specialist VI	B15
2667	Park Specialist I	B06
2668	Park Specialist II	B08
2669	Park Specialist III	B10
2660	Fish and Wildlife Technician I	A08
2661	Fish and Wildlife Technician II	A10
2692	Fish and Wildlife Technician III	A13
2693	Fish and Wildlife Technician IV	A15
2694	Fish and Wildlife Technician V	A17
2695	Park Ranger I	A06
2696	Park Ranger II	A08
2697	Park Ranger III	A10
2698	Park Ranger IV	A12
2699	Park Ranger V	A14
2730	Safety Officer I	B07
2731	Safety Officer II	B09

**CLASSIFIED POSITIONS FOR THE 2004-05 BIENNIUM
(Continued)**

2732	Safety Officer III	B11
2733	Safety Officer IV	B13
2740	Risk Management Specialist I	B07
2741	Risk Management Specialist II	B09
2742	Risk Management Specialist III	B10
2743	Risk Management Specialist IV	B12
2744	Risk Management Specialist V	B13
2761	Rescue Specialist I	B08
2762	Rescue Specialist II	B09
2763	Rescue Specialist III	B11
2802	Actuary I	B13
2803	Actuary II	B15
2804	Actuary III	B17
2805	Actuary IV	B19
2806	Actuary V	B21
2808	Chief Actuary	B22
2823	Insurance Technician I	A08
2824	Insurance Technician II	A10
2841	Insurance Specialist I	B04
2842	Insurance Specialist II	B06
2843	Insurance Specialist III	B08
2844	Insurance Specialist IV	B09
2845	Insurance Specialist V	B10
2911	Retirement System Benefits Specialist I	B02
2912	Retirement System Benefits Specialist II	B04
2913	Retirement System Benefits Specialist III	B06
2914	Retirement System Benefits Specialist IV	B08
30:0	Employment Specialist I	B02
30:1	Employment Specialist II	B03
30:2	Employment Specialist III	B04
30:3	Employment Specialist IV	B05
30:4	Employment Specialist V	B06
30:5	Employment Specialist VI	B07
30:6	Employment Specialist VII	B08
3141	Labor Market Analyst I	B05
3142	Labor Market Analyst II	B06
3143	Labor Market Analyst III	B07
3144	Labor Market Analyst IV	B08
31:1	Unemployment Insurance Claims Examiner I	A10
31:2	Unemployment Insurance Claims Examiner II	A12
31:3	Unemployment Insurance Claims Examiner III	A13
31:4	Unemployment Insurance Claims Examiner IV	A14
31:1	Unemployment Insurance Specialist I	B07
31:2	Unemployment Insurance Specialist II	B08
31:3	Unemployment Insurance Specialist III	B09
31:5	Unemployment Tax Specialist	B08
3501	Attorney I	B09
3502	Attorney II	B11
3503	Attorney III	B13
3504	Attorney IV	B15
3505	Attorney V	B17
3506	Attorney VI	B19
3510	Assistant Attorney General I	B09

**CLASSIFIED POSITIONS FOR THE 2004-05 BIENNIUM
(Continued)**

35.1	Assistant Attorney General II	B11
35.2	Assistant Attorney General III	B13
35.3	Assistant Attorney General IV	B15
35.4	Assistant Attorney General V	B17
35.5	Assistant Attorney General VI	B19
35.6	Assistant Attorney General VII	B20
35.7	First Assistant Attorney General	B22
35:0	General Counsel I	B13
35:1	General Counsel II	B15
35:2	General Counsel III	B17
35:3	General Counsel IV	B19
35:4	General Counsel V	B20
35:9	Hearings Reporter	B12
35:5	Legal Secretary I	A09
35:6	Legal Secretary II	A11
35:7	Legal Secretary III	A13
35:8	Legal Secretary IV	A15
35:0	Legal Assistant I	B04
35:2	Legal Assistant II	B06
35:4	Legal Assistant III	B08
35:6	Legal Assistant IV	B10
36:0	Law Clerk I	B01
36:2	Law Clerk II	B02
36:4	Law Clerk III	B03
36:0	Court Law Clerk I	B09
36:1	Court Law Clerk II	B11
36:0	Deputy Clerk I	A09
36:2	Deputy Clerk II	A11
36:4	Deputy Clerk III	A14
36:6	Deputy Clerk IV	A17
36:0	Chief Deputy Clerk	B13
36:5	Clerk of the Court	B17
3640	Judge I	B15
3642	Judge II	B17
3644	Judge III	B18
36:0	Title IV-D Master I	B18
36:2	Title IV-D Master II	B20
36:0	Ombudsman I	B09
36:2	Ombudsman II	B10
36:2	Benefit Review Officer	B12
40C1	Dietetic Technician I	A07
40C2	Dietetic Technician II	A09
40C7	Dietitian	B07
4015	Nutritionist I	B05
4016	Nutritionist II	B07
4017	Nutritionist III	B10
4018	Nutritionist IV	B12
4070	Public Health Technician I	B03
4072	Public Health Technician II	B05
4074	Public Health Technician III	B07
4076	Public Health Technician IV	B09
4082	Epidemiologist I	B11
4083	Epidemiologist II	B13

**CLASSIFIED POSITIONS FOR THE 2004-05 BIENNIUM
(Continued)**

4034	Epidemiologist III	B15
4125	Veterinarian I	B14
4127	Veterinarian II	B16
4140	Laboratory Technician I	A05
4142	Laboratory Technician II	A07
4144	Laboratory Technician III	A09
4146	Laboratory Technician IV	A11
4219	Microbiologist I	B03
4220	Microbiologist II	B05
4221	Microbiologist III	B07
4222	Microbiologist IV	B09
4223	Microbiologist V	B11
4224	Microbiologist VI	B13
4225	Microbiologist VII	B15
4290	Radiological Technologist Assistant	A03
4291	Radiological Technologist I	A06
4292	Radiological Technologist II	A08
4293	Radiological Technologist III	A11
4294	Radiological Technologist IV	A13
4340	Orthopedic Equipment Assistant	A06
4342	Orthopedic Equipment Technician I	A08
4344	Orthopedic Equipment Technician II	A10
4346	Orthopedic Equipment Technician III	A12
4348	Therapist Technician I	A02
4349	Therapist Technician II	A04
4350	Therapist Technician III	A05
4351	Therapist Technician IV	A07
4352	Therapist Technician V	A09
4360	Registered Therapist Assistant	A11
4361	Registered Therapist I	B04
4362	Registered Therapist II	B06
4363	Registered Therapist III	B08
4364	Registered Therapist IV	B10
4365	Registered Therapist V	B11
4366	Registered Therapist VI	B13
4372	Medical Aide I	A04
4374	Medical Aide II	A05
4376	Medical Aide III	A07
4385	Medical Technician I	A09
4386	Medical Technician II	A11
4387	Medical Technician III	A13
4400	Medical Technologist I	B03
4401	Medical Technologist II	B05
4402	Medical Technologist III	B07
4403	Medical Technologist IV	B09
4404	Medical Technologist V	B11
4405	Medical Technologist VI	B13
4428	Respiratory Care Practitioner	A11
4430	Licensed Vocational Nurse I	A09
4432	Licensed Vocational Nurse II	A11
4434	Licensed Vocational Nurse III	A13
4435	Resident Physician	B10
4436	Physician I	B20

CLASSIFIED POSITIONS FOR THE 2004-05 BIENNIUM
(Continued)

4437	Physician II	B21
4438	Physician III	B22
4442	Nurse I	B06
4444	Nurse II	B08
4446	Nurse III	B10
4448	Nurse IV	B12
4450	Nurse V	B13
4451	Nurse Practitioner	B15
4452	Medical Research Specialist I	B15
4453	Medical Research Specialist II	B17
4455	Dentist I	B17
4457	Dentist II	B19
4459	Dentist III	B21
4460	Psychologist I	B12
4462	Psychologist II	B14
4464	Psychologist III	B16
4466	Psychological Assistant	B04
4468	Associate Psychologist I	B08
4469	Associate Psychologist II	B09
4470	Associate Psychologist III	B10
4471	Associate Psychologist IV	B11
4472	Associate Psychologist V	B12
4476	Psychiatrist I	B20
4477	Psychiatrist II	B21
4478	Psychiatrist III	B22
4481	Dental Assistant I	A04
4482	Dental Assistant II	A06
4483	Dental Assistant III	A08
4489	Dental Hygienist	A16
4491	Pharmacist I	B12
4492	Pharmacist II	B14
4493	Pharmacist III	B16
4497	Pharmacy Technician I	A06
4498	Pharmacy Technician II	A08
4499	Pharmacy Technician III	A10
4501	Correctional Officer I	A07
4502	Correctional Officer II	A09
4503	Correctional Officer III	A11
4504	Correctional Officer IV	A12
4505	Correctional Officer V	A14
4510	Sergeant of Correctional Officers	B07
4511	Lieutenant of Correctional Officers	B08
4512	Captain of Correctional Officers	B09
4513	Major of Correctional Officers	B10
4520	Juvenile Correctional Officer I	A07
4521	Juvenile Correctional Officer II	A09
4522	Juvenile Correctional Officer III	A11
4523	Juvenile Correctional Officer IV	A13
4524	Juvenile Correctional Officer V	A15
4525	Juvenile Correctional Officer VI	A16
4540	Parole Officer I	B06
4541	Parole Officer II	B07
4542	Parole Officer III	B08

**CLASSIFIED POSITIONS FOR THE 2004-05 BIENNIUM
(Continued)**

4543	Parole Officer IV	B10
4544	Parole Officer V	B12
4550	Assistant Warden	B13
4551	Warden I	B15
4552	Warden II	B16
4550	Counsel Substitute I	A11
4551	Counsel Substitute II	A13
4552	Counsel Substitute III	A15
4571	Correctional Transportation Officer	A12
4646	Industrial Specialist I	A11
4647	Industrial Specialist II	A12
4648	Industrial Specialist III	A13
4649	Industrial Specialist IV	A14
4650	Industrial Specialist V	A16
4651	Industrial Specialist VI	A18
4671	Agriculture Specialist I	A12
4672	Agriculture Specialist II	A13
4673	Agriculture Specialist III	A14
4674	Agriculture Specialist IV	A15
4675	Agriculture Specialist V	A16
5023	Protective Services Specialist I	B05
5024	Protective Services Specialist II	B06
5025	Protective Services Specialist III	B07
5026	Protective Services Specialist IV	B08
5027	Protective Services Specialist V	B09
5030	Disability Determination Examiner I	B07
5031	Disability Determination Examiner II	B08
5032	Disability Determination Examiner III	B09
5033	Disability Determination Examiner IV	B10
5046	Disability Case Review Specialist	B03
5062	Vocational Rehabilitation Counselor I	B07
5063	Vocational Rehabilitation Counselor II	B08
5064	Vocational Rehabilitation Counselor III	B09
5078	Chaplaincy Services Assistant I	A09
5079	Chaplaincy Services Assistant II	A11
5080	Chaplaincy Services Assistant III	A12
5081	Chaplain I	B06
5082	Chaplain II	B09
5083	Chaplain III	B11
5085	Rehabilitation Technician I	A11
5086	Rehabilitation Technician II	A13
5090	Rehabilitation Teacher I	B02
5091	Rehabilitation Teacher II	B04
5092	Rehabilitation Teacher III	B06
5095	Coordinator of Rehabilitation	B08
5105	Veterans Assistance Counselor I	B06
5106	Veterans Assistance Counselor II	B07
5107	Veterans Assistance Counselor III	B08
5108	Veterans Assistance Counselor IV	B10
5109	Veterans Assistance Counselor V	B12
5112	Substance Abuse Counselor I	B05
5113	Substance Abuse Counselor II	B06
5120	MHMR Services Aide	A04

**CLASSIFIED POSITIONS FOR THE 2004-05 BIENNIUM
(Continued)**

5121	MHMR Services Assistant I	A06
5122	MHMR Services Assistant II	A07
5123	MHMR Services Assistant III	A08
5124	MHMR Services Supervisor	A10
5130	Qualified Mental Retardation Professional I	B05
5131	Qualified Mental Retardation Professional II	B06
5132	Qualified Mental Retardation Professional III	B07
5133	Qualified Mental Retardation Professional IV	B08
5140	Recreation Program Specialist I	A09
5142	Recreation Program Specialist II	A11
5144	Recreation Program Specialist III	A13
5146	Recreation Program Specialist IV	A14
5201	Resident Specialist I	A07
5203	Resident Specialist II	A09
5205	Resident Specialist III	A11
5207	Resident Specialist IV	A13
5209	Resident Specialist V	A15
5211	Caseworker I	B01
5212	Caseworker II	B04
5213	Caseworker III	B07
5220	Clinical Social Worker I	B03
5221	Clinical Social Worker II	B05
5222	Clinical Social Worker III	B07
5223	Clinical Social Worker IV	B09
5224	Clinical Social Worker V	B10
5226	Case Manager I	B03
5227	Case Manager II	B05
5228	Case Manager III	B07
5229	Case Manager IV	B09
5231	Volunteer Services Coordinator I	B03
5232	Volunteer Services Coordinator II	B05
5233	Volunteer Services Coordinator III	B07
5234	Volunteer Services Coordinator IV	B09
5235	Volunteer Services Coordinator V	B11
5502	Human Services Technician I	A04
5503	Human Services Technician II	A06
5504	Human Services Technician III	A07
5505	Human Services Technician IV	A09
5524	Human Services Quality Control Analyst I	B06
5525	Human Services Quality Control Analyst II	B07
5526	Human Services Quality Control Analyst III	B08
5527	Human Services Quality Control Analyst IV	B09
5528	Human Services Quality Control Analyst V	B11
5540	Child Support Officer I	B03
5541	Child Support Officer II	B05
5542	Child Support Officer III	B07
5543	Child Support Officer IV	B09
5550	Child Support Technician I	A09
5551	Child Support Technician II	A11
5552	Child Support Technician III	A13
5614	Interpreter I	B06
5616	Interpreter II	B08
5618	Interpreter III	B10

**CLASSIFIED POSITIONS FOR THE 2004-05 BIENNIUM
(Continued)**

5700	Human Services Specialist I	B03
5701	Human Services Specialist II	B04
5702	Human Services Specialist III	B05
5703	Human Services Specialist IV	B06
5704	Human Services Specialist V	B07
5705	Human Services Specialist VI	B08
5706	Human Services Specialist VII	B09
5720	Human Services Trainee	B02
6051	Criminalist I	B09
6052	Criminalist II	B10
6053	Criminalist III	B11
6054	Criminalist IV	B12
6055	Criminalist V	B13
6056	Criminalist VI	B14
6057	Criminalist VII	B15
6032	Crime Scene Photographer I	B07
6034	Crime Scene Photographer II	B09
6036	Crime Scene Photographer III	B11
6000	Communications Center Specialist I	A08
6001	Communications Center Specialist II	A09
6002	Communications Center Specialist III	A10
6005	Police Communications Operator I	A12
6006	Police Communications Operator II	A13
6007	Police Communications Operator III	A14
6008	Police Communications Operator IV	A15
61.4	Fingerprint Technician I	A10
61.5	Fingerprint Technician II	A11
61.6	Fingerprint Technician III	A12
61.7	Fingerprint Technician IV	A14
61:1	Latent Print Technician I	B07
61:2	Latent Print Technician II	B08
61:0	Crime Lab Evidence Technician	B05
61:2	Combined DNA Index System Analyst I	B10
61:4	Combined DNA Index System Analyst II	B12
6200	Breath Test Electronic Technician	B09
62:1	Public Safety Records Technician I	A09
62:2	Public Safety Records Technician II	A10
62:0	Security Officer I	A08
62:2	Security Officer II	A10
62:4	Security Officer III	A12
62:0	Security Worker I	A04
62:2	Security Worker II	A05
62:4	Security Worker III	A07
62:6	Security Worker IV	A09
7304	Archeologist I	B06
7306	Archeologist II	B08
7308	Archeologist III	B10
7310	Archeologist IV	B12
7315	Historian I	B05
7317	Historian II	B07
7319	Historian III	B09
7350	Library Assistant I	A07
7352	Library Assistant II	A09

**CLASSIFIED POSITIONS FOR THE 2004-05 BIENNIUM
(Continued)**

7354	Library Assistant III .	A11
7401	Librarian I	B05
7402	Librarian II	B07
7403	Librarian III	B09
7404	Librarian IV	B11
7405	Archivist I	B05
7407	Archivist II	B07
7409	Archivist III	B09
7450	Exhibit Technician I	B02
7452	Exhibit Technician II	B04
7454	Exhibit Technician III	B06
7456	Museum Curator	B07
8001	Custodian I	A02
8003	Custodian II	A03
8005	Custodian III	A05
8007	Custodian IV	A08
8021	Custodial Manager I	A11
8023	Custodial Manager II	A13
8025	Custodial Manager III	A15
8031	Groundskeeper I	A04
8032	Groundskeeper II	A05
8033	Groundskeeper III	A07
8102	Food Service Worker I	A02
8103	Food Service Worker II	A03
8104	Food Service Worker III	A05
8108	Food Service Manager I	A09
8109	Food Service Manager II	A11
81 0	Food Service Manager III	A13
81. 1	Food Service Manager IV	A16
81. 6	Cook I	A03
81. 7	Cook II	A04
8118	Cook III	A06
8119	Cook IV	A08
8202	Sewing Room Worker	A02
8203	Sewing Room Supervisor	A06
8251	Laundry Worker I	A02
8252	Laundry Worker II	A03
8253	Laundry Worker III	A05
8254	Laundry Worker IV	A06
8260	Laundry Manager I	A09
8261	Laundry Manager II	A11
8262	Laundry Manager III	A14
8263	Laundry Manager IV	A16
8301	Barber/Cosmetologist I	A05
8302	Barber/ Cosmetologist II	A06
8400	Canteen Manager I	A10
8401	Canteen Manager II	A13
9004	Maintenance Assistant	A04
9024	Air Conditioning and Boiler Operator I	A07
9035	Air Conditioning and Boiler Operator II	A09
9036	Air Conditioning and Boiler Operator III	A11
9037	Air Conditioning and Boiler Operator IV	A14
9041	Maintenance Technician I	A06

**CLASSIFIED POSITIONS FOR THE 2004-05 BIENNIUM
(Continued)**

90:12	Maintenance Technician II	A08
90:13	Maintenance Technician III	A09
90:14	Maintenance Technician IV	A11
90:15	Maintenance Technician V	A13
90:11	Maintenance Supervisor I	A10
90:12	Maintenance Supervisor II	A12
90:13	Maintenance Supervisor III	A14
90:14	Maintenance Supervisor IV	A15
90:15	Maintenance Supervisor V	A16
93:05	Transportation Maintenance Specialist I	A13
93:06	Transportation Maintenance Specialist II	A15
93:07	Transportation Maintenance Specialist III	A16
93:08	Transportation Maintenance Specialist IV	A17
93:09	Transportation Maintenance Specialist V	A18
93:21	Vehicle Driver I	A03
93:22	Vehicle Driver II	A05
93:23	Vehicle Driver III	A07
93:24	Vehicle Driver IV	A09
94: 6	Motor Vehicle Technician I	A08
94: 7	Motor Vehicle Technician II	A10
94: 8	Motor Vehicle Technician III	A12
94: 9	Motor Vehicle Technician IV	A14
95: 0	Machinist I	A10
95:12	Machinist II	A13
95:14	Machinist III	A15
96:2	Aircraft Pilot I	B09
96:4	Aircraft Pilot II	B11
96:6	Aircraft Pilot III	B13
96: 4	Aircraft Mechanic I	A15
96: 6	Aircraft Mechanic II	A17
97:0	Radio Communications Technician I	A09
97:2	Radio Communications Technician II	A11
97:4	Radio Communications Technician III	A12
97:6	Radio Communications Technician IV	A14
97:3	Machine Service Technician I	A13
97:4	Machine Service Technician II	A16
98:0	Electrician I	A12
98:2	Electrician II	A14
98:4	Electrician III	A16
98:6	Electrician IV	A18
98:10	HVAC Mechanic I	A11
98:12	HVAC Mechanic II	A12
98:14	HVAC Mechanic III	A14
98:16	HVAC Mechanic IV	A16
99: 1	Public Safety Inspector I	C05
99: 2	Public Safety Inspector II	C06
99: 5	Pilot Investigator I	C04
99: 6	Pilot Investigator II	C05
99: 7	Pilot Investigator III	C06
99: 8	Pilot Investigator IV	C07
99:20	Trooper Trainee	C01
99:22	Probationary Trooper	C02
99:28	Trooper	C03

CLASSIFIED POSITIONS FOR THE 2004-05 BIENNIUM
(Continued)

99:15	Corporal	C03
99:10	Sergeant, Public Safety	C04
99:11	Lieutenant, Public Safety	C05
99:12	Captain, Public Safety	C06
99:13	Assistant Commander, Public Safety	C07
99:14	Commander, Public Safety	C08
99:15	Major, Public Safety	C08
99:i0	Agent Trainee	C02
99:i6	Agent	C03
99:i0	Sergeant, Alcoholic Beverage	C04
99:i1	Lieutenant, Alcoholic Beverage	C05
99:i2	Captain, Alcoholic Beverage	C06
99:i3	Major, Alcoholic Beverage	C08
99:i5	Investigator Trainee - Office of the Inspector General	C01
99:71	Investigator - Office of the Inspector General	C03
99:72	Regional Supervisor - Office of the Inspector General	C04
99:73	Regional Manager - Office of the Inspector General	C05
99:74	Multi-Regional Administrator - Office of the Inspector General	C06
99:75	Chief Inspector - Office of the Inspector General	C08
99:i0	Game Warden Trainee	C01
99:i1	Probationary Game Warden	C02
99:i7	Game Warden	C03
99:i0	Sergeant, Game Warden	C04
99:i1	Lieutenant, Game Warden	C05
99:i2	Captain, Game Warden	C06
99:i3	Assistant Commander, Game Warden	C07
99:i4	Commander, Game Warden	C08
99:i5	Major, Game Warden	C08

SCHEDULE A CLASSIFICATION SALARY SCHEDULE

For the Fiscal Year Beginning September 1, 2003 and
For the Fiscal Year Beginning September 1, 2004

Salary Group	Minimum	Maximum
A2	14,376	18,972
A3	15,108	19,944
A4	15,864	20,940
A5	16,656	21,984
A6	17,532	23,136
A7	18,444	24,348
A8	19,452	25,680
A9	20,592	27,180
A10	21,744	30,444
A11	23,052	32,280
A12	24,432	34,212
A13	25,932	36,300
A14	27,540	38,556
A15	29,232	40,932
A16	31,068	43,500
A17	32,988	46,188
A18	35,100	49,140

SCHEDULE B CLASSIFICATION SALARY SCHEDULE

For the Fiscal Year Beginning September 1, 2003 and
For the Fiscal Year Beginning September 1, 2004

Salary Group	Minimum	Maximum
B1	20,592	29,244
B2	21,744	30,876
B3	23,052	32,736
B4	24,432	34,704
B5	25,932	36,828
B6	27,540	39,108
B7	29,232	41,508
B8	31,068	44,112
B9	32,988	46,836
B10	35,100	53,364
B11	37,332	56,736
B12	39,708	60,360
B13	42,216	64,176
B14	44,928	68,304
B15	47,820	77,100
B16	50,952	82,140
B17	54,264	87,480
B18	57,816	93,204
B19	65,352	105,348
B20	73,920	119,160
B21	93,360	150,504
B22	118,092	190,380

SCHEDULE C
CLASSIFICATION SALARY SCHEDULE
For the Fiscal Year Beginning September 1, 2003 and
For the Fiscal Year Beginning September 1, 2004

Salary Rates

Salary Group	Less Than 4 Years of Service	≥ 4 Years of Service	≥ 8 Years of Service	≥ 12 Years of Service	≥ 16 Years of Service
C1	\$30,200				
C2	\$33,280				
C3	\$36,400	\$38,896	\$41,392	\$43,888	\$46,384
C4		\$45,136	\$47,632	\$50,128	\$52,624
C5		\$51,376	\$53,872	\$56,368	\$58,864
C6		\$57,616	\$60,112	\$62,608	\$65,104
C7		\$69,264	\$69,264	\$69,264	\$69,264
C8		\$73,424	\$73,424	\$73,424	\$73,424

SALARY ADMINISTRATION AND OTHER EMPLOYMENT PROVISIONS
(Continued)

Sec. 3.05. Scheduled Exempt Positions.

- (a) Except for the positions listed under Subsection (b)(3), a position listed following an agency's appropriation in the agency's "Schedule of Exempt Positions" shall receive compensation at a rate not to exceed the amount indicated in that agency's "Schedule of Exempt Positions."
- (b) (1) Notwithstanding the rate listed in an agency's "Schedule of Exempt Positions," a position listed in Subsection (b)(3) may receive compensation at a rate set by the Governor in an amount not to exceed the "Maximum Salary" but not less than the "Minimum Salary" for the appropriate group as listed in Subsection (b)(2).
- (2) An exempt position listed in Subsection (b)(3) for which the term "Group," followed by an Arabic numeral, is indicated, may receive compensation at a rate within the range indicated below for the respective salary group indicated.

Scheduled Exempt Position Salary Rates

Group	Minimum Salary	Maximum Salary
1	\$ 45,816	\$ 70,788
2	54,228	83,784
3	64,200	99,192
4	76,068	117,516
5	90,060	139,140
6	106,692	189,000

(3)	Agency	Position	Salary Group
(A)	Fire Fighters' Pension Commissioner:	Commissioner	Group 1;
(B)	Secretary of State:	Secretary of State	Group 4;
(C)	Office of State-Federal Relations:	Executive Director	Group 3;
(D)	Health and Human Services Commission:	Commissioner	Group 6;
(E)	Texas Education Agency:	Commissioner of Education	Group 6;
(F)	Adjutant General's Department:	Adjutant General	Group 3;
(G)	Criminal Justice Policy Council:	Executive Director	Group 3;
(H)	Texas Department of Criminal Justice:	Chair, Board of Pardons and Paroles	Group 3;
(I)	Texas Department of Criminal Justice:	Parole Board Members (17)	Group 3;
(J)	Texas Commission on Environmental Quality:	Commissioners (3)	Group 5;
(K)	Texas Department of Economic Development:	Executive Director	Group 4;
(L)	Texas Department of Housing and Community Affairs:	Executive Director	Group 4;
(M)	Texas Workforce Commission:	Commissioners (3)	Group 4;
(N)	State Office of Administrative Hearings:	Chief Administrative Law Judge	Group 3;
(O)	Texas Department of Insurance:	Commissioner of Insurance	Group 6;

SALARY ADMINISTRATION AND OTHER EMPLOYMENT PROVISIONS
(Continued)

(P) Office of Public Insurance Counsel:	Public Counsel	Group 2;
(Q) Public Utility Commission of Texas:	Commissioners (3)	Group 4;
(R) Office of Public Utility Counsel:	Public Counsel	Group 2;
and		
(S) Bond Review Board:	Executive Director	Group 3.

(c) In addition to all other requirements, any salary increase from appropriated funds within the limits provided by this Section and salary increases within the limit established under an agency's bill pattern, must be:

- (1) in writing;
- (2) signed by the presiding officer of the governing board;
- (3) submitted to the Governor, the Legislative Budget Board and the Comptroller; and
- (4) approved by the governing board in a public meeting.

(d) (1) Each title listed in a "Schedule of Exempt Positions" following an agency's appropriation authorizes one position for the agency unless the title is followed by an Arabic numeral indicating the number of positions authorized or unless the title is followed by "(UL)" which authorizes an unlimited number of positions for such position title.

(2) The number of authorized positions for a title listed in a "Schedule of Exempt Positions" may be exceeded only:

- (A) for the purpose of hiring a replacement in a key management position as certified by the chief administrator of the agency;
- (B) if the current incumbent of the position has formally resigned or otherwise announced irrevocable plans to vacate the position;
- (C) for a period of time not to exceed the equivalent of one month's salary per fiscal year per terminating incumbent (excluding time spent on the payroll for the purpose of exhausting accrued annual leave or state compensatory time); and
- (D) if exceptions are reported as prescribed for payroll reporting procedures.

Sec. 3.06. Evening, Night, Weekend Shift Pay: Registered Nurses and Licensed Vocational Nurses. A state agency may pay an additional evening shift or night shift differential not to exceed 15 percent of the monthly pay rate to registered nurses or licensed vocational nurses who work the 3:00 p.m. to 11:00 p.m. shift, or its equivalent, or who work the 11:00 p.m. to 7:00 a.m. shift, or its equivalent. An additional weekend shift salary differential not to exceed five percent of the monthly pay rate may be paid to registered nurses and licensed vocational nurses. The weekend shift salary differential may be paid to an eligible individual in addition to the evening shift or night shift salary differential.

SALARY ADMINISTRATION AND OTHER EMPLOYMENT PROVISIONS
(Continued)

Sec. 3.07. Retention Bonuses.

- (a) To enhance the retention of classified employees necessary for the operations of a state agency or institution of higher education, a state agency or institution of higher education may pay a bonus of up to \$3,000 to an individual employed in a classified position deemed as necessary to the operations of the state agency or institution of higher education by the chief administrator of the state agency or institution of higher education. The employee must remain with that agency or institution in a classified position for 12 months after the date of execution of a bonus contract.
- (b) An agency may execute a bonus contract with a classified employee only after the employee has completed 12 months of employment in a classified position.
- (c) The lump sum bonus amount may be included in the classified employee's paycheck the month after the end of the 12-month bonus period.
- (d) Bonuses paid as provided by this section are specifically exempted from the salary limits of Section 3.04 and Chapter 659, Government Code.
- (e) Before a contract may be made as provided by this section, the need to retain the necessary classified employee must be adequately documented by letter from the chief administrator of the state agency or institution of higher education to the Comptroller.
- (f) The Comptroller shall interpret this Section to enhance the retention of classified employees.

PART 4. EMPLOYMENT POLICIES AND PROVISIONS

Sec. 4.01. Method of Salary Payments. All annual salaries appropriated by this Act are for full-time employment unless specifically designated as part-time. This section may not be construed to prevent the chief administrator of an agency from paying less than the maximum salary rate specified in this Act for a position, or the employment of a part-time employee to fill a regular position provided for in this Act, so long as the salary rate for such part-time employee is proportional to the regular rate for full-time employment.

Sec. 4.02. Exception - Contracts Less Than 12 Months. Facilities of the Texas Youth Commission in Article V or institutions of higher education or the schools for the blind or deaf in Article III of this Act that make contracts for less than a twelve-month period may pay salaries in equal monthly payments for the period of the contract.

Sec. 4.03. Matching Retirement and Certain Insurance. In each instance in which an operating fund or account is created and named by statute, the responsible officials of the state may transfer into the operating fund or account sufficient moneys from treasury funds, local, institutional, or federal funds to pay proportionally the costs of matching state employees' retirement contributions and the state's share of Old Age and Survivors Insurance.

Sec. 4.04. Per Diem of Board or Commission Members.

- (a) As authorized by § 659.032, Government Code, the per diem of state board and commission members consists of:

EMPLOYMENT POLICIES AND PROVISIONS
(Continued)

- (1) compensatory per diem, if specifically authorized by law, at \$30 per day;
 - (2) reimbursement of actual expenses for meals and lodging not to exceed \$110 per day when traveling within this state and reimbursement of actual expenses for meals and lodging when traveling outside of this state in an amount not to exceed the rates specified for a state employee under this Act; and
 - (3) reimbursement of transportation and incidental expenses at the rates specified in this Act for state employees.
- (b) If a law enacted after former Article 6813f, VTCS, (September 1, 1983), authorizes per diem for members of a particular state board or commission, but does not specify the amount of the per diem, then the amount of the per diem is the amount provided by Subsection (a).
- (c) The funds appropriated by this Act may not be expended to reimburse members of a state agency advisory committee for expenses associated with conducting committee business, including travel expenses, unless the expenditures for an advisory committee are within the limits provided by subsection (f) below, and are:
- (1) specifically authorized by this Act; or
 - (2) approved by the Governor and the Legislative Budget Board subsequent to the effective date of this Act.
 - (3) For the purpose of this subsection, the term "advisory committee" has the meaning assigned by § 2110.001, Government Code.
 - (4) This subsection does not apply to an advisory committee established by the governing board of a retirement system trust fund.
 - (5) This subsection applies only to an advisory committee that is subject to Chapter 2110, Government Code.
- (d) An agency that has a "Schedule of Exempt Positions and Per Diem of Board (or Commission) Members" following the agency's appropriations may expend appropriations for board or commission member compensatory per diem in an amount not to exceed the amount specified in the schedule for each respective fiscal year.
- (e) A full time employee paid from funds appropriated by this Act may not be paid both a salary and compensatory per diem for concurrent service as a state employee and as a board or commission member.
- (f) Reimbursement of Advisory Committee Members
- (1) Unless otherwise specifically provided for in this Act, and pursuant to Government Code, § 2110.004, total amounts expended in each fiscal year of the biennium for reimbursement of expenses for an advisory committee authorized to be reimbursed elsewhere in this Act by agencies and institutions, out of funds appropriated to those entities, may not exceed ninety percent (90%) of total expenditures for reimbursement of the same advisory committee by the agency or institution in fiscal year 2003, unless otherwise authorized in writing by the Legislative Budget Board and Governor.

EMPLOYMENT POLICIES AND PROVISIONS
(Continued)

- (2) Unless otherwise provided for in this Act, to the maximum extent possible, agencies and institutions shall encourage the use of videoconferencing and teleconferencing and shall schedule meetings and locations to facilitate the travel of participants so that they may return the same day and reduce the need to reimburse members for overnight stays.

Sec. 4.05. Political Aid and Legislative Influence Prohibited. The funds appropriated by this Act, regardless of source or character, may not be expended except in compliance with Chapter 556, Government Code.

Sec. 4.06. Limitations on Use of Appropriated Funds. Funds appropriated by this Act, other than those appropriated to an institution of higher education, may be expended only for items set out in the expenditure classifications of the Comptroller's Manual of Accounts insofar that an agency expending the appropriated funds has existing statutory authority for making the expenditures and the expenditures are not otherwise limited or prohibited in this Act.

Sec. 4.07. Contract Workforce.

- (a) In this section, contract workers are defined as independent contractors, temporary workers supplied by staffing companies, contract company workers, and consultants.
- (b) No appropriated funds may be expended for payment of a contract workforce in which the contract is executed, amended, or renewed on or after September 1, 2003, until an agency or institution:
- (1) develops and documents comprehensive policies and procedures for its contract workforce;
 - (2) examines and documents the legal and personnel issues related to the use of a contract workforce;
 - (3) conducts and documents a cost benefit analysis of its current contract workforce prior to hiring additional contract workers or amending or renewing existing contracts; and
 - (4) documents why and how the use of contract workers fit into agency staffing strategies, including consideration of agency mission, goals and objectives, existing and future employee skills needed, compensation costs, productivity, nature of services to be provided, and workload.

Agencies shall consult the *Best Practices and Guidelines for Effectively Using a Contract Workforce* (SAO Report No. 99-326) when planning for and implementing the requirements of this section.

- (c) No later than December 1 of each year of the biennium, an agency shall file with the Legislative Budget Board, the Governor, and the State Auditor a report on the agency's use of a contract workforce in the preceding fiscal year. The report shall be prepared according to a format prescribed by the State Auditor and shall include:
- (1) a description of how the agency has complied with provisions of this rider; and

EMPLOYMENT POLICIES AND PROVISIONS
(Continued)

- (2) an evaluation of the work performed by a contract workforce, including an assessment of whether work was completed on time, within budget, and according to contract specifications.
- (d) The State Auditor shall notify the Comptroller and the Legislative Audit Committee if an agency fails to comply with this section.
- (e) The State Auditor may require an agency to provide interim reports or additional information as necessary to ensure compliance with this section. The State Auditor may review each agency's report and follow up based on identified risks.

PART 5. TRAVEL REGULATIONS

Sec. 5.01. Travel Definitions.

The definitions established by § 660.002, Government Code, apply to Part 5 of this Article, unless another meaning is clearly provided. In Part 5 of this Article:

- (1) "Council of governments" includes:
 - (A) a council of governments created under Chapter 391, Local Government Code;
 - (B) a regional planning commission created under Chapter 391, Local Government Code; or
 - (C) a regional planning agency created under Chapter 391, Local Government Code.
- (2) "State agency" includes the entities within the definition of § 660.002(19) Government Code, and also includes a council of governments, a local workforce development board, or a MHMR community center, that uses funds appropriated by this Act to pay for the transportation, meals, lodging, or other travel expenses of its employees.

Sec. 5.02. General Travel Provisions. The funds appropriated by this Act to a state agency for the payment of transportation, meals, lodging, or incidental expenses is the maximum amount that may be expended by the agency. The funds appropriated by this Act may not be expended for those expenses unless the travel and the resulting requests for payment or reimbursement comply with the conditions and limitations in this Act, Chapter 660, Government Code, and the Comptroller's Rules.

Sec. 5.03. Failure to Comply.

- (a) If the State Auditor determines that the travel for which payment was made out of appropriated funds is not in compliance with Chapter 660, Government Code, the State Auditor shall so certify to the Comptroller. The Comptroller shall reduce the appropriation of the state agency that paid the travel expenses by an amount equal to the entire amount paid by the state agency for that individual for that travel occurrence.

TRAVEL REGULATIONS
(Continued)

- (b) The Comptroller shall prepare an annual report indicating the appropriation reductions, by state agency, made pursuant to this section for the previous fiscal year. The Comptroller shall submit the report to the Legislative Budget Board not later than December 1.

Sec. 5.04. Transportation Expenses.

- (a) For a state employee's use of a personally owned or leased motor vehicle, the mileage reimbursement rate, for travel occurring during a fiscal year, equals the maximum fixed mileage allowance specified in the revenue rulings issued by the Internal Revenue Service under the federal income tax regulations as of August 1 preceding the start of the fiscal year. The mileage reimbursement rate may not be less than 25 cents per mile or more than 35 cents per mile. The Comptroller shall announce the mileage reimbursement rate for a fiscal year as soon as possible after August 1 of the preceding year.
- (b) The Comptroller working with the review of the Office of the State Auditor shall perform a biennial study of the actual expenses associated with a state employee's use of a personally owned or leased motor vehicle. The Comptroller shall report the results of the study to the Legislature before the end of each even-numbered fiscal year. The study must report expense information in a manner useful to the Legislature for the establishment of the mileage reimbursement rates provided by Subsection (a) of this section.

Sec. 5.05. Transportation In Personally Owned or Leased Aircraft.

- (a) The rate of reimbursement to be paid to a key official, member of a board, commission, or a member of the Legislature for travel in the person's personally owned or leased aircraft, either within or without the boundaries of this state, is:
- (1) 40 cents per highway mile when traveling in single-engine aircraft;
 - (2) 55 cents per highway mile when traveling in twin-engine aircraft; and
 - (3) one dollar per highway mile when traveling in turbine-powered or other aircraft.
- (b) The rate of reimbursement for a state employee when the employee travels in the employee's personally owned or leased aircraft, either within or without the boundaries of this state, is:
- (1) 40 cents per highway mile when traveling in single-engine aircraft; or
 - (2) 55 cents per highway mile when traveling in twin-engine, turbine-powered, or other aircraft.

Sec. 5.06. Travel Meals and Lodging Expenses.

- (a) A state employee who travels within this state shall be reimbursed for the actual cost of lodging and meals. However, the reimbursements may not exceed \$80 per day per location for lodging and \$30 per day for meals.
- (b) At the discretion of each chief administrator of a state agency, a state employee whose duties require the employee to travel outside the employee's designated headquarters without an overnight stay away from the employee's headquarters may be reimbursed for the actual cost of the employee's meals not to exceed \$25 per day.

TRAVEL REGULATIONS
(Continued)

- (c) A state employee who travels outside of this state but within the continental United States shall be reimbursed for the employee's actual expenses for lodging and meals. However, the reimbursement may not exceed the maximum out-of-state meals and lodging rates, based on the federal travel regulations, issued by the Comptroller unless the Comptroller determines, in advance of travel, that local conditions necessitate a change in the lodging rate for a particular location. If an employee travels to a location where an allowance has not been set by the Comptroller, the Comptroller shall establish a rate for that location.
- (d) A state employee may receive reimbursements for the employee's actual expenses for meals and lodging when traveling outside the continental United States.
- (e) A state agency or institution may reimburse a state employee for a meal expense the employee incurs while traveling outside the employee's designated headquarters for less than six consecutive hours if the reimbursement:
 - (1) receives the written approval by the chief administrator of the state agency or institution;
 - (2) meets the rules adopted by the Comptroller regarding reimbursement for traveling outside the employee's designated headquarters for less than six consecutive hours; and
 - (3) complies with § 660.206, Government Code.

Sec. 5.07. Special Provisions Regarding Travel Expenses. Reimbursement for meals and lodging as authorized by Subchapter H, Chapter 660, Government Code, on an "actual expenses" or "actual amount of" basis may not exceed twice the maximum rates specified in § 5.06 of this Article.

Sec. 5.08. Aircraft.

- (a) Notwithstanding any other provision of this Act, the purchase of aircraft may not be made from appropriated funds except as authorized in this section.
- (b) Agencies authorized to expend appropriated funds for the maintenance and operation of state-owned aircraft or replacements authorized by Subsection (d) are:
 - (1) Texas A&M University System;
 - (2) Texas Department of Criminal Justice;
 - (3) Texas Department of Transportation;
 - (4) Parks and Wildlife Department;
 - (5) Department of Public Safety of the State of Texas;
 - (6) University of Texas System;
 - (7) Texas State Technical College;
 - (8) Texas Forest Service; and
 - (9) State Aircraft Pooling Board.
- (c) Notwithstanding any other provision of this Act, all state-owned aircraft (including aircraft forfeited to or seized by a particular agency) are subject to the authority of the State Aircraft Pooling Board under Chapter 2205, Government Code.

TRAVEL REGULATIONS
(Continued)

- (d) Expenditure of appropriated funds for replacement of aircraft with aircraft of comparable quality may be made contingent upon approval of the State Aircraft Pooling Board and a finding of fact by the Governor that a report has been filed with the Governor showing that:
 - (1) the aircraft to be replaced has been destroyed or has deteriorated to an extent that continued operation presents a serious hazard or that the aircraft to be replaced can no longer meet the mission requirements of the principal user state agency; and
 - (2) other state-owned aircraft cannot be effectively utilized in lieu of a replacement aircraft.
- (e) Expenditures necessary to purchase liability insurance pursuant to § 2205.045(a), Government Code, shall be made on a pro rata basis, as determined by the State Aircraft Pooling Board, from appropriations authorized to each agency operating a state-owned aircraft. The Comptroller shall transfer such necessary amounts from agencies operating aircraft to the State Aircraft Pooling Board for the purchase of liability insurance and expenditure of such funds by the Board is hereby authorized.
- (f) Any reimbursements received by a state agency for authorized aircraft services rendered to another state agency are hereby appropriated to the agency receiving the reimbursements, and shall be credited to the agency's appropriation item from which the cost of aircraft operation is paid.

Sec. 5.09. Limitation on Travel Expenditures.

- (a) In this section "travel" refers only to travel outside the state of Texas, except as set forth in subsection (k) of this section.
- (b)
 - (1) None of the funds appropriated by this Act may be expended, without the prior approval of the Legislative Budget Board, for travel purposes if such expenditure would cause the agency's or institution's travel expenditures for that fiscal year to exceed an amount equal to 100 percent of that agency's or institution's fiscal year 2000 amount of travel expenditures including any excess travel expenditure amounts approved by waiver.
 - (2) The general limitations provided by this subsection apply in addition to the limits of any additional agency specific limitation.
 - (3) In the event that a state agency or institution had, as determined by the Comptroller, no expenditures for travel outside the state of Texas during fiscal year 2000, the general limitations provided by subsection (b)(1) shall not apply, but out-of-state travel spending may not exceed in either year of the biennium the amount spent for that purpose in the last state fiscal year in which out-of-state travel occurred.
- (c) The Legislative Budget Board may consider requests from agencies which demonstrate circumstances which would make such reductions in actual travel impractical or inefficient in accomplishing the goals and strategies contained in their appropriations pattern. Such circumstances may include: new or expanded programs, law enforcement, tax collection activities, statutorily mandated travel, or other pressing public purposes.
- (d) The Comptroller shall prescribe accounting procedures and reporting requirements to administer this section and to ensure that expenditures for travel by all state agencies and institutions of higher education are properly reported and monitored.

TRAVEL REGULATIONS
(Continued)

- (e) (1) Upon notification by the Comptroller that a state agency or institution of higher education has exceeded the travel cap limit as specified in Subsection (b) of this Section for two consecutive fiscal years without the written approval of the Legislative Budget Board, the state agency or institution of higher education may not pay or reimburse with funds appropriated by this Act, a travel expense for travel to conventions, conferences, or seminars except as provided by this Subsection (e).
- (2) The Comptroller may allow a state agency or institution of higher education to reimburse or pay a travel expense incurred by an employee on or after the date the agency or institution receives notice of its exceeding the limits if:
 - (A) the expense is incurred while the employee is returning to the employee's designated headquarters;
 - (B) the reimbursement or payment is necessary to prevent unreasonable hardship to the employee; or
 - (C) the expense is incurred while the employee is completing official state business that the agency or institution deems critical to fulfillment of the agency's or institution's constitutional or statutory duties.
- (3) The Comptroller shall notify the Legislative Budget Board if the Comptroller allows such a payment or reimbursement. The notification must include the reason that the payment or reimbursement is allowed. The Legislative Budget Board may then direct the Comptroller to reduce the agency's or institution's appropriation by the amount of the payment or reimbursement if in the Legislative Budget Board's opinion the payment was the result of an agency failing to comply with the notification by the Comptroller.
- (f) All documents filed by an appointed officer under this section are public information. In this section, the term "public information" has the meaning provided by Chapter 552, Government Code.
- (g) In this section "appointed officer" includes all persons included under the definition provided by Chapter 572, Government Code, except that for the purposes of the definition of "appointed officer," the term "state agency" also includes a council of governments, a local workforce development board, or a mental health mental retardation community center that uses funds appropriated by this Act to pay for the transportation, meals, lodging, or other travel expenses of its employees or officials. For the purpose of this provision, the term "council of governments" shall include a council of governments, a regional planning commission, or similar regional planning agency created under Chapter 391, Local Government Code.
- (h) An appointed officer may not receive reimbursement from funds appropriated by this Act for expenses related to travel before filing with the Texas Ethics Commission copies of all documents that will be submitted to the Comptroller and Legislative Budget Board in support of the travel expense claim.
- (i) Funds appropriated by this Act may not be used to pay expenses for a trip to foreign countries, except for Canada or Mexico, unless the board or commission of each state agency and institution of higher education has approved the travel before departure. A copy

TRAVEL REGULATIONS
(Continued)

of the approval must be attached to each travel voucher submitted to the Comptroller. By October 1 of each year, each agency and institution of higher education must submit a report on all foreign travel with required approvals to the Governor and the Legislative Budget Board.

- (j) In implementing this rider, state agencies shall review their travel policies in order to ensure that travel which is critical to the delivery of services consistent with the mission of the agency is not affected.
- (k) Travel expenses incurred within the Washington, D.C. area by the Office of State-Federal Relations (OSFR) and by state agencies and institutions of higher education that are represented by their employees in the Washington, D.C. office of OSFR shall be considered in-state travel for the purpose of calculating the agencies' compliance with out-of-state travel limitation provisions.

PART 6. GENERAL LIMITATIONS ON EXPENDITURES

Sec. 6.01. Definitions.

In this Act:

- (a) "Earned federal funds" means all moneys received in connection with each entitlement period of a federally funded contract, grant, or program, excluding reimbursements under § 8.02(c), which are not required by the governing agreement to be disbursed thereon. Typically, earned federal funds arise from recoveries of costs previously paid from a nonfederal fund source, indirect cost allocations, interest earned on federal funds, and minor sources such as the sale of fixed assets purchased with federal funds. Except for state agencies of higher education and their affiliated agencies, the expenditure of funds received or earned by a state agency is limited to the appropriation authority granted to the agency. Any such excess funds remaining at the end of the 2002-03 biennium for an agency shall be returned to the General Revenue Fund. A state agency or institution participating in federally funded or other programs, where indirect cost reimbursements are an allowable part of charges to the program, shall establish procedures to maximize the recovery of such costs.
- (b) "Unexpended balance" or the abbreviation "UB" means the unobligated balance remaining in an appropriation, i.e., only that part of an appropriation, if any, that has not been set apart by the incurring of an obligation, commitment, or indebtedness by the state agency authorized to spend the appropriation. A reference in this Act to "unexpended balance" or "UB" is a reference to the unobligated balance of an amount appropriated by this Act for the fiscal year ending August 31, 2004, unless another meaning is clearly indicated.

Sec. 6.02. Interpretation of Estimates. In the event the amounts of federal funds, local funds, or funds other than appropriations from the General Revenue Fund, have been estimated in this Act in sums greater than are actually received by the respective agencies of the state, this Act may not be construed as appropriating additional funds from General Revenue to make up such differences. Wherever the language of this Act appropriates all receipts or balances from a specified source but uses an estimated amount to inform the Legislature and the public, the estimated figure is not to be construed as a limitation on the amount appropriated.

GENERAL LIMITATIONS ON EXPENDITURES
(Continued)

Sec. 6.03. Emergency and Deficiency Grants Out of Special Funds. For the purposes of §§ 401.061 and 403.075, Government Code, appropriations to the Office of the Governor from "special funds" include excess revenues from General Revenue Fund-Dedicated accounts that were previously special funds above those estimated by the Comptroller in certifying this Act.

Sec. 6.04. Excess Obligations Prohibited.

- (a) An agency specified in this Act may not incur an obligation in excess of the amounts appropriated to it for the respective objects or purposes named.
- (b) As a specific exception to Subsection (a) the Texas Building and Procurement Commission may determine that a proposed installment purchase arrangement is cost effective and certify this finding in response to an agency request.
- (c) A determination made by the Texas Building and Procurement Commission under Subsection (b) may be made for obligations incurred for the purchase or lease of automated information system equipment only if the agency has on file with the Legislative Budget Board a Biennial Operating Plan, including any amendments to the Biennial Operating Plan, and the plan has been approved by the Legislative Budget Board.
- (d) If this section is violated, the State Auditor shall certify the fact of the violation and the amount of over-obligation to the Comptroller, and the Comptroller shall deduct an amount equivalent to the over-obligation from the salary or other compensation due the responsible disbursing or requisitioning officer or employee, and apply the amount to the payment of the obligation.
- (e) This provision is specified pursuant to § 10, Article XVI, Texas Constitution.

Sec. 6.05. Interpretation of Legislative Intent. Funds appropriated by this Act shall be expended, as nearly as practicable, for the purposes for which appropriated. In the event an agency cannot determine legislative purpose from the pattern of appropriations, the agency shall seek to determine that purpose from the proceedings of the legislative committees responsible for proposing appropriations for this state.

Sec. 6.06. Comptroller's Duty to Pay. The Comptroller may not refuse to pass for payment a legal claim, factually justified, for which a valid appropriation has been made.

Sec. 6.07. Last Quarter Expenditures.

- (a) A state agency or other governmental unit using funds appropriated by this Act may not expend during the last quarter of a fiscal year more than one-third of the funds appropriated for that fiscal year.
- (b) Specifically exempted from Subsection (a) are:
 - (1) expenditures contracted for in previous quarters;
 - (2) funds required by statute, rule or regulation to be expended on a different time frame;
 - (3) seasonal employment of personnel;
 - (4) construction contracts;

GENERAL LIMITATIONS ON EXPENDITURES
(Continued)

- (5) contracts dealing with purchases of food, medicines, or drugs;
 - (6) expenditures related to the Children with Special Health Care Needs (formerly known as "CIDC") program operated by the Texas Department of Health; and
 - (7) expenditures occasioned by disaster or other Act of God.
- (c) The funds exempted, under Subsection (b) may not be considered in the computation of the total funds appropriated in a fiscal year for the purpose of applying Subsection (a).

Sec. 6.08. Appropriation Transfers.

- (a) Subject to any specific restriction in another provision of this Act, an appropriation contained in this Act may be transferred from one appropriation item to another appropriation item in an amount not to exceed 25 percent of the appropriation item from which the transfer is made for the fiscal year, at the discretion of the chief administrative officer of the state agency or institution.
- (b) As a specific exception to Subsection (a), funds appropriated for capital budget items are subject to restrictions contained elsewhere in this Act.
- (c) Funds appropriated by this Act in items of appropriation that are part of a Goal for "Indirect Administrative and Support Costs" or "Indirect Administration" may also be transferred from one appropriation item to another appropriation item within that same Goal without limitation as to the amount of such a transfer.
- (d) Appropriations made by this Act to each state agency or institution of higher education are not subject to transfer between agencies or institutions except under the provisions of interagency contract, budget execution statutes, or specific rider or statutory authorization.

Sec. 6.09. Transfers for Contract Services. Funds appropriated in the various Articles of this Act or "Employees Retirement System," "Social Security State Match," and "Benefit Replacement Pay" may be transferred between Articles for similar appropriation items for the purpose of paying employee benefits costs incurred by higher education institutions when those institutions have contracted to provide services to state agencies.

Sec. 6.10. Employee Benefit and Debt Service Items.

- (a) Funds appropriated in the various Articles of this Act for "Employees Retirement System," "Social Security State Match," "Benefit Replacement Pay," "Texas Public Finance Authority-G.O. Bond Debt Service Payments," and "Lease-Payments to the Texas Public Finance Authority" may be transferred between Articles to a like appropriation item without limitation as to the amount of such transfer.
- (b) An agency to which an appropriation listed under Subsection (a) is made may pool such appropriations, made in the various Articles for a common purpose, into a single cost pool for the purpose of administering the appropriation.

GENERAL LIMITATIONS ON EXPENDITURES
(Continued)

Sec. 6.11. Salaries to Be Proportional by Fund.

- (a) Unless otherwise provided, payment for salaries, wages, and benefits paid from appropriated funds, including "local funds" and "education and general funds" as defined in § 51.009 (a) and (c), Education Code, shall be proportional to the source of funds.
- (b) Unless otherwise specifically authorized by this Act, the funds appropriated by this Act out of the General Revenue Fund may not be expended for employee benefit costs, or other indirect costs, associated with the payment of salaries or wages, if the salaries or wages are paid from a source other than the General Revenue Fund. Payments for employee benefit costs for salaries and wages paid from sources, including payments received pursuant to interagency agreements or as contract receipts, other than the General Revenue Fund shall be made in proportion to the source of funds from which the respective salary or wage is paid or, if the Comptroller determines that achieving proportionality at the time the payment is made would be impractical or inefficient, then the General Revenue Fund shall be reimbursed for any such payment made out of the General Revenue Fund.
- (c) The Comptroller shall develop rules to provide for the administration of this section.
- (d) Each agency or institution of higher education having General Revenue Fund appropriations and other sources of financing shall file with the Comptroller and the State Auditor a schedule demonstrating proportionality. The schedule shall be filed before November 20th following the close of the fiscal year for the salaries, wages, and benefits of the preceding year ended August 31. The schedule shall be in a format prescribed by the Comptroller. The State Auditor shall review the agencies' compliance with this section. The Comptroller, on receipt of notification from the State Auditor of amounts disproportionately paid from General Revenue Fund appropriations, shall reduce current year General Revenue Fund appropriations of the agency or institution until such time as such amounts are repaid from sources other than the General Revenue Fund.

Sec. 6.12. Appropriations from Special Funds. Notwithstanding other provisions of this Act, appropriation amounts from special funds or special accounts in the General Revenue Fund are specifically limited to amounts not to exceed the actual balances and revenues available to each such fund or account.

Sec. 6.13. Limitation on Grants to Units of Local Government.

- (a) The funds appropriated by this Act may not be expended in the form of a grant to, or a contract with, a unit of local government unless the terms of the grant or contract require that the funds received under the grant or contract will be expended subject to limitations and reporting requirements similar to those provided by:
 - (1) Parts 2 and 3 of this Article (except there is no requirement for increased salaries for local government employees);
 - (2) §§ 556.004, 556.005, and 556.006, Government Code;
 - (3) §§ 2113.012 and 2113.101, Government Code;
 - (4) § 6.28 of this Article (Performance Rewards and Penalties);
 - (5) § 7.01 of this Article (Budgeting and Reporting);

GENERAL LIMITATIONS ON EXPENDITURES
(Continued)

- (6) § 7.02 of this Article (Annual Reports and Inventories); and
- (7) § 2102.0091, Government Code.

(b) In this section, "unit of local government" means:

- (1) a council of governments, a regional planning commission, or a similar regional planning agency created under Chapter 391, Local Government Code;
- (2) a local workforce development board; or
- (3) a MHMR community center.

Sec. 6.14. Limitation on State Employment Levels.

- (a) Without the written approval of the Governor and the Legislative Budget Board, a state agency or institution of higher education may not use funds appropriated by this Act to pay the salaries of a number of employees which would cause the number of full-time equivalent employees (FTEs) paid from funds appropriated by this Act by the state agency or institution of higher education for a fiscal quarter to exceed the figure indicated by this Act for that state agency or institution.
- (b) A request to exceed the FTE limitation established by this section must be submitted by the governing board of the state agency or institution of higher education and must include at a minimum:
 - (1) the date on which the board approved the request;
 - (2) a statement justifying the need to exceed the limitation;
 - (3) the source of funds to be used to pay the salaries; and
 - (4) an explanation as to why the functions of the proposed additional FTEs cannot be performed within current staffing levels.
- (c) For the purpose of Subsection (a), the number of FTEs employed by a state agency (not including an institution of higher education or an affiliated entity, the State Preservation Board, Parks and Wildlife Department, Texas School for the Blind and Visually Impaired, Texas School for the Deaf, and Texas Commission on Environmental Quality) for a fiscal quarter:
 - (1) shall be determined in accordance with the report filed pursuant to § 2052.103, Government Code;
 - (2) shall only include employees paid with funds appropriated through this Act;
 - (3) shall not include overtime hours; and
 - (4) shall include a position filled by temporary or contract workers for more than half of the work days of the year preceding the final day of the reporting period. Temporary or contract workers shall include workers employed under contract to fill specific

GENERAL LIMITATIONS ON EXPENDITURES
(Continued)

positions customarily filled by state employees. The State Auditor is authorized to provide interpretations of this provision.

- (d) For the purpose of Subsection (a), the number of FTEs employed by the State Preservation Board, Texas Commission on Environmental Quality, the Parks and Wildlife Department, the Texas School for the Blind and Visually Impaired, the Texas School for the Deaf, or an institution of higher education or an affiliated entity, for a fiscal year:
- (1) shall be determined in accordance with the reports filed pursuant to § 2052.103, Government Code;
 - (2) shall be an average of the four reports filed for that fiscal year;
 - (3) shall include employees paid with funds appropriated through this Act;
 - (4) shall not include overtime hours; and
 - (5) shall include a position filled by temporary or contract workers for more than half of the work days of the year preceding the final day of the reporting period. Temporary or contract workers shall include workers employed under contract to fill specific positions customarily filled by state employees. The State Auditor is authorized to provide interpretations of this provision.
- (e) This section shall not apply to appropriations made by this Act to the:
- (1) Office of the Governor; or
 - (2) Comptroller when that agency has determined by a cost/benefit analysis that an outsourcing or contracting arrangement provides savings to this State.
- (f) The limitations on FTEs under this section do not apply to a state agency or institution in instances of employment, including employment of temporary or contract workers, directly associated with events declared disasters by the Governor. Each state agency or institution shall annually notify the State Auditor, Comptroller, Legislative Budget Board, and Governor of FTEs exempted under this section.
- (g) The limitations on FTEs under this section do not apply to a state agency or institution in an instance of employment, including employment of a temporary or contract worker, associated with implementation of a project that is 100 percent federally funded. With regard to the exemption from the FTE limitations provided by this subsection, the state agency or institution is exempt from the FTE limitations only for the duration of the federal funding for the employment related to the project and all salaries, benefits, and other expenses incurred related to employment must be paid from federal funds. Each state agency or institution shall notify the State Auditor, Comptroller, Legislative Budget Board, and Governor of FTEs exempted under this subsection.

Sec. 6.15. Purchases of Postage.

- (a) If the expenditures for postage by an agency, other than the Legislature or an institution of higher education, exceed \$4,000 for a fiscal year, the agency shall purchase postage only in accordance with § 2113.103(c), Government Code.

GENERAL LIMITATIONS ON EXPENDITURES
(Continued)

- (b) The amount received by an agency as a refund of postage used by the agency shall be deposited in the fund to the credit of the appropriation from which postage for the agency is paid and is hereby appropriated to the agency for postage use.

Sec. 6.16. Publication or Sale of Printed, Recorded, or Electronically Produced Matter or Records.

- (a) Funds appropriated by this Act may not be used for the publication, recording, production, or distribution of any item or matter, including lists, notices, pamphlets, video tapes, audio tapes, microfiche, films or other electronically produced information or records unless such publication, recording, or production is:
 - (1) essential to accomplish or achieve a strategy or outcome target established by this Act; or
 - (2) required by law.
- (b) Any funds received and collected from any charges specifically authorized by statute for the productions, publications, or records are hereby appropriated to the agency issuing the productions, publications, or records for use during the year in which the receipts are collected. The Comptroller shall credit such receipts to the like appropriation item from which the original costs are paid.

Sec. 6.17. Limitation on Expenditures - Capital Budget.

- (a) Contained in appropriations made to certain agencies by this Act are amounts identified as the "Capital Budget." Except as provided under this Section, none of the funds appropriated by this Act, in excess of amounts restricted to capital budget purposes, may be expended for capital budget purposes without the prior approval of the Governor and Legislative Budget Board.
- (b) A request for approval to exceed the transfer limitation on capital budget expenditures under Subsection (i) must be submitted by the agency's governing board and must include at a minimum:
 - (1) the date on which the board approved the request;
 - (2) a statement justifying the need to exceed the limitation;
 - (3) the source of funds to be used to make the purchases; and
 - (4) an explanation as to why such expenditures cannot be deferred.
- (c) This restriction does not apply to:
 - (1) expenditures for capital outlay items or projects that are not included in the definition of "Capital Budget" under Subsection (d); or
 - (2) expenditures for Capital Budget purposes made by:
 - (A) institutions of higher education; or
 - (B) public community/junior colleges.

GENERAL LIMITATIONS ON EXPENDITURES
(Continued)

- (d) "Capital Budget" includes expenditures, for assets with a biennial project cost or unit cost in excess of \$25,000, within the following categories:
- (1) Acquisition of Land and Other Real Property (except for right-of-way purchases made by the Texas Department of Transportation);
 - (2) Construction of Buildings and Facilities;
 - (3) Repairs or Rehabilitation of Buildings and Facilities;
 - (4) Construction of Roads (except for such expenditures made by the Texas Department of Transportation);
 - (5) Acquisition of Information Resource Technologies;
 - (6) Transportation Items;
 - (7) Acquisition of Capital Equipment and Items; or
 - (8) Other Lease Payments to the Master Lease Purchase Program (for items acquired prior to September 1, 2003 only).
- (e) Any expenditure directly related to acquisition of an asset, or to placing an asset in service, may be paid from the appropriation made to the "Capital Budget."
- (f) In implementing this section, the Comptroller should refer to the detailed instructions for preparing and submitting requests for legislative appropriations for the biennium beginning September 1, 2003, and the definitions therein, and to the official request for legislative appropriations submitted by the affected agency.
- (g) Appropriations restricted to capital budget purposes and not identified in a "Capital Budget" as being for lease payments to the master lease purchase program (MLPP) or for other lease-purchase payments may be utilized to make lease payments under MLPP or for other lease or installment payments only if the agency to which the appropriation is made provides a report to the Comptroller specifying the sum of the lease payments to be made during the biennium for the Capital Budget item being acquired. The Comptroller shall reduce the appropriation made by this Act for the Capital Budget item in an amount equal to the difference between the appropriated amount and the sum of the lease payments for the biennium and deposit that amount into the unappropriated balance of the original funding source. In the event that the Comptroller cannot determine the amount appropriated for a specific Capital Budget item, the amount shall be determined by the Legislative Budget Board.
- (h) Funds restricted to "Acquisition of Information Resource Technologies" may also be used to purchase or contract for computer time, facility resources, maintenance, and training.
- (i) (1) An agency may transfer appropriations:
- (A) from a non-capital budget item to a capital budget item;
 - (B) from a capital budget item to another capital budget item; or
 - (C) from a capital budget item to an additional capital budget item not presented in the agency's bill pattern.

GENERAL LIMITATIONS ON EXPENDITURES
(Continued)

- (2) Without the approval of the Governor and the Legislative Budget Board:
- (A) the amounts transferred during a fiscal year as provided by Subdivision (1) of this Subsection (i) may not exceed 25 percent of either:
 - (i) the amount of the capital budget item, as presented in the agency's bill pattern from which funds are being transferred; or
 - (ii) the amount of the capital budget item, if presented in the agency's bill pattern, to which funds are being transferred;
 - (B) appropriations may not be transferred directly from a non-capital budget item to an additional capital budget item not presented in the agency's bill pattern;
 - (C) appropriations may not be transferred to an additional capital budget item that is not presented in the agency's bill pattern if that additional capital budget item was presented to a committee, subcommittee, or working group of the Seventy-eighth Legislature but was not adopted by the Seventy-eighth Legislature; and
 - (D) an agency that does not have a capital budget provision following its items of appropriation in this Act may not use funds appropriated by this Act for capital budget purposes.
- (j) Any unexpended balances remaining in appropriations made by this Act for capital budget purposes for fiscal year 2004 are hereby appropriated for fiscal year 2005 for the same purpose.
- (k) (1) Notwithstanding limitations on capital expenditures provided elsewhere, appropriations made by this Act that may be used for the payment of utility bills are hereby authorized to be used to pay for energy and water conservation-related projects, including lease payments under state's Master Lease Purchase Program, entered into in accordance with energy and water conservation statutes.
- (2) Capital expenditures for items that could be financed through the utility savings made possible by a comprehensive energy and water conservation contract authorized by § 2166.406, Government Code, are prohibited unless part of a comprehensive energy and/or water conservation contract authorized under § 2166.406, Government Code.
- (3) Before authorizing expenditures for capital items that consume energy or water or are related to the energy and/or water consumption of an agency's facilities, the Comptroller must verify that the items could not be part of a cost-effective contract for energy and water conservation measures authorized by § 2166.406, Government Code.

Sec. 6.18. Construction Policy. A state entity receiving an appropriation under this Act may not establish a rule or policy that is inconsistent with the legislative intent that funds appropriated by this Act for construction projects be expended only pursuant to state entity policies that provide the greatest competitive advantage to the state allowable under Chapter 2258, Government Code.

GENERAL LIMITATIONS ON EXPENDITURES
(Continued)

Sec. 6.19. Limitation on Use of Funds for Personal Residences.

- (a) Out of appropriations made by this Act, expenditures exceeding an aggregate amount of \$25,000 for the biennium beginning on September 1, 2003, may not be made for purchasing, remodeling, or repairing of a personal residence or living quarters unless the expenditures are:
 - (1) (A) required by court order;
 - (B) will result in increased safety, significant net cost savings, or prevention of substantial waste; or
 - (C) are specifically identified in a Capital Budget in this Act; and
- (2) the Governor and Legislative Budget Board have approved the expenditure under authority granted pursuant to Article XVI, § 69, Texas Constitution.
- (b) In the event of an emergency or if the Legislative Budget Board fails to meet before the 30th day following the date of the request, the Director of the Legislative Budget Board, after consultation with the Board members, may take action in conjunction with the Governor on the request.
- (c) The Texas Building and Procurement Commission shall report all expenditures exceeding an aggregate amount of \$25,000 for the biennium for purchasing, remodeling, or repairing a personal residence or living quarters to the Legislative Budget Board.

Sec. 6.20. Grant Restriction. Funds appropriated by this Act may not be expended for a grant to a law enforcement agency regulated by Chapter 1701, Occupations Code, unless:

- (1) the law enforcement agency requesting the grant is in compliance with all rules developed by the Commission on Law Enforcement Officer Standards and Education; or
- (2) the Commission on Law Enforcement Officer Standards and Education certifies that the requesting agency is in the process of achieving compliance with such rules.

Sec. 6.21. Expenditures for State-Federal Relations.

- (a) Funds appropriated by this Act may not be spent by a state agency to carry on functions for which funds have been appropriated to the Office of State-Federal Relations to perform except when an interagency contract has been executed between the Office of State-Federal Relations and the state agency.
- (b) Prior to travel to Washington, D.C., state agency personnel shall inform the Office of State-Federal Relations regarding:
 - (1) the timing of the trip;
 - (2) the purpose of the trip; and
 - (3) the name of a contact person for additional information.

GENERAL LIMITATIONS ON EXPENDITURES
(Continued)

Sec. 6.22. Research Policy.

- (a) An agency may not expend any funds appropriated by this Act for research projects of any type until the agency has adopted and filed with the Legislative Budget Board a policy that clearly establishes and protects the property rights of the state with regard to any patentable product, process, or idea that might result from such research.
- (b) In order to avoid duplication, a state agency, excluding an institution of higher education, may not expend funds appropriated by this Act to conduct or support policy research on a subject within the statutory jurisdiction of another agency without providing prior written notification, to the agency that has the statutory jurisdiction, concerning a work plan and the coordination of resources.

Sec. 6.23. Court Representation and Outside Legal Counsel.

- (a) Except as otherwise provided by the Constitution or general or special statutes, the Attorney General shall have the primary duty of representing the State in the trial of civil cases. Prior to expenditure of funds for retaining outside legal counsel, agencies or departments (other than those included in Article X of this Act) shall request the Attorney General to perform such services. If the Attorney General determines that outside counsel is in the best interest of the State, the Attorney General shall so certify to the Comptroller and to the requesting agency which may then utilize appropriated funds to retain outside counsel. However, funds appropriated by this Act may not be used to contract with an attorney who represents clients before the agency or who has, during a six month period preceding the initiative of the contract and a six month period following the termination of the contract, represented clients before the agency. An agency may not initiate the process of selecting outside legal counsel prior to receiving the approval of the Attorney General to retain outside counsel.
- (b) Funds appropriated in this Act may not be expended by any agency of the state government (other than those included in Article X of this Act) to initiate a civil suit or defend itself against a legal action without the consent of the Attorney General. Absent this consent, the agency shall be represented in that particular action by the Attorney General.
- (c) On receipt of a request for outside counsel, the Attorney General shall make a determination on the request as expeditiously as possible, but in no event later than 10 working days after receiving such request.
- (d) Where the Attorney General, district attorney, criminal district attorney, county attorney, or other lawyer is required by constitutional or statutory provision to represent a state agency, state official, state board, or state department, compensation may not be paid from any appropriation made in this Act to any other attorney for representing the State in the trial of a civil suit except in those cases where the Attorney General consents to such representation or the district attorney, criminal district attorney, county attorney, or other lawyer has requested that the attorneys employed by the particular state agency, state official, state department, or state board assist with the trial of the particular civil suit.
- (e) This section does not restrict a state agency, state official, state department, or state board in the investigation and assembling of evidence in connection with a pending or prospective civil suit. This section does not prohibit the foregoing state officials, state agencies, state boards, or state departments and their employees from investigating, filing, or presenting to any person a claim, owing to the State.

GENERAL LIMITATIONS ON EXPENDITURES
(Continued)

- (f) This section does not restrict the Attorney General from employing special assistants to assist in the trial of civil suits to be paid from the appropriations therefore made to the Attorney General.
- (g) If a state agency requests the Attorney General to take legal action in court against another state agency, the Attorney General shall give special consideration to permitting one of the agencies to employ, from the permitted agency's funds, outside counsel to represent that agency in that action, in order to avoid a conflict of interest by the Attorney General in the representation of both agencies.
- (h) If the Attorney General initiates legal action against another state agency on behalf of the Attorney General rather than another agency, the Legislature determines that a conflict of interest exists and the agency against which the Attorney General takes action may expend appropriated funds for outside legal counsel to represent that agency without the prior approval or consent of the Attorney General.
- (i) Subsections (a) - (h) do not apply to funds appropriated to:
 - (1) the Office of the Governor;
 - (2) Comptroller;
 - (3) Department of Agriculture;
 - (4) General Land Office and Veteran's Land Board; or
 - (5) the Railroad Commission of Texas.
- (j) The funds appropriated by this Act may not be expended to pay the legal fees or expenses of a lawyer or law firm that represents the State or any of its agencies in a contested matter if the lawyer or law firm is representing a plaintiff in a proceeding seeking monetary damages from the State or any of its agencies.
- (k) (1) None of the money appropriated by this Act may be expended by a state governmental entity for payment of legal fees or expenses under a contingent fee contract for legal services without the prior approval of the Legislative Budget Board in accordance with Article XVI, § 69, Texas Constitution.
 - (2) For purposes of this section, "state governmental entity" means a board, commission, department, office, or other agency in the executive branch of state government created under the constitution or a statute, including an institution of higher education.
 - (3) This section applies to all contingent fee contracts for legal services entered into by a state governmental entity, including legal services related to a parens patriae action or proceeding brought by a state governmental entity in the name of the state, except that this section does not apply to a contingent fee contract:
 - (A) for legal services performed for a state governmental entity in relation to the entity's actions as a receiver, special deputy receiver, liquidator, or liquidating agent in connection with the administration of the assets of an insolvent entity, including actions under Article 21.28, Insurance Code, or Chapters 36, 66, 96, or 126, Finance Code; or

GENERAL LIMITATIONS ON EXPENDITURES
(Continued)

- (B) under which recoveries from more than one entity are contemplated and the expected amount of each recovery and the actual amount of each recovery do not exceed \$100,000.

- (l) Any litigation that results in settlement, court order or other arrangement providing revenues or financial benefits to the State of Texas shall be structured to require the entire amount due to be paid to the treasury.

- (m) (1) None of the money paid to a state governmental entity (as a result of a settlement of litigation, or other arrangement providing revenues or financial benefits as a result of litigation) may be expended by any person unless the Legislative Budget Board is notified in writing regarding the terms of the settlement or other arrangement and the state governmental entity's plans for the use of the money. The written notice must be delivered to the Legislative Budget Board by or on behalf of the state governmental entity 12 or more days before the date of authorization, execution, or other creation of evidence of the approval of the settlement or other arrangement by the state governmental entity.

- (2) This subsection does not apply to a settlement of litigation, court order resulting from litigation, or other arrangement providing revenues or financial benefits as a result of litigation:
 - (A) for a state governmental entity in relation to the entity's actions as a receiver, special deputy receiver, liquidator, or liquidating agent in connection with the administration of the assets of an insolvent entity, including actions under Article 21.28, Insurance Code, or Chapters 36, 66, 96, or 126, Finance Code; or
 - (B) under which recovery to the state governmental entity does not exceed \$500,000.

Sec. 6.24. Judgments and Settlements.

- (a) The funds appropriated by this Act, including appropriations made in Article X of the Act, may not be expended for payment of a judgment or settlement prosecuted by or defended by the Attorney General and obtained against the State or a state agency, except:
 - (1) pursuant to this section; or
 - (2) where it is specifically provided in an item of appropriation that the funds thereby appropriated or expenditures therein authorized may be used for the payment of such judgments.

- (b) The authorization provided by this subsection does not apply in those cases where the judgment order of the trial court was entered, or a settlement agreement was executed, prior to September 1, 1995. State agencies appropriated funds by this Act may expend funds appropriated elsewhere in this Act for the purposes of paying settlements and judgments against the state for causes brought in a federal court or a court in this state under specific statutory authority. Payments made pursuant to this subsection are subject to the following processes and limitations:

GENERAL LIMITATIONS ON EXPENDITURES
(Continued)

- (1) such funds are to be paid out by the Comptroller on vouchers drawn by the agency settling the lawsuit or paying the judgment, subject to the approval of the Governor and of the Attorney General according to Subsection (d);
 - (2) for purposes of this subsection, "judgment" means a judgment order rendered in a federal court or a court in this state for which an appeal or rehearing, or application therefore, is not pending and for which the time limitations for appeal or rehearing have expired;
 - (3) the payment of a settlement or judgment may not exceed \$250,000;
 - (4) the payment of the settlement or judgment would not cause the total amount of payments made by the payer agency for that fiscal year to exceed 10 percent of the total amount of funds available for expenditure by that agency for that fiscal year; and
 - (5) the payment of a settlement or judgment may be made only with a complete release from any and all related claims and causes against the State, and in the case of a judgment, the payment may be made only in full satisfaction of that judgment.
- (c) A state agency shall report a claim for property damage to the Attorney General not later than the second working day after the date the agency receives the claim. A state agency shall prepare a voucher for payment of a claim not later than the 10th working day after the date an agreement to settle the claim has been reached.
- (d) Payment of all judgments and settlements prosecuted by or defended by the Attorney General is subject to approval of the Attorney General as to form, content, and amount, and certification by the Attorney General that payment of the judgment or settlement is a legally enforceable obligation of the State. This subsection applies equally to funds appropriated for expenditure through the state treasury, as well as funds appropriated for expenditure from funds held in local banks.
- (e) The Attorney General shall report to the Legislative Budget Board and the Governor not less than monthly, a listing of all settlements and judgments of more than \$5,000 submitted to the Comptroller for payment. The document for publication shall contain at least the following information unless all or part of the information is exempt by court order or Chapter 552, Government Code, (the Open Records Act):
- (1) a summary of the cause of action;
 - (2) a summary of the terms of the settlement;
 - (3) the style of the case;
 - (4) the name and business address of each attorney representing the opposing litigants at the time of the settlement;
 - (5) the amount of the judgment or settlement;
 - (6) the fund or account from which payment was or should be made;
 - (7) the statutory citation for the appropriation or other authority to be made;

GENERAL LIMITATIONS ON EXPENDITURES
(Continued)

- (8) specific statutes granting waiver of sovereign immunity or legislative resolution granting litigant permission to sue;
 - (9) the date of judgment or settlement; and
 - (10) other information as the Legislative Budget Board may request and in the form requested by the Legislative Budget Board.
- (f) The State Auditor may verify compliance with this section for all funds appropriated in this Act, including funds that are retained and expended from accounts held outside the state treasury and that are not subject to reimbursement through funds held in the state treasury. On verification that an agency has not obtained the Attorney General's approval prior to payment of a judgment or settlement, the State Auditor may certify such fact to the Comptroller. The Comptroller may withhold all appropriations for administrative expenses for the involved agency, until the Legislative Audit Committee notifies the Comptroller that the agency's non-compliance has been reviewed and necessary recommendations or changes have been made.

Sec. 6.25. Expenditures for Representatives of Grievants Prohibited.

- (a) The funds appropriated by this Act may not be used to pay expenses for salary, travel, or per diem of a public employee who represents grievants in the presentation of grievances concerning wages, hours of work, or conditions of work.
- (b) Notwithstanding Subsection (a), a state employee may take annual leave, compensatory leave, or leave without pay, subject to the procedures established by the state employee's agency of employment, to engage in this activity.

Sec. 6.26. Agricultural Soil and Water Conservation. Appropriations made elsewhere in this Act to the Texas Water Development Board, State Soil and Water Conservation Board, Texas Agricultural Experiment Station, or the Texas Cooperative Extension out of the Agricultural Soil and Water Conservation Fund Account No. 563 shall be allocated to each of those agencies in equal amounts.

Sec. 6.27. Limitation on Expenditures for Purchases and Conversions of Alternative Fuel Vehicles. A state agency, including an institution of higher education, that is required to meet the percentage requirements for vehicles capable of using alternative fuels under Chapter 2158, Government Code, may expend funds appropriated by this Act for the purpose of meeting the percentage requirements only if the agency purchases or converts a vehicle that uses the most cost-effective, fuel efficient and mechanically efficient alternative fuel source.

Sec. 6.28. Performance Rewards and Penalties.

- (a) It is the intent of the Legislature that appropriations made by this Act be utilized in the most efficient and effective manner possible to achieve the intended mission of each state agency and institution. In order to achieve the objectives and service standards established by this Act, agencies and institutions shall make every effort to attain the designated key performance target levels associated with each item of appropriation.
- (b) To support and encourage the achievement and maintenance of these appropriated annual performance levels, continued expenditure of any appropriations in this Act shall be contingent upon compliance with the following provisions:

GENERAL LIMITATIONS ON EXPENDITURES
(Continued)

- (1) Agencies and institutions, in coordination with the Legislative Budget Board, shall establish performance milestones for achieving targets within each annual budget and performance period; time frames for these milestones and the related performance reporting schedule shall be under guidelines developed by the Legislative Budget Board.
 - (2) Agencies and institutions shall provide testimony as to the reasons for any performance variances to the Senate Finance Committee and the House Appropriations Committee, as determined to be necessary by those committees; assessments of agency and institution performance shall be provided to the committees under guidelines and procedures developed by the Legislative Budget Board.
- (c) Upon a finding that an agency or institution has successfully met or exceeded performance expectations, or has failed to achieve expected performance levels, the Legislative Budget Board, and the Governor, may adopt a budget execution order, which may include but is not limited to, one or more of the following:
- (1) Positive Incentives/Rewards - Increased funding, exemption from reporting requirements, increased funding transferability, formalized recognition or accolade, awards or bonuses, expanded responsibility, or expanded contracting authority; or
 - (2) Negative Incentives/Redirection - Evaluation of outcome variances for remedial plan, reduction of funding, elimination of funding, restriction of funding, withholding of funding, reduction of funding transferability, transfer of functional responsibility to other entity, recommendation for placement in conservatorship, direction that a management audit be conducted or direction that other remedial or corrective actions be implemented.
 - (3) The Legislative Budget Board may develop rules and procedures for the implementation of the above provisions.
 - (4) The Legislative Budget Board may request comments from the State Auditor's Office regarding performance penalties and rewards.
- (d) To further foster, support, and reward outstanding performance, ongoing productivity improvements and innovative improvement programs, and to retain key high performing employees, qualified state agencies and institutions may expend amounts necessary from funds appropriated in this Act for the purposes of enhancing compensation for employees who directly contributed to such improvements. Only classified employees (including classified employees of institutions of higher education) are eligible for enhanced compensation, and this award shall not exceed 6.8 percent of an employee's annual base pay. To be eligible for this provision, an agency or institution must:
- (1) Achieve or exceed targets for 80 percent of the established key performance measures:
 - (A) For fiscal year 2004, eligibility shall be determined by the Legislative Budget Board based on performance reported to the Automated Budgeting and Evaluation System of Texas (ABEST) for fiscal year 2003;

GENERAL LIMITATIONS ON EXPENDITURES
(Continued)

- (B) For fiscal year 2005, eligibility shall be determined by the Legislative Budget Board based on performance reported to ABEST for fiscal year 2004; and
- (2) Have an unqualified certification for at least 70 percent of its performance measures as shown by its most recent certification review by the State Auditor's Office; and
- (3) File a report with the Comptroller, Legislative Budget Board, Governor, House Appropriations Committee, and Senate Finance Committee describing the success of the innovative program and criteria used to assess the improvements; and
- (4) Sixty days prior to implementation file a report with the Comptroller, Legislative Budget Board, Governor, House Appropriations Committee, and Senate Finance Committee describing in detail how the agency intends to use this flexibility to further the goals of this section.

Sec. 6.29. Bookkeeping Entries. Should clerical or bookkeeping errors result in any moneys being expended, transferred, or deposited into incorrect funds in or with the state treasury or any moneys being cleared from a trust and suspense fund to other than the proper fund, such erroneously expended, transferred, deposited, or cleared moneys may be transferred to the correct funds or accounts or trust and suspense account within the state treasury on request of the administering department with the concurrence of the Comptroller, and so much as is necessary for said transfer is hereby appropriated.

Sec. 6.30. Accounting for State Expenditures.

- (a) Notwithstanding the various patterns of appropriation established in this Act, the Comptroller shall account for the expenditure of funds appropriated by this Act in a manner that allows for the reporting of expenditures attributable to each strategy in each agency's respective Strategic Planning and Budget Structure as approved by the Governor and the Legislative Budget Board. The information shall be recorded and maintained systematically in the state accounting system in a manner that provides for the integration of the state's budget data and the state's accounting data and to facilitate the state's budget development process.
- (b) This section does not require the deposit into and subsequent disbursement of funds from the state treasury that relate to Texas Public Education Grants, Skiles Act Debt Service, or "local funds" defined in § 51.009, Education Code, except for tuition and lab fees.

Sec. 6.31. Grants.

- (a) Funds appropriated by this Act for grants of money to be made by state agencies, including the agencies in the legislative branch, are appropriated for the statutory purposes as the grantor agency may specify. A state agency shall distribute grants on a reimbursement or as needed basis unless otherwise provided by statute or otherwise determined by the grantor agency to be necessary for the purposes of the grant.
- (b) Funds appropriated by this Act for grants to be made by a state agency for a particular fiscal year may be distributed in subsequent fiscal years so long as the grant has been awarded and treated as a binding encumbrance by the grantor agency prior to the end of the appropriation year of the funds appropriated for grant purposes. Distribution of the grant funds is subject to § 403.071, Government Code.

GENERAL LIMITATIONS ON EXPENDITURES
(Continued)

Sec. 6.32. Fee Increase Notification. None of the funds appropriated by this Act may be expended by an agency which increases the rate of a fee assessed by that agency unless the agency provides a notice to the payer of the fee that the fee rate was set by the agency or its governing board and not mandated by the Legislature.

Sec. 6.33. Reimbursements for Unemployment Benefits.

- (a) For the purposes of this section, 'agency' includes a state agency as defined under § 2151.002, Government Code, which includes an institution of higher education (except a public junior college) as defined under § 61.003, Education Code.
- (b) At the close of each calendar quarter, the Texas Workforce Commission shall prepare a statement reflecting the amount of unemployment benefits paid to all former state employees based on wages earned from state employment and present it to the Comptroller. The Comptroller shall pay by warrant or transfer out of funds appropriated from the Unemployment Compensation Special Administration Account No. 165 such amount to the Unemployment Compensation Benefit Account No. 937 to reimburse it for such payments.
- (c) The Unemployment Compensation Special Administration Account No. 165 shall be reimbursed, as Interagency Transfers to the Unemployment Compensation Special Administration Account No. 165, for one-half of the unemployment benefits paid, from appropriations made in this Act to the agency that previously employed each respective former state employee whose payroll warrants were originally issued in whole or part from the General Revenue Fund or dedicated General Revenue Fund accounts, or Other Funds, such as Fund No. 006.
- (d) From information related to unemployment benefits paid on behalf of previously employed former state employees provided by the Texas Workforce Commission, the Comptroller shall determine the proportionate amount of the reimbursement or payment due from the General Revenue Fund, any General Revenue-Dedicated accounts, Federal Funds or Other Fund appropriations made elsewhere in this Act to agencies. The Comptroller shall transfer such amounts to the Unemployment Compensation Special Administration Account No. 165. The amounts reimbursed pursuant to this subsection are hereby appropriated to the Unemployment Compensation Special Administration Account No. 165 for the purpose of reimbursing the Unemployment Compensation Benefit Account No. 937, as Interagency Transfers to the Unemployment Compensation Special Administration Account No. 165. The reimbursement requirements established by this subsection may be waived, either in whole or in part, by the Legislative Budget Board.
- (e) In addition to other reimbursement provided by this section, the Unemployment Compensation Special Administration Account No. 165 shall be reimbursed, for one-half of the unemployment benefits paid, from amounts appropriated to the Reimbursements to the Unemployment Compensation Benefit Account item in this Act out of dedicated General Revenue Fund accounts or Other Funds and shall be fully reimbursed from funds held in local bank accounts, for all former state employees whose payroll warrants were originally issued in whole or part from dedicated General Revenue Fund accounts, Other Funds or local bank accounts, respectively. From information provided by the Texas Workforce Commission, the Comptroller shall determine the proportionate amount of the reimbursement or payment due from funds other than General Revenue and transfer such funds to the Unemployment Compensation Special Administration Account No. 165. The amounts reimbursed from local funds pursuant to this subsection are hereby appropriated to

GENERAL LIMITATIONS ON EXPENDITURES
(Continued)

the Unemployment Compensation Special Administration Account No. 165 for the purpose of reimbursing the Unemployment Compensation Benefit Account No. 937. Such transfers and payments as are authorized under law shall be made not later than the 30th day after the date of receipt of the statement of payments due.

- (f) The Comptroller may prescribe accounting procedures and regulations to implement this section.
- (g) The Comptroller, upon certification of amounts due from the Texas Workforce Commission, including the sources of such amounts due, may transfer funds from such agencies or other units of state government as the Texas Workforce Commission certifies remain due more than 30 days from receipt of the statement of payments due. The Texas Workforce Commission shall also determine the amounts due from funds held outside the state treasury and notify the State Auditor and Comptroller of such amounts.

Sec. 6.34. Payments to the State Office of Risk Management (SORM).

- (a) In this section:
 - (1) "Agency" includes a state agency as defined under § 2151.002, Government Code, which includes an institution of higher education (except a public junior college) as defined under § 61.003, Education Code, and may also include any other unit of state government as defined by the rules of the SORM, which participates in cost allocation plan provided under this section;
 - (2) "Assessment" means the amount of the workers' compensation assessment placed on an agency by SORM as provided by this section and other relevant law; and
 - (3) "SORM" means the State Office of Risk Management.
- (b) At the beginning of each fiscal year, the SORM shall prepare a statement reflecting the assessments due from all agencies and present it to the Comptroller.
- (c) Notwithstanding other provisions in this Act, agencies shall transfer to SORM their assessed allocation amounts for workers' compensation coverage for their employees from funding in the same proportion as their expected payroll funding, including General Revenue Funds, dedicated General Revenue Fund accounts, Other Funds or local bank accounts.
- (d) Transfers and payments as are authorized under law shall be made not more than 30 days from receipt of the statement of payments due.
- (e) The Comptroller may prescribe accounting procedures and regulations to implement this section.
- (f) Upon certification by SORM of amounts due, the Comptroller may transfer funds from an agency if the assessment amount due remains unpaid after more than 30 days from receipt of the statement of payments due.
- (g) All funds recovered by SORM from third parties by way of subrogation are appropriated to SORM to be used for the payment of workers' compensation benefits to state employees and shall be retained in Strategy A.1.1., Workers' Compensation Payments, in whole for that purpose.

GENERAL LIMITATIONS ON EXPENDITURES
(Continued)

- (h) Amounts not to exceed 2 percent in total of workers' compensation annual expenditures may be awarded to agencies by SORM for the purposes of risk management and loss prevention. In the event that Strategy A.1.1., Workers' Compensation Payments, funded by the annual assessments to agencies, exceeds 110 percent of the expected annual payments, the excess over 110 percent will be returned to the General Revenue Fund. An excess of 10 percent or less will be used to lower the cumulative assessments to agencies the following year.
- (i) In the event the total assessments in any year prove insufficient to fund expenditures, SORM may, with the approval of the Legislative Budget Board, temporarily utilize additional general revenue in an amount not to exceed 20 percent of the cumulative assessments for that fiscal year. Any additional general revenue funds will be utilized only for the purpose of temporary cash flow and must be repaid upon receipt of the following year's assessments in accordance with procedures established by the Comptroller. All transfers from and repayments to the General Revenue Fund shall be reported by SORM to the Legislative Budget Board.
- (j) The reimbursement requirements established by this section may be waived or delayed, either in whole or in part, by the Legislative Budget Board.

Sec. 6.35. Statewide Capital Planning.

- (a) An agency or institution of higher education appropriated funds by this Act shall supply to the Bond Review Board capital planning information relating to projects subject to this section and financing options for the 2006-07 fiscal biennium in a format and according to guidelines developed by the Bond Review Board. Such information shall include:
 - (1) a description of the project or acquisition;
 - (2) the cost of the project;
 - (3) the anticipated useful life of the project;
 - (4) the timing of the capital need;
 - (5) a proposed source of funds (method of financing);
 - (6) a proposed type of financing; and
 - (7) any additional related information requested by the Bond Review Board.
- (b) The Bond Review Board shall compile a statewide capital expenditure plan for the 2006-07 fiscal biennium from the information submitted by agencies and institutions in accordance with the capital planning guidelines. Copies of the guidelines shall be filed with the Governor and the Legislative Budget Board no later than December 31, 2003. The Bond Review Board shall file copies of the capital expenditure plan for the period beginning September 1, 2005 with the Governor and the Legislative Budget Board no later than September 1, 2004.
- (c) The statewide capital plan required by this section shall identify the state's capital needs and alternatives to finance these needs. The Bond Review Board shall review input from all state agencies and institutions regarding the agencies' and institutions' current and future capital needs as part of the strategic planning process. The Bond Review Board shall inform the Legislature on the possible budget impact of the capital plan on the state's debt capacity.

GENERAL LIMITATIONS ON EXPENDITURES
(Continued)

- (d) This section applies to each anticipated state project requiring capital expenditures for:
- (1) land acquisition;
 - (2) construction of building and other facilities;
 - (3) renovations of buildings and other facilities estimated to exceed \$1 million in the aggregate for a single state agency or institution of higher education; or
 - (4) major information resources projects estimated to exceed \$1 million.
- (e) The Higher Education Coordinating Board and the Bond Review Board shall eliminate redundant reporting by consolidating this report and the Higher Education Coordinating Board's Master Plan report, to the greatest extent possible.

Sec. 6.36. Consolidated Funds. Contingent on the enactment of legislation relating to the dedication of funds, the Comptroller, on approval of the Legislative Budget Board, may change an applicable agency's method of financing source name as provided in this Act to reflect changes made by the other legislation that affects the status of the funding source. No change in the amount of the appropriation would be affected by this change.

Sec. 6.37. Demographic and Statistical Studies. Before expending funds appropriated by the Act for the purpose of contracting for a consultant or other private assistance in performing a study required by the Legislature that includes statistical or demographic analysis of data, the agency conducting the study shall determine if the resources of the Texas Legislative Council are available to assist the agency in designing or conducting that component of the study. None of the funds appropriated by the Act may be granted to or expended by any entity which performs political polling. This prohibition regarding political polling does not apply to a poll conducted by an academic institution as a part of the institution's academic mission that is not conducted for the benefit of a particular candidate or party.

Sec. 6.38. Cost Allocations. For the purpose of more effective and efficient identification and allocation of costs, and to effect timely payments to employees and vendors, agencies may temporarily charge salary and/or operating costs to appropriations most applicable for the expense being incurred. Upon receipt of more specific information such as personnel-time allocation information for payrolls, or allocation of office supplies or other goods and services, agencies may reimburse the original paying appropriations by transfer from the appropriation to which the expenditure should have been charged. Such transfers must be accomplished within twelve months in a manner which records appropriate expenditures to the borrowing appropriation and negative expenditures to the lending appropriation. These transfers may be in summary amounts in a manner approved by the Comptroller. Each agency must maintain adequate detailed records to support summary transfer amounts.

PART 7. REPORTING REQUIREMENTS

Sec. 7.01. Budgeting and Reporting.

- (a) As a limitation and restriction upon appropriations made by this Act, agencies and institutions of higher education appropriated funds by this Act may expend funds only if there is compliance with the following provisions:
- (1) On or before December 1 of each fiscal year, an itemized budget covering the operation of that fiscal year shall be filed with the Governor, the Legislative Budget Board, the Comptroller, and the Legislative Reference Library in the format prescribed jointly by the Legislative Budget Board and the Governor.

REPORTING REQUIREMENTS

(Continued)

- (2) All subsequent amendments to the original budget shall be filed with the Governor and the Legislative Budget Board within 30 days of approval of such amendments unless such reporting requirement is waived.
- (3) Under guidelines developed by the Legislative Budget Board, each agency shall file a report with the Legislative Budget Board, the Governor, the Legislative Reference Library, the state publications clearinghouse of the Texas State Library, State Auditor's Office, and the appropriate substantive committees of the House and Senate. The report shall analyze the agency's performance relative to the attainment of stated outcome, output and efficiency targets of each funded goal and strategy. The report shall be submitted at such intervals required by the Legislative Budget Board. The report shall contain a comparison of actual performance for the reporting period with targeted performance based on the level of funding appropriated. In developing guidelines for the submission of agency performance reports, the Legislative Budget Board (in consultation with the Governor) shall:
 - (A) specify the measures to be reported including the key performance measures established in this Act;
 - (B) approve the definitions of measures reported; and
 - (C) establish standards for and the reporting of variances between actual and targeted performance levels.
- (4) The Legislative Budget Board (in consultation with the Governor) may adjust projected performance target levels, develop new measures, modify or omit existing measures and measure definitions, and/or transfer measures between agencies, goals or strategies to reflect appropriation changes made by riders or other legislation subsequent to passage of this Act, invocation of budget execution authority by the Governor and the Legislative Budget Board, or as unforeseen circumstances may warrant during the biennium.
- (5) To ensure that the Program and Cost Accounting functions of the Uniform Statewide Accounting System (USAS) are maximized, it is the intent of the Legislature that the Legislative Budget Board and the Governor:
 - (A) determine the agencies, institutions, goals, strategies or other reporting units for which cost accounting data is required;
 - (B) approve the basis for calculating and allocating costs to selected functions, tasks or measures;
 - (C) determine the frequency of reporting cost accounting data needed; and
 - (D) provide for the integration of cost accounting data into the budget development and oversight process.
- (6) The determinations to be made should be based upon due consideration of the relative benefits and cost-effectiveness of applying cost accounting requirements to a given state operation.

REPORTING REQUIREMENTS
(Continued)

- (b) It is further the intent of the Legislature that the Comptroller develop and provide USAS training modules and support for state agencies and institutions to activate the cost accounting requirements addressed above.

Sec. 7.02. Annual Reports and Inventories.

- (a) None of the moneys appropriated by this Act may be expended after November 20th following the close of the fiscal year unless an annual report has been filed by the executive head of each agency specified in this Act in accordance with § 2101.011, Government Code.
- (b) The State Auditor shall certify to the Comptroller any agency that has not filed the required annual report within the specified time. The Comptroller shall withhold any appropriations for expense reimbursements for the heads of agencies or any employees of such agencies as are on this certified list until the State Auditor notifies the Comptroller that the delinquent reports have been filed.
- (c) The words "heads of agencies" as used in this section means the elected and appointed officials, members of commissions, boards, etc., and the chief administrative officer of such department, board, commission, bureau, office, or agency of the state for which appropriations are made in this Act.

Sec. 7.03. Notification to Members of the Legislature.

- (a) An agency shall provide notification to affected members of the Legislature prior to the public announcement of the closing of any agency field offices.
- (b) At the time of announcing information to the news media concerning a matter of public safety, a state agency that receives funds appropriated under this Act shall make a reasonable attempt to contact each member of the Legislature whose district could be affected by the content of the press release and disclose to the member the content of the press release. To receive notice from an agency as provided by this section, a member of the Legislature must request that the agency inform the member regarding all press releases.

Sec. 7.04. Reporting Requirements: Temporary Assistance for Needy Families (TANF) Federal Funds.

- (a) In this section:
 - (1) "Single State Agency" means the agency designated to administer TANF.
 - (2) "TANF" means Temporary Assistance for Needy Families.
- (b) A state agency appropriated TANF federal funds shall quarterly:
 - (1) report to the single state agency for TANF, all federal, state, and local expenditures, administrative expenditures, and related caseload data, compiled on a federal fiscal year basis to ensure compliance with federal provisions and the state maintenance of effort; and
 - (2) submit a TANF expenditure report to the Legislative Budget Board and the Governor compiled on a state fiscal year basis and accompanied by supporting documentation as specified by the Legislative Budget Board and the Governor.

REPORTING REQUIREMENTS
(Continued)

Sec. 7.05. Contract Notification.

- (a) All agencies and institutions of higher education shall report to the Legislative Budget Board any contract entered into by the agency or institution that meets the following requirements:
 - (1) the contract is not already being reported to the Legislative Budget Board under §§ 2054.008, 2166.2551, 2254.006, or 2254.0301, Government Code;
 - (2) the contract is not a purchase order, interagency contract, or a contract paid only with funds not appropriated by this Act; and
 - (3) the amount of the contract, including an amendment, modification, renewal, or extension of the contract, exceeds \$50,000.
- (b) Agencies and institutions of higher education shall report contracts in the manner prescribed by the Legislative Budget Board.

Sec. 7.06. Reports and References.

- (a) All references in this Act to the "Governor," "Office of the Governor," and "Governor's Office of Budget and Planning" are changed to "the Governor's Office."
- (b) A state agency or institution shall submit to the Governor's Office all reports, approval processes, notifications, filings, documentation of expenditures, plans, addendums, or updates submitted to the Legislative Budget Board, under provisions contained in this Act.

PART 8. OTHER APPROPRIATION AUTHORITY

Sec. 8.01. Acceptance of Gifts of Money.

- (a) A gift or bequest of money to a state agency named in this Act, including the legislative branch, that has specific authority to accept gifts is appropriated to the agency designated by the grantor and for the purpose the grantor may specify, subject to Subsections (b), (c), (d), and (e).
- (b) Unless exempted by specific statutory authority, a gift or bequest of money shall be:
 - (1) deposited into the state treasury, and
 - (2) expended in accordance with the provisions of this Act.
- (c) A gift or bequest to a state agency may not be transferred to a private or public development fund or foundation, unless written permission for the transfer is given by the donor of the gift or representative of the estate. An account of all such letters of written permission and transfers of gifts or bequests shall be kept by the agency and shall be reported to the State Auditor.
- (d) An unexpended balance, from a gift or bequest, existing at the beginning of this biennium or at the end of a fiscal year of this biennium is hereby appropriated for use during this biennium for the purpose provided by the grantor.

OTHER APPROPRIATION AUTHORITY
(Continued)

- (e) It is the intent of the Legislature that during the years subsequent to this biennium, to the extent allowed by law, the gift or bequest be used by the beneficiary agency for the purpose provided by the grantor.

Sec. 8.02. Federal Funds/Block Grants.

- (a) All funds received from the United States government by a state agency or institution named in this Act are hereby appropriated to the agency for the purposes for which the federal grant, allocation, aid, payment, or reimbursement was made subject to the provisions of this section.
- (b) Except for an institution of higher education, federal funds:
- (1) including unexpended balances, shall be deposited to and expended from the specific appropriation item identified in this Act; and
 - (2) may not be expended for a strategy or function other than a strategy or function that has been reviewed by the Seventy-eighth Legislature and authorized by specific language in this Act or encompassed by an agency's budget structure as established by this Act.
- (c) As applicable, federal reimbursements received for expenditures previously made or services performed on behalf of federal programs from state funds shall be credited by the Comptroller to the fund from which the expenditure was originally made. The credit shall be to the agency's current appropriation item or accounts from which the expenditures of like character were originally made and are hereby appropriated. Reimbursements received from employee benefits paid from General Revenue Fund appropriations of other administering agencies shall be deposited to the unappropriated General Revenue Fund.
- (d) A position created for administration of federal grant programs shall be phased out upon discontinuance of the particular federal grant for which it was authorized.
- (e) (1) Semi-annual reports, of federal funds received and their intended usage comparing historical, appropriated, and agency expected amounts for those funds, shall be filed by the Governor with the Legislative Budget Board and the presiding officers of both houses of the Legislature for referral to appropriate standing committees for review.
- (2) Before expending or obligating funds received under a federal grant or program, an agency must file the required information regarding application for federal funds and receipt of federal funds.
- (f) Agencies subject to Chapter 654, Government Code (the Position Classification Act) will make federal grant employment in accordance with the provisions of that Act in positions listed in, or otherwise authorized by, this Article.
- (g) In order to maximize the amount of federal alcohol and drug abuse funds that might become available to the Texas Commission on Alcohol and Drug Abuse, state funds used by a state agency to provide alcohol and drug abuse services may be counted towards any required state matching contribution for such federal funds.

OTHER APPROPRIATION AUTHORITY
(Continued)

- (h) In the event that federal programs that authorize federal funds included in this Act are eliminated, consolidated, or replaced with new federal programs and funding authorization or block grants, or the federal funds appropriated to agencies are reduced, any reduction or reallocation of federal funds will be distributed across affected agencies and programs to pattern the strategies and programs included in this Act to the extent possible without restricting the state's ability to receive federal funds, in accordance with a plan adopted by the designated single state agency or otherwise by each affected agency. An agency shall provide a copy of the plan to the Legislative Budget Board and the Governor.
- (i) In the event that an agency or institution of higher education receives at least \$5 million in Federal Funds from new programs not anticipated in this Act, or at least \$5 million in additional Federal Funds not estimated elsewhere in this Act, and these Federal Funds are not emergency funds such as disaster assistance, the agency or institution of higher education may not expend such funds unless:
 - (1) the agency or institution of higher education notifies the Legislative Budget Board and the Governor of the receipt of the funds and provides a written plan outlining the use of the funds; and
 - (2) neither the Legislative Budget Board nor the Governor issue a written disapproval within 14 days of the receipt of the notification.

Sec. 8.03. Reimbursements and Payments.

- (a) Any reimbursements received by an agency of the state for authorized services, including contractual agreements with a non-governmental source or any unit of government, including state, federal, or local government, refund of expenditures received by an agency of the state and any payments to an agency of the state government made in settlement of a claim for damages, are hereby appropriated to the agency of the state receiving such reimbursements and payments for use during the fiscal year in which they are received. Revenues specifically established by statute on a fee or service provided basis are not appropriated by this section and are available for expenditure by the collecting agency only if appropriated elsewhere in this Act.
- (b) Forfeited money, proceeds from the sale of forfeited property or similar monetary awards related to the agency's participation in the seizure of controlled substances or other contraband are hereby appropriated to the receiving state agency, unless distribution is otherwise provided by statute or specific provision of this Act.
- (c) Except as provided elsewhere in this Act, net amounts of money received by an agency as a result of tax seizures or other similar recoveries authorized by statute shall be deposited in the state treasury as unappropriated revenues to the funds or accounts authorized by statute.
- (d) The portion of proceeds representing recoveries of costs incurred in forfeitures under Subsection (b) or, seizures or similar recoveries under Subsection (c) are appropriated to the receiving agency. Such cost recoveries include court costs, attorney fees, rentals or storage fees, auction and sale costs, preparation costs to condition property for sale, and salaries, travel, and other overhead costs of the agency.
- (e) The reimbursements, refunds, and payments received under Subsection (a) shall be credited by the Comptroller to the agency's current appropriation items or accounts from which the expenditures of like character were originally made, or in the case of damage settlements to

OTHER APPROPRIATION AUTHORITY
(Continued)

the appropriation items or accounts from which repairs or replacements are made; provided, however, that any refund of less than \$50 to an institution of higher education for postage, telephone service, returned books and materials, cylinder and container deposits, insurance premiums and like items, shall be deposited to the current fund account of the institution in the state treasury and such funds are hereby appropriated.

Sec. 8.04. Surplus Property. Receipts to any agency of the state government specified in this Act received from the sale of surplus property, equipment, livestock, commodities, or salvage pursuant to the provisions of Chapter 2175, Government Code, are hereby appropriated to the state agency for expenditure during the fiscal year in which the receipts are received. Receipts from such surplus and salvage sales shall be credited to the appropriation item from which like property, equipment, livestock, or commodities would be purchased.

Sec. 8.05. Refunds of Deposits.

- (a) Any money deposited into the state treasury which is subject to refund as provided by law shall be refunded from the fund into which the money was deposited, transferred, or otherwise credited, and so much as is necessary for said refunds is hereby appropriated.
- (b) Unless another law, or section of this Act, provides a period within which a particular refund claim must be made, funds appropriated by this Act may not be used to pay a refund claim made under this section after four years from the latest date on which the amount collected or received by the state was due, if the amount was required to be paid on or before a particular date. If the amount was not required to be paid on or before a particular date, a refund claim may not be made after four years from the date the amount was collected or received. A person who fails to make a refund claim within the period provided by law, or this provision, may not receive payment of a refund under this section.
- (c) As a specific limitation to the amount of refunds paid from funds appropriated by this Act during the 2004-05 biennium, the Comptroller may not approve claims or issue warrants for refunds in excess of the amount of revenue estimated to be available from the tax, fee, or other revenue source during the biennium according to the Biennial Revenue Estimate of the Comptroller used for certification of this Act. Any claim or portion of a claim that is in excess of this limitation shall be presented to the next Legislature for a specific appropriation in order for payment to be made. The limit provided by this subsection does not apply to any taxes or fees paid under protest.

Sec. 8.06. Vending Machines. All receipts collected from vending machine operations pursuant to § 2203.005, Government Code, are hereby appropriated to the institution, board, commission, or agency for use as directed by the board or commission authorizing the installation.

Sec. 8.07. Pay Station Telephones. All receipts collected from pay station telephone operations pursuant to § 2170.009, Government Code, are hereby appropriated for use by the agency as determined by the governing board or commission.

Sec. 8.08. Appropriation of Collections for Seminars and Conferences. All funds collected for the reimbursement of costs directly associated with the conducting of seminars, conferences, or clinics that directly relate to the legal responsibilities and duties of the agency and that are for the purposes of education, training, or informing employees or the general public are hereby appropriated for the necessary expenses incurred in conducting the seminar; provided, however, all applicable laws, and rules and regulations for the acquisition of goods and services for the state shall apply to the expenditures. Any unexpended balances remaining as of August 31, 2003, in an appropriation made

OTHER APPROPRIATION AUTHORITY
(Continued)

by Article IX, § 8.08, of Senate Bill 1, Seventy-seventh Legislature, Regular Session, 2001, are hereby appropriated for the same purpose.

Sec. 8.09. Appropriation of Bond Proceeds. The proceeds from the issuance and sale of bonds or other obligations pursuant to the provisions of Chapter 1232, Government Code, and Chapter 1401, Government Code, are appropriated to the state agency to whose account the proceeds are deposited or credited. Proceeds include interest and investment income.

Sec. 8.10. CMIA Interest Payments.

- (a) There is hereby appropriated to the Comptroller for the biennium ending August 31, 2005 sufficient general revenue monies for the payment of interest due the federal government under the federal Cash Management Improvement Act of 1990 (31 U.S.C. § 6501 et seq.).
- (b) An amount equal to the amount of interest payments made from general revenue on behalf of special funds or accounts as a result of the federal Cash Management Improvement Act of 1990 is hereby appropriated from special funds. The Comptroller shall transfer from each special fund or account to general revenue, an amount equal to the amount of interest paid on behalf of each special fund or account.

Sec. 8.11. Appropriation of Receipts: Credit, Charge, or Debit Card Service Fees. Any fee receipts assessed by an agency for the use of a credit, charge, or debit card for the payment of a fee, tax, penalty, or other charge authorized by law are appropriated to that agency from the fund to which the fee was deposited for the purpose of paying the costs associated with receiving the payment. Any unexpended balances from credit, charge, or debit card processing or convenience fees remaining at the end of the fiscal biennium ending August 31, 2003, are reappropriated to the assessing agency from the agency from the fund to which the fee was deposited for the same purposes for the fiscal biennium beginning September 1, 2003.

PART 9. INFORMATION RESOURCES PROVISIONS

Sec. 9.01. Purchases of Information Resources Technologies.

- (a) In this section:
 - (1) "Information resources," "Information resources technologies," and "Major information technology project" have the meanings provided by § 2054.003, Government Code.
 - (2) "Quality Assurance Team" and "QAT" means the representatives of the Legislative Budget Board and the State Auditor.
- (b) A state agency may not request appropriations for information technology unless the information technology is in a plan approved by the Legislative Budget Board.
- (c) Prior to amending a contract for development of a major information technology project, when the amendment constitutes a 10 percent or greater change, the agency shall notify the Governor, Lieutenant Governor, Speaker of the House, Senate Finance Committee, House Appropriations Committee, Department of Information Resources and the QAT. For contracts having a total value in excess of \$1.0 million an amendment to the contract that changes the total value of the contract or any element of the contract by more than 10 percent of the total value of the contract is not valid without QAT approval.

INFORMATION RESOURCES PROVISIONS
(Continued)

Sec. 9.02. Quality Assurance Review of Major Information Resources Projects.

(a) In this section:

- (1) "Major information resources project" has the meaning provided by § 2054.003, Government Code.
- (2) "Quality Assurance Team" or "QAT" means the representatives of the Legislative Budget Board and the State Auditor who execute duties as provided by this section.

(b) A state agency may not expend appropriated funds for a major information resources project unless the project has been reviewed and approved by the QAT. The QAT shall determine approval based on an analysis of the project's risk. The QAT may request any information necessary to determine a project's potential risk. The QAT may waive the project review requirements for a project.

(c) The QAT may require independent project monitoring, project status reporting, project expenditure reporting, or any additional information necessary to assess a project's on-going potential for success. After a project has been completed, the QAT may also require an agency to submit a project post-implementation evaluation report to determine if the project met its planned objectives.

(d) The State Auditor's Office shall provide audit and review of the projects and the information provided by the agencies.

(e) The QAT may request the assistance of the Comptroller in regard to the accuracy of project expenditures and compliance with this Act.

(f) The QAT shall provide an annual report to the Governor, Lieutenant Governor, Speaker of the House, the House Appropriations Committee, and Senate Finance Committee on the status of projects under its review by December 1.

(g) The State Auditor's Office may:

- (1) provide an independent evaluation of the post implementation evaluation review process to ensure the validity of its results; and
- (2) send the evaluation to the Legislative Audit Committee.

(h) The Legislative Budget Board may issue guidelines for software development, quality assurance, and the review of major information resources projects.

(i) Unless waived by the Legislative Budget Board the QAT shall require each affected agency to:

- (1) quantitatively define the expected outcomes and outputs for each major information resource project at the outset;
- (2) monitor cost; and
- (3) evaluate the final results to determine whether expectations have been met.

Sec. 9.03. State Data Center.

(a) In this section:

- (1) "DIR" means the Department of Information Resources.
- (2) "Center" means the State Data Center.

INFORMATION RESOURCES PROVISIONS
(Continued)

- (3) "Best value" has the meaning assigned under Section 2157.003, Government Code.
- (b) The DIR shall operate, or through cooperative agreement, manage operations of the State Data Center on the campus of Angelo State University. It is the intent of the Legislature that all state agencies and institutions of higher education utilize the Center for data center operations, testing disaster recovery plans, and for disaster recovery services. None of the funds appropriated by this Act may be expended for entering into or renewing contracts or issuing purchase orders for data center operations, disaster recovery plan testing services, or disaster recovery services from other state agencies or other providers of these services without first obtaining a waiver from the Legislative Budget Board certifying that the requested service requirements cannot be provided at reasonable costs through the Center. Waiver requests will be evaluated by the Legislative Budget Board, based on best value to the State, rather than best value to the state agency or institution of higher education requesting the waiver. Prior to requesting a waiver from the Legislative Budget Board, agencies and institutions of higher education must first provide the operational vendor of the Center with a comprehensive statement of work sufficient for the operational vendor to provide an accurate cost estimate for cost comparison purposes. Prior to initiating the waiver process, state agencies and institutions of higher education must also coordinate with the DIR regarding appropriate time frames for preparation of the statement of work, pricing, cost comparison and transition.

Agencies and institutions of higher education shall use the State Auditor's Report 95-139 in evaluating cost comparison. The Legislative Budget Board may request assistance from the State Auditor's Office in validating cost evaluations. Waivers may be granted for specific periods of time and any contracts for services obtained under waiver may not extend beyond the expiration date of the waiver. Once a waiver has been granted, state agencies and institutions of higher education must provide a comparison of actual costs versus the projected costs used to obtain the waiver on an annual basis to the Legislative Budget Board.

- (c) State agencies and institutions of higher education that use the Center shall do so under contract with the DIR. The DIR may collect fees for these services in amounts that offset the direct and indirect costs of providing the services. The DIR may request assistance from the State Auditor's Office regarding the billing system formula for offsetting service costs. In order for the State to realize maximum cost savings and operational efficiencies, the DIR shall work with the Legislative Budget Board, the State Auditor's Office and the Center's operational vendor to develop a comprehensive information technology consolidation plan and provide information relating to the use of the Center as a location for one of the state's consolidated data centers. The DIR shall file a written report of the plan with the Governor, the Lieutenant Governor, and the Speaker of the House of Representatives not later than May 31, 2004.

Sec. 9.04. Biennial Operating Plan and Information Resources Strategic Plan Approval. It is the intent of the Legislature that agencies and institutions of higher education receiving appropriated funds for the acquisition of information technology must have a current Information Resources Strategic Plan and a Biennial Operating Plan including any amendments as approved by the Legislative Budget Board prior to expending any funds for information technology. Information Technology items identified in the Capital Budget Rider must be included and approved in the Biennial Operating Plan or a subsequently approved amendment of the Biennial Operating Plan. The Legislative Budget Board may direct the Comptroller to deny the agency or institution of higher education access to information technology appropriations for non-compliance.

INFORMATION RESOURCES PROVISIONS

(Continued)

Sec. 9.05. Information Technology Replacement. It is the intent of the Legislature that agencies and institutions of higher education receiving appropriated funds for the acquisition of information technology, including seat management, perform a cost-benefit analysis of leasing vs. purchasing information technology and develop a personal computer replacement schedule. Agencies and institutions of higher education should use the Department of Information Resources' (DIR) *Guidelines for Lease versus Purchase of Information Technologies* to evaluate costs and DIR's *PC Life Cycles: Guidelines for Establishing Life Cycles for Personal Computers* to prepare a replacement schedule. The use of West Texas Disaster Recovery and Operations Center for seat management should also be evaluated.

Sec. 9.06. Training Programs Using the Internet. To reduce costs, maximize efficiency, and minimize travel costs and other budget expense, it is the intent of the Legislature that state agencies and institutions of higher education use Internet-based training for state-mandated human resources training and other training programs if Internet-based training is available and appropriate. Not later than January 1, 2004, the Department of Information Resources shall report to the Legislature regarding the amount of training conducted by state agencies and institutions of higher education and on the use of Internet-based training by the agencies and institutions. The agencies and institutions shall timely provide the Department of Information Resources with information necessary to make the report.

PART 10 HEALTH-RELATED PROVISIONS

Sec. 10.01. Purchasing of Pharmaceuticals. An agency appropriated funds for the purpose of the purchase of pharmaceutical products may establish a preference for the purchase of those pharmaceutical products from a manufacturer that voluntarily participates in the Texas Department of Health's Vendor Drug Rebate Program for the Children with Special Health Care Needs (formerly known as "CIDC") Program and the Kidney Health Care Program.

Sec. 10.02. Full Application for Health Coverage. To the fullest extent permitted by federal law and regulations, all state agencies that have children in their custody must apply for enrollment of all children in the Medicaid or the Children's Health Insurance Program, unless the children have otherwise been provided health insurance.

Sec. 10.03. State Agency Communication with Employees Regarding the State Kids Insurance Program (SKIP).

- (a) A state agency shall provide each employee with information regarding the State Kids Insurance Program (SKIP) and Medicaid. When offering insurance to employees, agencies must provide separate literature, including eligibility requirements and prices, for SKIP and Children's Medicaid. The outreach shall be performed at least annually during open enrollment and with any new state employee at the time of hiring.
- (b) The Health and Human Services Commission shall maintain an application and a brochure for state employees about SKIP and for Children's Medicaid. These documents shall be maintained with collaboration from the Employee Retirement System, the Health and Human Services Commission's internal Medicaid division, and the Health and Human Services Commission's Children's Health Insurance Program department. The brochure should include an eligibility chart, pricing information, and a telephone number to call the Health and Human Services Commission or the Employees Retirement System to answer questions. All of the aforementioned documents shall be easily reproduced by other state agencies, and shall be made available on each agency's website to download from the Internet. The information contained within these documents shall be updated annually.

HEALTH-RELATED PROVISIONS
(Continued)

Sec. 10.04. Completion of Memorandum of Understanding Regarding Transition Services for Students with Disabilities. The Texas Education Agency, the Texas Department of Mental Health and Mental Retardation, and the Texas Rehabilitation Commission, with other appropriate agencies as requested by the above agencies, shall develop, agree to, and by rule adopt an updated memorandum of understanding that establishes the respective responsibilities of each agency for the provision of services necessary to prepare students enrolled in special education programs for a successful transition to life outside of the public school system. The memorandum of understanding shall include clear designation of the respective responsibility of each participating agency to provide or pay for specific services, establish a uniform system across participating agencies for resolution of disputes regarding transition services, and establish a point of responsibility within each participating agency for implementation by that agency of the requirements of the memorandum of understanding. The updated memorandum of understanding must be completed by December 31, 2003.

Sec. 10.05. Authorization to Transfer Appropriations, Personnel, and Capital Budget Authority Related to the Council on Developmental Disabilities.

- (a) If the Governor designates an agency other than the Texas Rehabilitation Commission to provide fiscal and administrative services for the Council on Developmental Disabilities, all appropriations, full-time equivalent positions, and capital budget authority relating to the Council for the 2004-05 state fiscal biennium are transferred from the Texas Rehabilitation Commission to the agency designated by the Governor on the date of the designation.
- (b) The amount of federal funds to be transferred under this provision is the funds available to the state under the Catalog of Federal Domestic Assistance No. 93.603. The number of full-time equivalents to be transferred under this provision is 17 for each year of the biennium. Transfers under this rider may be made from the appropriate Texas Rehabilitation Commission strategy to another appropriate strategy designated by the Governor.
- (c) If the Governor designates an agency other than the Texas Rehabilitation Commission to provide fiscal and administrative services for the Council on Developmental Disabilities, all powers, duties, obligations, rights, contracts, records, employees, property, and unspent and unobligated appropriations and other funds relating to the council are transferred to the agency designated by the Governor on the date of the designation.
- (d) The Health and Human Services Commission shall make a final determination of the amount of funding and the number of full-time equivalents to be transferred under this rider. The Health and Human Services Commission shall submit a report regarding the amount of funds and the number of full-time equivalents transferred to the Governor and the Legislative Budget Board not later than 30 days prior to the final transfer.

Sec. 10.06. Health Insurance Portability and Accountability Act (HIPAA). It is the intent of the Legislature that the Health and Human Services Commission's National Data Interchange Standards (NDIS) Task Force maintain, with the help of the Comptroller, the Texas Higher Education Coordinating Board and affected institutions, and the Texas Office of the Attorney General, a plan to integrate the provisions established by HIPAA for the following agencies which handle health related information: Texas Department of Criminal Justice, Employees Retirement System of Texas, Texas Department of Health, Texas Health Care Information Council, Texas Health and Human Services Commission, Texas Department of Human Services, Texas Higher Education Coordinating Board, Texas Department of Information Resources, Texas Department of Insurance, Texas Department of Mental Health and Mental Retardation, Teacher Retirement System of Texas, Texas State Office of Risk Management, Texas Workers' Compensation Commission and any other agencies that the Health and Human Services Commission determines to be affected by HIPAA. The plan shall include an

HEALTH-RELATED PROVISIONS
(Continued)

analysis of HIPAA's financial impact on each state agency as well as the state's overall progress in implementing HIPAA. An addendum updating the progress of implementation of the plan shall be submitted to the Governor, the Lieutenant Governor, Members of the Texas Senate, Members of the House of Representatives and the Legislative Budget Board no later than December 31 of each year.

Sec. 10.07. Interagency Contract Funding for Regional Specialist Projects.

- (a) The Texas Commission for the Deaf and Hard of Hearing is hereby authorized to collect funds to be used as provided by this section through interagency contracts with the 20 state agencies identified as provided by this section.
- (b) Each agency identified as provided by this section shall provide \$24,750 for fiscal year 2004 and \$24,750 for fiscal year 2005 via interagency contract by October 1 of each fiscal year to the Texas Commission for the Deaf and Hard of Hearing for the purpose of funding a Regional Specialist project in all eleven health and human services regions of this state. General Revenue in the amount of \$240,000 in Texas Commission for the Deaf and Hard of Hearing Strategy A.I.I., Contract Services made available by this method of finance change to current Regional Specialist projects shall be made available for expenditure on development of a Hispanic trilingual interpreter test, hard of hearing projects, and senior citizens projects.
- (c) The 20 state agencies having the greatest number of employees whose duties include direct interaction with members of the public shall contract with the Texas Commission for the Deaf and Hard of Hearing for the purpose of funding a Regional Specialist project in all eleven health and human services regions of this state. The State Auditor's Office and the Texas Commission for the Deaf and Hard of Hearing shall cooperate to identify the 20 state agencies with the greatest number of employees whose duties include direct interaction with members of the public for each year of the biennium. Unless the State Auditor's Office and the Texas Commission for the Deaf and Hard of Hearing cooperatively identify other agencies to be substituted on the list of 20 agencies subject to this section, the 20 agencies subject to this section include:
 - (1) Texas Education Agency;
 - (2) Texas Health and Human Services Commission;
 - (3) Texas Department of Transportation;
 - (4) Texas Department of Human Services;
 - (5) Texas Department of Criminal Justice;
 - (6) Texas Department of Mental Health and Mental Retardation;
 - (7) Texas Department of Health;
 - (8) Texas Workforce Commission;
 - (9) University of Texas/M.D. Anderson Cancer Center;
 - (10) Texas Department of Protective and Regulatory Services;
 - (11) Department of Public Safety of the State of Texas;
 - (12) Office of the Attorney General;
 - (13) Texas Commission on Environmental Quality;
 - (14) Texas Rehabilitation Commission;
 - (15) Texas Youth Commission;
 - (16) Office of the Governor;
 - (17) Parks and Wildlife Department;
 - (18) Texas Lottery Commission;
 - (19) Comptroller of Public Accounts; and
 - (20) Texas Commission on Alcohol and Drug Abuse.

HEALTH-RELATED PROVISIONS
(Continued)

Sec. 10.08. Appropriation of Disproportionate Share Hospital Payments to State Owned Hospitals. Disproportionate Share Hospital Program payments from the Health and Human Services Commission to state owned hospitals are appropriated to the receiving state agency/hospital as replacement funding for funds transferred to the Health and Human Services Commission and are subject to the accounting provisions as required by the Comptroller including deposits to the fund or account from which the original source of transfers to the Health and Human Services Commission was made.

Sec. 10.09. Informational Listing - Health Care Appropriations. The following is an informational listing of amounts appropriated specifically for health care services in this Act, and does not make appropriations. For purposes of this section, health care appropriations include programs identified as health care-related in this Act, and do not include health care appropriations made to institutions of higher education with non-appropriated funds.

For purposes of this informational listing, health care appropriations include, but are not limited to, appropriations for Medicaid, inpatient and outpatient services, health care premiums, medications, laboratory services, community care services, nursing facility and hospice payments, rehabilitation services, alcohol and drug abuse treatment, mental retardation, and comprehensive therapies and related services for children with developmental delays. Certain non-health care-related costs which could not be broken out from other health care costs are also included in the listing below.

Programs	All Funds (in millions) 2004	All Funds (in millions) 2005
Article I		
Employees Retirement System - State Employee Group Health Insurance	\$ 853.9	\$ 864.9
Workers' Compensation (State Office of Risk Management agencies)	83.3	83.3
Article II		
Health and Human Services Commission - Medicaid	9,359.9	9,166.7
Health and Human Services Commission - Children's Health Insurance Program	404.0	404.0
Department of Human Services Mental Health and Mental Retardation	3,164.0	2,838.9
Department of Health - Public Health and Medicaid	1,948.7	1,939.0
Commission on Alcohol and Drug Abuse	755.9	779.9
Texas Rehabilitation Commission	84.9	82.2
Commission for the Blind	180.7	180.7
Interagency Council on Early Childhood Intervention	38.1	38.9
Article III		
Health-related Higher Education Institutions	116.5	125.6
Higher Education Group Health Insurance	1,210.8	1,309.2
Higher Education Workers' Compensation	529.9	529.9
Non-State Office of Risk Management	7.0	7.0
Teacher Retirement System - Care	467.8	290.8
Teacher Retirement System Active Care - Independent School District Employee Insurance	281.2	240.0
Texas Education Agency - Independent School District Employee Insurance	457.2	466.9

HEALTH-RELATED PROVISIONS
(Continued)

Article V

Texas Department of Criminal Justice - Correctional Managed Health Care	288.3	286.5
Texas Department of Criminal Justice - Psychiatric Care	43.6	43.6
Texas Department of Criminal Justice - Substance Abuse Treatment	52.7	52.7
Texas Department of Criminal Justice - Special Needs Offenders	15.5	15.5
Texas Youth Commission	13.8	13.7

Article VII

Office of Rural Community Affairs	\$ 4.5	\$ 4.4
Total*	<u>\$ 20,362.1</u>	<u>\$ 19,764.3</u>

Method of Finance

Total, General Revenue	\$ 9,137.2	\$ 8,678.0
Total, General Revenue-Dedicated	247.7	248.4
Total, Federal Funds	9,536.4	9,314.4
Total, Other Funds	<u>1,440.8</u>	<u>1,523.5</u>
Total,* All Funds	<u>\$ 20,362.1</u>	<u>\$ 19,764.3</u>

* Totals may not add because of rounding

Sec. 10.10. Informational Listing on Use of Tobacco Settlement Receipts.

(a) The following is an informational list of the amounts appropriated elsewhere in this Act to agencies from tobacco settlement receipts and estimated distributions from funds and endowments created by House Bill 1676 and House Bill 1945, Seventy-sixth Legislature and Senate Bill 126, Seventy-seventh Legislature for each fiscal year of the 2004-05 biennium and does not make appropriations:

	<u>2004</u>	<u>2005</u>
(1) Health and Human Services Commission		
B.2.4. Premiums: Children/Medically Needy	\$ 402,093,000	\$ 397,753,000
C.1.1. CHIP	75,150,000	75,150,000
C.1.2. Immigrant Health Insurance	10,050,000	10,050,000
C.1.5. CHIP Vendor Drug Program	12,700,000	12,700,000
(2) Department of Health		
A.3.5. Tobacco Education and Prevention, estimated	5,993,590	5,993,590
B.1.2. Tex Health Steps (EPSDT) - Medical, estimated	2,000,000	2,000,000
E.2.4. Public Health Services, estimated	3,997,882	3,997,882
E.2.2. Emergency Health Care System, estimated	3,849,692	3,849,692
E.2.3. Healthcare Facilities, estimated	1,000,361	1,000,361
(3) Office of Rural Community Affairs		
B.1.1. Primary Care Access Programs, estimated	112,500	112,500
B.2.1. Health Facility Capital Improvements, estimated	2,190,000	2,190,000
C.1.1. Central Administration	60,000	60,000

HEALTH-RELATED PROVISIONS
(Continued)

(4) Texas Higher Education Coordinating Board		
G.1.1. Earnings-Minority Health, estimated	1,125,000	1,125,000
G.1.2. Earnings-Nursing, Allied Health, estimated	2,025,000	2,025,000
G.2.1. Earnings-Baylor College of Medicine, estimated	1,125,000	1,125,000
(5) University of Texas Southwestern Medical Center at Dallas		
E.1.1. Tobacco Earnings-UT SWMC Dallas, estimated	2,250,000	2,250,000
E.1.2. Tobacco-Permanent Health Fund, estimated	2,079,000	2,079,000
(6) University of Texas Medical Branch at Galveston		
F.1.1. Tobacco Earnings-UTMB Galveston, estimated	1,125,000	1,125,000
F.1.2. Tobacco-Permanent Health Fund, estimated	1,912,365	1,912,365
(7) University of Texas Health Science Center at Houston		
F.1.1. Tobacco Earnings-UTHSC Houston, estimated	1,125,000	1,125,000
F.1.2. Tobacco-Permanent Health Fund, estimated	1,712,655	1,712,655
(8) University of Texas Health Science Center at San Antonio		
F.1.1. Tobacco Earnings-UTHSC San Antonio, estimated	9,000,000	9,000,000
F.1.2. Tobacco-Permanent Health Fund, estimated	1,571,220	1,571,220
(9) University of Texas M.D. Anderson Cancer Center		
F.1.1. Tobacco Earnings-UT MD Anderson, estimated	4,500,000	4,500,000
F.1.2. Tobacco-Permanent Health Fund, estimated	1,656,270	1,656,270
(10) University of Texas Health Center at Tyler		
F.1.1. Tobacco Earnings-UTHC Tyler, estimated	1,125,000	1,125,000
F.1.2. Tobacco-Permanent Health Fund, estimated	1,163,689	1,163,689
(11) Texas A&M University System Health Science Center		
F.1.1. Tobacco Earnings-TAMU System HSC, estimated	1,125,000	1,125,000
F.1.2. Tobacco-Permanent Health Fund, estimated	1,184,951	1,184,951
(12) University of North Texas Health Science Center at Fort Worth		
E.1.1. Tobacco Earnings-UNT HSC Ft. Worth, estimated	1,125,000	1,125,000
E.1.2. Tobacco-Permanent Health Fund, estimated	1,155,420	1,155,420
(13) Texas Tech University Health Sciences Center		
E.1.1. Tobacco Earnings-TX Tech HSC El Paso, estimated	1,125,000	1,125,000
E.1.2. Tobacco Earnings-TX Tech HSC not El Paso, estimated	1,125,000	1,125,000
E.1.3. Tobacco-Permanent Health Fund, estimated	1,398,600	1,398,600

HEALTH-RELATED PROVISIONS

(Continued)

(14) University of Texas System			
F.I.I. Tobacco Earnings-RAHC, estimated	900,000	900,000	
(15) University of Texas El Paso			
F.I.I. Tobacco Earnings-UTEP, estimated	1,125,000	1,125,000	
(16) Baylor College of Medicine			
Article III, Special Provisions-Health Fund for Higher Education, estimated	1,915,830	1,915,830	

(b) **Informational Listing - Permanent Funds and Endowments.** The following is an informational list of the amounts used to capitalize Permanent Funds and Endowments created by House Bill 1676 and 1945, Seventy-sixth Legislature and by Senate Bill 126, Seventy-seventh Legislature, and does not make appropriations.

(1) Permanent Health Fund for Higher Education	\$ 350,000,000
(2) Permanent Fund for Children and Public Health	100,000,000
(3) Permanent Fund for Tobacco Education and Enforcement	200,000,000
(4) The University of Texas Health Science Center at San Antonio Endowment	200,000,000
(5) Permanent Fund for Emergency Medical Services and Trauma Care	100,000,000
(6) Permanent Fund for Rural Health Facility Capital Improvement (Rural Hospital Infrastructure)	50,000,000
(7) The University of Texas M.D. Anderson Cancer Center Endowment	100,000,000
(8) Texas Tech University Health Sciences Center Endowment (El Paso)	25,000,000
(9) The University of Texas Southwestern Medical Center at Dallas Endowment	50,000,000
(10) Texas Tech University Health Sciences Center Endowment (Other than El Paso)	25,000,000
(11) The University of Texas Medical Branch at Galveston Endowment	25,000,000
(12) The University of Texas Health Science Center at Houston Endowment	25,000,000
(13) The University of Texas Health Center at Tyler Endowment	25,000,000
(14) Texas A&M University System Health Science Center Endowment	25,000,000
(15) University of North Texas Health Science Center at Fort Worth Endowment	25,000,000
(16) Lower Rio Grande Valley Regional Academic Health Center Endowment	20,000,000
(17) The University of Texas at El Paso Endowment	25,000,000
(18) Baylor College of Medicine	25,000,000
(19) Permanent Fund for Higher Education Nursing, Allied Health and Other Health Related Programs	45,000,000
(20) Permanent Fund for Minority Health Research and Education	25,000,000
(21) Community Hospital Capital Improvement Fund (Small Urban Hospitals)	25,000,000
(22) Permanent Endowment Fund for the Rural Communities Healthcare Investment Program	2,500,000

HEALTH-RELATED PROVISIONS (Continued)

Sec. 10.11. Appropriation for State Employee Children Health Insurance Program (SKIP). Pursuant to Article 3.50-2, § 14A, Insurance Code, VTCA, relating to the state's contribution for dependent children of certain state employees, a portion of funds appropriated to the Health and Human Services Commission elsewhere in this Act for the Children's Health Insurance Program shall be transferred to the Employees Retirement System to implement the provisions of that Section. Such funds are only to be used for General Revenue (GR) and GR-Dedicated costs of the program, in accordance with § 6.11, Article IX of this Act, Salaries and Benefits to be Proportional by Fund. Non-GR and non-GR-Dedicated costs may only be paid from funds appropriated elsewhere in this Act for group insurance.

PART 11. OTHER PROVISIONS

Sec. 11.01. Employee Meal Authorization. State agencies providing institution-based services, including the Texas Department of Criminal Justice, the Texas Department of Mental Health and Mental Retardation, the Texas Youth Commission, the Texas School for the Blind and Visually Impaired, and the Texas School for the Deaf, may provide meals to employees working in institutional settings and may charge a fee at costs established by the agencies that does not exceed the direct and indirect costs of preparation.

Sec. 11.02. Bank Fees and Charges. From interest income appropriated by this Act, amounts may be used for the purpose of paying bank fees and charges as necessary.

Sec. 11.03. Lost Property. A state agency or institution of higher education must annually report to the Legislative Budget Board and the Comptroller the value of property lost or missing from the possession of the agency or institution of higher education. The Legislative Budget Board and the Comptroller may prescribe forms and dates for reporting. The Comptroller shall withhold from the General Revenue Funds appropriated to the state agency or institution of higher education by this Act an amount equal to 50 percent of the value of the lost property provided that the loss falls outside the standards promulgated by the American Society for Testing and Materials. If a state agency or institution of higher education subsequently recovers or accounts for lost property to the satisfaction of the Comptroller, the Comptroller shall release to the state agency or institution of higher education a proportional amount of previously withheld General Revenue Funds.

Sec. 11.04. In-kind Gas Program. The General Land Office shall, on a monthly basis, inform the Comptroller of the savings being achieved by an agency under the in-kind gas program of § 31.401, Natural Resources Code and the Comptroller shall reduce the agency's utility appropriation authority accordingly. The Comptroller shall transfer the savings realized into the General Revenue Fund.

Sec. 11.05. Limitation on Expenditures for Leased Space. Funds appropriated by this Act may not be expended for leased office or building space for operations that are moved into newly constructed, purchased, expanded, or renovated state owned facilities funded from Texas Public Finance Authority Revenue Bonds.

Sec. 11.06. Efficient Use of State Owned and Leased Space.

- (a) In the event that an agency moves from leased space to state owned space subsequent to the passage of this Act, the Comptroller shall reduce funds appropriated to each affected agency, by an amount equal to the lease costs that would have been incurred for the remainder of the biennium had the agency remained in leased space, less the costs the agency incurs for moving and the agency's tenant finish-out expenses as defined by the Texas Building and Procurement Commission. Required moving and tenant finish-out costs incurred by an

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agency moving from leased space to state owned space in fiscal year 2003 may be paid from 2004 fiscal year appropriations and costs incurred in 2004 may be paid from 2005 fiscal year appropriations as necessary to facilitate the move. The Comptroller shall transfer to the Texas Building and Procurement Commission from the special funds or accounts, including dedicated General Revenue Fund accounts, of those agencies that move into a state facility funded from Texas Public Finance Authority revenue bond proceeds, each agency's proportional share of the lease payments made for the facility as determined by the Texas Building and Procurement Commission. The Comptroller shall reduce the amounts appropriated to the Texas Building and Procurement Commission out of the General Revenue Fund for Lease Payments, in the appropriate Article of this Act, by an amount equal to the sum of the transfers from the special funds or accounts. The funds so transferred are hereby appropriated to the Texas Building and Procurement Commission for the purposes of making lease payments to the Texas Public Finance Authority.

- (b) In the event that an agency obtains a lease at a rate lower than existing lease amounts, subsequent to the passage of the Act, the Comptroller shall reduce funds appropriated to each affected agency by an amount equal to the lease costs that would have been incurred for the remainder of the 2004–05 biennium, as determined by the Comptroller. If obtaining a reduced lease rate requires the agency to move its location, the Comptroller shall reduce the agency's appropriations less costs the agency incurs for moving the agency's tenant finish-out expenses as defined by the Texas Building and Procurement Commission. Required moving and tenant finish-out costs incurred by an agency moving from leased space in fiscal year 2004 may be paid from fiscal year 2005 appropriations as necessary to facilitate the move.

Sec. 11.07. Transfer of Master Lease Purchase Program Payments.

- (a) The Texas Public Finance Authority is hereby authorized to transfer each agency's share of administrative fees and lease payments pursuant to the Master Lease Purchase Program from each agency's appropriations made elsewhere in this Act to the Texas Public Finance Authority Master Lease Purchase Program cost of issuance funds and the State Lease Fund Account, respectively. Transfers for administrative fees and lease payments may not be made earlier than 15 days prior to the date that debt service payment is required. The Texas Public Finance Authority may transfer funds necessary for Master Lease Purchase Program debt service payments from the State Lease Fund Account to the Texas Public Finance Authority Master Lease Purchase Program interest and sinking funds.
- (b) The Comptroller shall assist the Texas Public Finance Authority in the transfer of lease payments. State agencies participating in the Master Lease Purchase Program shall cooperate in the timely transfer of lease payments to the Texas Public Finance Authority. The absence of specific Master Lease payment appropriations, identified in an agency's capital budget, does not release an agency from lease payment obligations.

Sec. 11.08. Alternative Fuels Finance Payments: Transfer and Appropriation. The Texas Public Finance Authority (TPFA) may transfer each agency's pro rata share of administrative fees and finance payments pursuant to the alternative fuels finance program from each agency's appropriations made elsewhere in this Act to the TPFA alternative fuels finance program cost of issuance fund and the State Lease Fund Account, respectively. Transfers for administrative fees and lease payments may not be made earlier than 15 days prior to the date that debt service payment is required. The TPFA may transfer funds necessary for alternative fuels finance program debt service payments from the State Lease Fund Account to the TPFA alternative fuels finance program interest and sinking fund and is hereby appropriated all necessary amounts from those funds for payment of debt service associated with the program. Any reimbursements or payments received by the TPFA for services rendered under

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agreement with any political subdivision of the state participating in the alternative fuels finance program are hereby appropriated to the TPFA for debt service payments associated with the program.

Sec. 11.09. State Owned Housing - Recover Housing Costs.

- (a) It is the intent of the Legislature that the General Land Office (GLO) shall contract for the determination of the fair market rental value of all housing provided to state employees by agencies required to report their housing. The GLO shall provide, to each state agency providing housing to employees, information regarding the fair market rental values. The GLO shall also provide the statewide total and agency totals to the Legislative Budget Board, Governor, and Comptroller.
- (b) Each agency required to report employee housing to the General Land Office shall recover, from persons first employed by the agency before September 1, 1999, at least 20 percent of the established fair market rental value of its housing. Each agency required to report employee housing to the General Land Office shall recover, from persons first employed by the agency after August 31, 1999, at least 100 percent of the established fair market rental value of its housing. The recovered funds are hereby appropriated to the agency for its use.
- (c) Agencies that provide employee housing shall report to the Legislature annually all employees who receive agency housing, the fair market rental value of housing supplied by the agency, and the amount of revenue recovered to meet the mandated goals.
- (d) Unless specifically authorized by this Act, a person may not receive housing below the rate established by this section. Individuals authorized by this Act for reduced rate housing are absolutely critical to safe operation of a facility.
- (e) Funds may not be expended to construct additional employee housing.
- (f) When existing facilities are no longer suitable for employee housing, the agency should determine the feasibility of converting the use of housing or razing the structure before making repairs or updates.
- (g) A person may not receive additional compensation in lieu of state-owned housing.

Sec. 11.10. Cleaning Allowances. A cleaning allowance is an allotment to help defray the cost of maintaining a uniform for certain state employees. A cleaning allowance authorized elsewhere in this Act for specific positions of employment is an authorization for the specific position and shall not transfer with an employee if that employee transfers to a position for which such reimbursement is not authorized.

Sec. 11.11. Coordination of Tourism and Travel Promotion. It is the intent of the Legislature that the Texas Commission on the Arts, the Texas Historical Commission, the Texas Department of Economic Development, the Texas Department of Parks and Wildlife, and the Texas Department of Transportation coordinate their efforts and spending related to tourism and travel promotion. These agencies shall develop, maintain and adhere to a memorandum of understanding that details the specific travel and tourism objectives and responsibilities of each agency and continues to provide interagency coordination and support to achieve the objectives.

Sec. 11.12. Vehicle Fleet Management. It is the intent of the Legislature that all state agencies and institutions shall adopt rules or policies to implement the State Vehicle Fleet Management Plan issued by the Office of Vehicle Fleet Management of the Texas Building and Procurement Commission. In accordance with the State Vehicle Fleet Management Plan, the Office of Vehicle Fleet Management

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shall not grant a waiver for vehicle purchases for those agencies that have not adopted rules or procedures as required by § 2171.1045, Government Code. It is the intent of the Legislature that agencies follow recommendations in the State Vehicle Fleet Management Plan regarding replacing state vehicles when they reach 6 years (72 months) of service or 100,000 miles, whichever comes first. Circumstances may warrant exceptions to this policy based on economic factors for the state, as in the case of vehicles with excessive maintenance costs or unusually low maintenance costs. All state agencies and institutions must maintain detailed supporting documentation on their vehicle fleets and shall submit fleet data to the Office of Vehicle Fleet Management.

Sec. 11.13. Appropriation: Temporary Assistance for Needy Families (TANF) Federal Funds.

- (a) For the biennium beginning September 1, 2003, in addition to sums appropriated elsewhere by this Act, the balance of all available TANF federal funds allocated to the State is hereby appropriated for the purposes for which the TANF block grant is made. In the event of an expenditure requirement related to fiscal penalties, caseload growth, or other program needs (such as meeting work participation targets or increasing the capacity to serve TANF recipients facing time-limited benefits), the funds appropriated by this provision and/or the balance of all available TANF federal funds appropriated elsewhere by this Act may be expended and/or transferred as appropriate by the Single State Agency for TANF, subject to the written prior approval of the Governor and the Legislative Budget Board.
- (b) The expenditure of TANF federal funds is hereby limited to those amounts specifically identified and appropriated by this Act, unless specific written approval is made by the Legislative Budget Board and Governor.

Sec. 11.14. Incentive and Productivity.

- (a) Net annual savings/revenues realized from employee suggestions implemented by a state agency under the provisions of Government Code, Chapter 2108, Subchapter B and rules promulgated by the Texas Incentive and Productivity Commission must be allocated by the state agency as follows:
 - (1) An amount not to exceed 10 percent of the annual net savings/revenues attributable to a suggestion implemented by a state agency shall be transferred to the Texas Incentive and Productivity Commission. Any funds transferred to the agency that exceed \$211,233 per fiscal year to the Incentive and Productivity Commission shall be lapsed not later than the end of each fiscal year.
 - (2) An amount not to exceed 10 percent of the annual net savings/revenues attributable to a suggestion implemented by a state agency shall be available for the payment of employee awards and shall be subject to the provisions of Government Code, Chapter 2108.
 - (3) An amount, equal to at least 80 percent of the original annual net savings/revenues from amounts appropriated to the agency in the fiscal year(s) in which the savings/revenues were realized, shall be retained by the agency to pay operating costs such as those relating to Workers Compensation Assessments and the Statewide Allocation Plan.
- (b) The net savings/revenues realized in a fiscal year are to be considered encumbered by the agency implementing the suggestion for purposes of carrying out the allocation of funds listed in Subsection (a). The amounts encumbered shall be accounted for in the following manner:

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- (1) Upon implementation of an approved employee suggestion, an agency shall establish a Savings Measurement Account for that suggestion and transfer into this account the share of the projected net first-year savings/revenues attributable to the suggestion during that fiscal year. All balances in these accounts as of August 31, 2003, are appropriated for fiscal year 2004, and all balances in these accounts as of August 31, 2004 are appropriated for fiscal year 2005. At the beginning of the following fiscal year, the agency shall transfer into the Savings Measurement Account the remaining share of the projected net savings/revenues for each approved suggestion.
- (2) At the conclusion of the implementation period for an approved and implemented suggestion, the amount of net savings/revenues certified by the agency and the Texas Incentive and Productivity Commission shall be compared with the balance in the Savings Measurement Account for that employee suggestion. If the certified net savings/revenue amount exceeds the balances in the Savings Measurement Account, the additional funds shall be derived from that agency's current year appropriations. If the certified net savings/revenue amount is less than the balance in the Savings Measurement Account, the excess amount deposited is available to the agency for expenditures in the current fiscal year for the same purposes as the original source appropriations. The certified net savings/revenues shall be transferred in accordance with Subsection (a).
- (c) In the event that agencies identify statutory, federal or constitutional restrictions on the use of funds in accounts where savings/revenues were generated by approved employee suggestions, agencies are authorized to substitute other funding and appropriation sources for the 10 percent employee award portion under Subsection (a). All such substitutions for statutory, federal, or constitutional restrictions shall be reviewed and approved by the Comptroller before the substitution of 10 percent from other funds is adopted.
- (d) The Comptroller and the Texas Incentive and Productivity Commission shall jointly develop rules for the above provisions of this section.

Sec. 11.15. Contingency Appropriation Reduction and Contingency Appropriation.

- (a) In the event that it is necessary, in order to certify the appropriations in this Act, appropriations made by this Act out of the General Revenue Fund and general revenue dedicated accounts are hereby reduced on a pro-rata basis by the amount necessary to allow certification of this Act under Section 49a, Article III, Texas Constitution. The Comptroller shall report the total amount of reduction made by this subsection (a) to the Legislative Budget Board and Governor.
- (b) An amount equal to the sum of the General Revenue Fund and general revenue dedicated account appropriations contained in this Act that are vetoed by the Governor under Section 14, Article IV, Texas Constitution, shall be segregated by the Comptroller and is hereby appropriated, as necessary, for the transfers in subsection (c).
- (c) (1) The Legislative Budget Board and Governor shall determine the final allocation of the net appropriation reductions made pursuant to this section no later than October 1, 2003 and shall direct the Comptroller to transfer funds between appropriation items accordingly. The reductions required by subsection (a) and the transfers required by this subsection (c) do not apply to constitutionally dedicated funds; funds necessary for the payment of debt service; funds appropriated to the Employees Retirement System, the Teacher Retirement Fund, and the Foundation School Program; amounts necessary

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for salaries out of appropriations made in Article IV of this Act; or to items of appropriations designated "estimated."

- (2) The Legislative Budget Board and the Governor may utilize, in the plan of transfers sent to the Comptroller pursuant to subsection (c)(1), state fiscal relief federal funds for transfer to agencies or institutions with appropriations made in this Act that would otherwise be reduced pursuant to this section or other authority and such state fiscal relief federal funds are hereby appropriated in the amount utilized for this purpose.
- (3) The Legislative Budget Board and Governor shall inform each state agency and institution affected by the reductions no later than October 15, 2003.

Sec. 11.16. Appropriations from State Tax Revenue. The appropriations from state tax revenue not dedicated by the Constitution for the 2004-05 biennium shall not exceed the Texas Constitution's Article VIII, § 22 limit of \$54,988,178,150 established by the Legislative Budget Board pursuant to § 316.002, Government Code. The limit on appropriations that can be made for the 2004-05 biennium is subject to adjustments resulting from revenue forecast revisions or subsequent appropriations certified by the Comptroller to the 2002-03 biennial appropriations from state tax revenue not dedicated by the Constitution. The Comptroller may adjust the composition of fund and account balances without any net change in balances or change in appropriations so as to ensure compliance with the limit set forth in Article VIII, § 22 of the Texas Constitution.

Sec. 11.17. State Agency Emergency Leases. It is the intent of the Legislature that all emergency leases held by state agencies be eliminated over the course of the 2002-03 biennium. To assure for better planning on the part of state agencies and response from the Texas Building and Procurement Commission Leasing Division, state agencies are directed to adhere to the following provisions:

- (a) A state agency that is in an emergency lease agreement on September 1, 2003 shall have its appropriation in each fiscal year in which it is in the emergency lease agreement reduced by the dollar amount charged to the agency in addition to its base level rent.
- (b) At least one year before an agency's lease expires, an agency must notify the Texas Building and Procurement Commission in writing of its intent to renew its existing lease or relocate its offices.
- (c) If an agency fails to notify the Texas Building and Procurement Commission in writing at least one year prior to a lease expiration, and is subsequently forced to initiate an emergency lease agreement, the agency shall have its appropriation in the each fiscal year in which it is in an emergency lease agreement reduced by the dollar amount charged to the agency in addition to its base level rent.
- (d) If an agency notifies the Texas Building and Procurement Commission in writing one year prior to a lease expiration in accordance with Chapter 2167, Government Code, and the Texas Building and Procurement Commission fails to renew/initiate a lease agreement for the agency by the lease expiration date, and an agency is forced to initiate an emergency lease agreement, the Texas Building and Procurement Commission shall have its appropriation reduced in each fiscal year in which the affected agency is in an emergency lease agreement by the dollar amount charged to the agency in addition to the agency's base level rent.
- (e) The Comptroller will make all necessary reductions established in this provision each month of an emergency lease agreement. Funds lapsed by agencies for violation of this provision shall be deposited into the fund in the State Treasury from which they were originally appropriated.

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- (f) Additionally, the Texas Building and Procurement Commission shall provide quarterly reports to the Legislative Budget Board and the Governor detailing the number of state agencies holding emergency leases, and providing the status on the progress of terminating the emergency lease agreement.
- (g) In addition to the requirements of this section, emergency leases for health and human services agencies are also governed by § 2167.004, Government Code.
- (h) The Department of Agriculture is exempted from the provisions of this section.

Sec. 11.18. Appropriation Transfers: Billings for Statewide Allocated Costs. As provided by Chapter 2106, Government Code, relating to billings to state agencies for the costs of support services allocated to agencies under the statewide cost allocation plan which implements *e-Texas Issue AFM-3 (2001)*, the Comptroller shall transfer appropriations made to state agencies and institutions of higher education by this Act (excluding the State Aircraft Pooling Board) to the General Revenue Fund, under Articles I-VIII of this Act, in amounts which total \$31,465,000 for the biennium.

At least thirty days prior to making transfers of agency appropriations to the General Revenue Fund pursuant to this provision, the Comptroller shall develop and prepare a plan of reductions and notify the Legislative Budget Board and Governor of the amounts proposed for reduction by each agency.

Sec. 11.19. Contingency Rider. It is the intent of the Legislature that appropriations made in this Act be expended only for purposes and programs specifically funded in the Act, and contingency appropriations made for legislation adopted by the Seventy-eighth Legislature be the sole source of funding for implementation of that legislation. No state agency or institution of higher education is required to reallocate or redistribute funds appropriated in this Act to provide funding for programs or legislation adopted by the Seventy-eighth Legislature for which there is not specific appropriation or contingency provision identified in this Act.

Sec. 11.20. TexasOnline Authority: Occupational Licenses. Each licensing entity not otherwise authorized to increase occupational license fees elsewhere in this Act is authorized to increase the occupational license or permit fees imposed on the licensing entity's licensees by an amount sufficient to cover the cost of the subscription fee charged by the TexasOnline Authority to the licensing entity pursuant to Subchapter I, Chapter 2054, Government Code. Each licensing entity provided by Subchapter I, Chapter 2054, Government Code and not otherwise authorized to increase occupational license fees elsewhere in this Act is hereby appropriated the additional occupational license or permit fees in excess of the Comptroller's biennial revenue estimate 2004-05 and shall pay the TexasOnline contractor the subscription fee authorized by Subchapter I, Chapter 2054, Government Code. The licensing entities not otherwise authorized to increase occupational license fees elsewhere in the Act are hereby appropriated an amount equal to the subscription fees collected pursuant to Subchapter I, Chapter 2054, Government Code for the sole purpose of payment to the TexasOnline contractor for costs of implementing and maintaining electronic services for the licensing entities.

Sec. 11.21. Appropriations Limited to Revenue Collections: Texas Emissions Reduction Plan.

- (a) Included in the amounts appropriated in this Act are revenues accruing to the Texas Emissions Reduction Plan (TERP) Account No. 5071 during the 2004-05 biennium (estimated to be \$21,402,000 in fiscal year 2004 and \$21,828,000 in fiscal year 2005) to carry out programs of the TERP.
- (b) Allocations of TERP revenues included in this Act are as follows:

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- (1) For the Texas Commission on Environmental Quality (TCEQ), 72 percent of TERP revenues to be used as incentive payments for the Diesel Emissions Reduction Program established in Subchapter C, Chapter 386, Health and Safety Code (estimated to be \$15,409,490 in fiscal year 2004 and \$15,716,160 in fiscal year 2005) and 0.75 percent of TERP revenues to be used for administrative costs incurred by the TCEQ in administering the Diesel Emissions Reduction Program (estimated to be \$160,515 in fiscal year 2004 and \$163,710 in fiscal year 2005), as provided by § 386.252, Health and Safety Code;
 - (2) For the Public Utility Commission (PUC), 7.5 percent of TERP revenues to be used for grant payments for the Energy Efficiency Grant Program as provided in Subchapter E, Chapter 386, Health and Safety Code, (estimated to be \$1,605,150 in fiscal year 2004 and \$1,637,100 in fiscal year 2005) and 0.75 percent of TERP revenues to be used for administrative costs incurred by the PUC in administering the Energy Efficiency Grant Program (estimated to be \$160,515 in fiscal year 2004 and \$163,710 in fiscal year 2005), as provided by § 386.252, Health and Safety Code;
 - (3) For the Fiscal Programs - Comptroller of Public Accounts, 10 percent of TERP revenues to be used for incentive payments for the Motor Vehicle Purchase or Lease Incentive Program established in Subchapter D, Chapter 386, Health and Safety Code, (estimated to be \$2,140,200 in fiscal year 2004 and \$2,182,800 in fiscal year 2005) and 0.75 percent of TERP revenues to be used for administrative costs incurred by the Comptroller in administering the Motor Vehicle Purchase or Lease Incentive Program (estimated to be \$160,515 in fiscal year 2004 and \$163,710 in fiscal year 2005), as provided by § 386.252, Health and Safety Code;
 - (4) For the Texas Engineering Experiment Station (TEES), 0.75 percent of TERP revenues to be used for administrative costs associated with the Texas Building Energy Performance Standards, Chapter 388, Health and Safety Code (estimated to be \$160,515 in fiscal year 2004 and \$163,710 in fiscal year 2005), as provided by § 386.252, Health and Safety Code;
 - (5) For the Texas Council on Environmental Technology (TCET), 7.5 percent of TERP revenues to be used for grant funding and administrative costs associated with the New Technology Research and Development Program established in Chapter 387, Health and Safety Code (estimated to be \$1,605,149 in fiscal year 2004 and \$1,637,099 in fiscal year 2005). The first \$90,000 from the 7.5 percent of TERP revenues allocated to the Texas Council of Environmental Technology in each fiscal year shall be deposited to the Clean Air Account No. 151 for use by TCEQ to supplement funding for air quality activities in affected counties as defined in § 386.001, Health and Safety Code. Of the remaining amounts appropriated to the Texas Council on Environmental Technology, not more than \$203,893 in each fiscal year shall be spent on administrative costs with remaining funds to be used to make grants for new technologies. The amount appropriated for administrative costs may increase as provided in Subsection (e), if revenues to the TERP Account No. 5071 exceed \$21,402,000 in fiscal year 2004 or exceed \$21,828,000 in fiscal year 2005.
- (c) It is the intent of the Legislature that fees generated and deposited to the TERP Account No. 5071 cover, at a minimum, the costs of the appropriations made out of the TERP Account No. 5071 by this Act, as well as the "other direct and indirect costs" associated with TERP programs. In the event that actual or projected revenue collections are insufficient to offset the costs identified by this provision, the Legislative Budget Board may direct that the Comptroller reduce the appropriation authority provided above to be within the amount of

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revenue expected to be available, provided that the reduction is in proportion to each agency's share of TERP funding as allocated above and as provided in § 386.252, Health and Safety Code.

- (d) In the event that the Comptroller makes a finding that revenues to the TERP Account No. 5071 will total more than \$21,402,000 in fiscal year 2004 or more than \$21,828,000 in fiscal year 2005, the Comptroller shall notify the Legislative Budget Board of that finding at least 14 days prior to the disbursement of such funds. The Comptroller shall include in that notification an estimate of the amount expected to be received in excess of those amounts and an estimate of the amount of additional funds each agency will receive according to the allocation schedule described in section (e) below.
- (e) In addition to amounts appropriated by this section out of the TERP Account No. 5071, there is hereby appropriated all revenues received by the TERP Account No. 5071 in excess of \$21,402,000 in fiscal year 2004 and in excess of \$21,828,000 in fiscal year 2005 of the biennium. Such additional amounts shall be allocated to each agency according to the following proportions: 72 percent to TCEQ for incentive payments for the Diesel Emissions Reduction Program; 7.5 percent to the PUC for grant payments for the Energy Efficiency Grant Program; 10 percent to the Fiscal Programs - Comptroller of Public Accounts for incentive payments for the Motor Vehicle Purchase or Lease Incentive Program; 6.9 percent to the TCET for grants and 0.2 percent to the TCET for administrative costs; 0.4 percent to be deposited to the Clean Air Account No. 151 and appropriated to TCEQ to supplement funding for air quality activities in affected counties; 2.25 percent to TCEQ for administrative costs; 0.35 percent to the Comptroller for administrative costs; 0.2 percent to the PUC for administrative costs; and 0.2 percent to the TEES for administrative costs.
- (f) Any unexpended balances in the appropriations made by this section out of the TERP Account No. 5071 on August 31, 2004, are hereby appropriated for the same purposes for the fiscal year beginning September 1, 2004.
- (g) Contingent on the passage of House Bill 638, or similar legislation, relating to the Texas emissions reduction plan by the Seventy-eighth Legislature:
 - (1) Notwithstanding other provisions contained in this Section, appropriations out of the TERP Account No. 5071 are hereby modified according to the allocations of funding contained in Health and Safety Code, Section 386.252, as amended.
 - (2) Of amounts appropriated pursuant to Subsection (g), additional appropriations to the TCEQ for administrative costs shall not exceed \$446,330 in fiscal year 2004 and \$387,830 in fiscal year 2005; additional appropriations to the TEES for administration shall not exceed \$789,906 in each fiscal year; and additional appropriations to the TCET for administration shall not exceed the statutory limits for administrative costs contained in Health and Safety Code, Section 386.252.
 - (3) The "Number of Full-Time-Equivalent Positions (FTE)" indicated herein for the TCEQ is hereby increased by 9 each fiscal year of the biennium; the "Number of Full-Time-Equivalent Positions (FTE)" indicated herein for the TEES is hereby increased by 12 each fiscal year of the biennium; and the "Number of Full-Time-Equivalent Positions (FTE)" indicated herein for the TCET is hereby increased by 5 each fiscal year of the biennium.

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Sec. 11.22. Disaster Related Transfer Authority.

- (a) In the event of a disaster proclamation by the Governor under the Texas Disaster Act of 1975, Chapter 418, Government Code, transfers of appropriations made in this Act, if necessary to respond to the disaster and if made according to the terms of this section, are permitted.
- (b) **Health and Human Services Agencies:** For a health and human services agency listed in Chapter 531, Government Code, that directly responds to the disaster, the Commissioner of Health and Human Services is authorized to transfer funds from another health and human services agency listed in Chapter 531, Government Code to the responding agency, and may transfer funds between the strategies of each agency for the purpose of funding the disaster response subject to the prior notification of the Legislative Budget Board and Governor as provided by Subsection (e).
- (c) **Other Agencies:** An agency other than a health and human services agency listed in Chapter 531, Government Code that directly responds to a disaster may transfer appropriations within the agency, without regard to any limits on transfer of appropriations between strategies, subject to the prior notification of the Legislative Budget Board and Governor as provided by Subsection (e).
- (d) **Transfers Between Agencies:** In the event that a transfer involving at least one agency not listed in Chapter 531, Government Code is necessary in order to respond to a disaster, the agencies involved in the transfer shall request approval from the Legislative Budget Board and the Governor for the emergency transfer of funds, pursuant to Article XVI, Section 69, Texas Constitution. Any request under this subsection should include the same information required in the recommended plan of transfer below, and a copy shall be provided to the Comptroller.
- (e) **Notification of Recommended Plan of Transfer.**
 - (1) **Recommended Plan of Transfer:** A recommended plan of transfer submitted by an agency to the Governor and Legislative Budget Board under this section must include the following information:
 - (A) a copy of the appropriate disaster proclamation made under Chapter 418, Government Code;
 - (B) the amounts to be transferred (listed by method of finance);
 - (C) the agency or agencies affected;
 - (D) the programs affected by the transfer; and
 - (E) any other information requested by the Legislative Budget Board.
 - (2) **Notification and Approval:** An agency must notify the Legislative Budget Board, the Comptroller, the Governor, and any other agency involved in the transfer at least 14 days prior to the date of recommended transfers. If neither the Legislative Budget Board nor the Governor issue a written disapproval within 14 days of receipt of the agency recommended plan of transfer, the Comptroller shall transfer the funds as recommended.

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Sec. 11.23. Contingency for Communities in Schools.

- (a) The following provisions are contingent upon enactment of legislation which transfers administration of the Communities in Schools program from the Department of Protective and Regulatory Services to the Texas Education Agency, by the Seventy-eighth Legislature, Regular Session.
- (b) Effective September 1, 2003, the appropriations and FTEs shown below shall be transferred to the Texas Education Agency:

	<u>2004</u>	<u>2005</u>	<u>FTEs</u>
<u>Department of Protective and Regulatory Services</u>			
<u>A.1.7 Strategy:</u>			
AT RISK PREVENTION SERVICES			
\$	4,842,342	\$ 4,842,341	13.7
 <u>Method of Financing</u>			
TANF Federal Funds	\$ 4,842,342	\$ 4,842,341	

- (c) Accordingly, the "Number of Full-time Equivalent Positions (FTE)" figure indicated in Article II for the Department of Protective and Regulatory Services is hereby decreased by 13.7 for fiscal year 2004 and by 13.7 for fiscal year 2005, and the "Number of Full-time Equivalent Positions (FTE)" figure indicated in Article III for the Texas Education Agency is hereby increased by 13.7 for fiscal year 2004 and by 13.7 for fiscal year 2005.
- (d) Performance measures contained in Department of Protective and Regulatory Services, Strategy A.1.7, At-Risk Prevention Services, shall be applicable to the Texas Education Agency.
- (e) All contract proceeds for the Communities in Schools Program are hereby appropriated to the Texas Education Agency.
- (f) It is the intent of the Legislature that the Texas Education Agency continue its current level of financial support for the Communities In Schools program throughout the 2004-05 biennium.

Sec. 11.24. Informational Items. Object of expense (OOE) listings contained in this Act, and other informational listings are not appropriations, and are merely informational listings that are intended to qualify or direct the use of funds appropriated in agency strategies, or are incidental to the appropriation made in the agency strategies.

Sec. 11.25. Interoperability Communications Equipment: Federal Funding.

- (a) It is the intent of the Legislature that contingent upon receipt of any federal funds for interoperability communications equipment by a state agency, the state agency receiving the federal funding shall expend those funds to establish an interoperable communications system. The interoperable communications equipment shall be subject to guidelines established by the United States Department of Homeland Security, Office of Domestic Preparedness.
- (b) This section applies to federal funds appropriated by this Act and received by:

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- (1) the Texas Parks and Wildlife Department;
 - (2) the Texas Department of Transportation;
 - (3) the Texas Youth Commission;
 - (4) the Texas Alcoholic Beverage Commission;
 - (5) the Department of Public Safety of the State of Texas;
 - (6) the Texas Department of Criminal Justice; or
 - (7) the Texas Forest Service.
- (c) Except as provided by Subsection (e) of this section, none of the federal funds received by an agency named under Subsection (b) of this section to establish an interoperable communications system may be used to purchase new agency radio equipment until equipment required to achieve system interoperability has been established at the agency. The interoperable communications equipment shall be subject to guidelines established by the United States Department Office of Homeland Security, Office of Domestic Preparedness.
- (d) Except as provided by Subsection (e) of this section, after the establishment of a interoperable communications system by all seven of the state agencies listed under Subsection (b) of this section, no federal communications interoperability grants or funds provided to the State of Texas for distribution to local, county, or municipal government agencies shall be spent by those local, county, or municipal government agencies for new radio equipment purchases unless such funds are first used for equipment to connect to an interoperable system established by the state agencies. The interoperable communications equipment shall be subject to guidelines established by the United States Department Office of Homeland Security, Office of Domestic Preparedness.
- (e) (1) A state or local entity may use any funds not otherwise restricted to replace broken or failing communications equipment and maintain an existing communications system until an interoperable system can be created.
- (2) This section is not a limitation on maintenance of an existing communications system or replacement of broken or failing communications equipment.
- (f) Quarterly, each agency named under Subsection (b) of this section to establish an interoperable communications system shall report to the Legislative Budget Board and the Governor regarding the agency's progress to achieve system interoperability and meet any interoperable communications equipment guidelines established by the United States Department Office of Homeland Security, Office of Domestic Preparedness.
- Sec. 11.26. Interoperability Communications Equipment: All Appropriated Funding.**
- (a) It is the intent of the Legislature that except as provided by Subsection (c) of this section, none of the funds appropriated to a state agency listed under Subsection (b) of this section shall be expended by the state agency for the purchase of new radio equipment until the state agency has established an interoperable communications system. The interoperable communications equipment shall be subject to guidelines established by the United States Department Office of Homeland Security, Office of Domestic Preparedness.

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- (b) This section applies to the following state agencies:
- (1) the Texas Parks and Wildlife Department;
 - (2) the Texas Department of Transportation;
 - (3) the Texas Youth Commission;
 - (4) the Texas Alcoholic Beverage Commission;
 - (5) the Department of Public Safety of the State of Texas;
 - (6) the Texas Department of Criminal Justice; and
 - (7) the Texas Forest Service.
- (c) (1) A state agency may use any funds not otherwise restricted to replace broken or failing communications equipment and maintain an existing communications system until an interoperable system can be created.
- (2) This section is not a limitation on maintenance of an existing communications system or replacement of broken or failing communications equipment.
- (d) Quarterly, each agency named under Subsection (b) of this section to establish an interoperable communications system shall report to the Legislative Budget Board and the Governor regarding the agency's progress to achieve system interoperability and meet any interoperable communications equipment guidelines established by the United States Department Office of Homeland Security, Office of Domestic Preparedness.

Sec. 11.27. Maintaining the State's Cash Flow.

- (a) In order for the following subsections of this section to take effect to ensure the cash flow of the state in fiscal year 2004, subsections (b) - (d) of this section shall be evaluated in the following order:
- (1) Subsection (b) takes effect unless the Comptroller determines that subsection (b) is unnecessary to maintain the cash flow of the state in fiscal year 2004, and issues a finding of fact to that effect.
 - (2) If subsection (b) takes effect, then subsection (c) takes effect unless the Comptroller determines that subsection (c) is unnecessary to maintain the cash flow of the state in fiscal year 2004, and issues a finding of fact to that effect.
 - (3) If subsections (b) and (c) take effect, then subsection (d) takes effect unless the Comptroller determines that subsection (d) is unnecessary to maintain the cash flow of the state in fiscal year 2004, and issues a finding of fact to that effect.
- (b) **Foundation School Payments.** Effective August 1, 2004, amounts appropriated to the Texas Education Agency elsewhere in this Act for the Foundation School Program for fiscal year 2004, and that are referenced in rider 2, Chapter 42 and 46 Formula Funding, of this Act are reduced by \$800,000,000. Appropriations in fiscal year 2005 are increased by an amount equal to the reduction in fiscal year 2004 made by this subsection. If this subsection takes effect, funds appropriated to the Texas Education Agency for the Foundation School Program do not include funds to make payments from the foundation school fund for August 2004; and fiscal year 2005 appropriations for the foundation school program do not include funds for payments in August 2005, but do include the payments delayed from August 2004, and payments for September 2004 through July 2005.

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- (c) **Teacher Retirement System.** The appropriation in strategy A.1.1., TRS - Public Education Retirement, in the bill pattern for the Teacher Retirement System is reduced by \$326,617,000 for fiscal year 2004. If the appropriation provided by the Legislature for fiscal year 2004 is different from the amount of state contributions required by law, the Comptroller shall, in fiscal year 2005, make adjustments, estimated to be \$326,617,000, in the teacher retirement fund and the general revenue fund as required by Section 403.093, Government Code.
- (d) **Lease-Purchase of Textbooks.**
- (1) In order to maintain the cash flow of the state the following actions shall be taken in the bill pattern for the Texas Education Agency, if required pursuant to subsection (a) of this section:
- (A) Reduce appropriations from Fund 0003 to Strategy B.2.1., Instructional Materials, by \$228 million in fiscal year 2004;
- (B) Increase appropriations from Fund 0002 to Strategy A.1.1., FSP – Equalized Operations, by \$228 million in fiscal year 2004 and decrease appropriations from fund 0193 in this strategy by \$205 million in fiscal year 2004;
- (C) Increase appropriations from Fund 0001 to Strategy B.3.2., Agency Operations, by \$5,013,699 in 2004 and add project, *Lease-Purchase of Textbooks*, to the agency's capital budget rider, with an amount of \$5,013,699 in 2004 and \$200,000,000 in 2005; and
- (D) Increase appropriations from Fund 0001 to Strategy B.2.1., Instructional Materials, by \$228,000,000 in 2005.
- (2) The Texas Public Finance Authority is authorized to issue, in accordance with Chapter 1232, Government Code, revenue bonds or other revenue obligations ("obligations") on behalf of the Texas Education Agency (TEA) to finance the lease-purchase of textbooks for public schools in an estimated amount of \$200,000,000. From the proceeds of the obligations, the Authority is appropriated an amount sufficient to pay the costs of issuing the obligations and the TEA is appropriated the balance of the proceeds, which shall be at least \$200,000,000, for the acquisition of the textbooks.
- (3) Out of the funds appropriated elsewhere in this Act to the Texas Education Agency in Strategy B.3.2, Agency Operations, the TEA shall use a portion to make lease payments to the Authority in an amount required by the Authority for payment of the interest on the obligations in fiscal year 2004, estimated to be \$5,013,699, and the principal on the obligations in fiscal year 2005, estimated to be \$200,000,000. It is intended that the Authority shall pay interest only on the obligations in fiscal year 2004 and fully discharge the obligations in fiscal year 2005.

Sec. 11.28. Appropriation of State Fiscal Relief Federal Funds.

- (a) Notwithstanding other provisions of this Act, based upon the passage of federal legislation that provides federal funds for the purpose of state fiscal relief, such funds are appropriated, after the implementation of Section 11.15, Contingency Appropriation Reduction and Contingency Appropriation, to the Comptroller of Public Accounts in the fiscal year in which the funds are received for the purpose of transferring funds to state agencies for state fiscal relief, as provided by subsection (b) of this section.
- (b) The Legislative Budget Board and the Governor shall develop a plan that outlines the transfers of these funds, by fiscal year, agency, and strategy for the purpose of state fiscal relief. It is a priority of the Legislature that the plan of transfers will provide funding as follows:

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- (1) One-quarter of the amounts received for state fiscal relief may be used for partial restoration of reimbursement rates assumed in Article II of this Act to fiscal year 2003 levels.
- (2) Restoration of the hours assumed in Community Care Programs at the Department of Human Services to fiscal year 2003.
- (3) Such funds shall also be used for the items shown below in bill pattern order:

Texas Department of Health:

A.3.1, HIV & STD Education & Services

D.2.1, Community Health Services

Health and Human Services Commission:

B.2.3, Premiums: Pregnant Women (from 158% of the Federal Poverty Level to 185% of the Federal Poverty Level)

B.2.4, Premiums: Children/Medically Needy (for Medically Needy)

B.2.7, Cost Reimbursed Services (for Graduate Medical Education)

Department of Human Services:

A.1.1, Community Care - State

Department of Mental Health and Mental Retardation

C.1.1, MR Community Services

Department of Protective and Regulatory Services:

A.1.7, At-Risk Prevention Services

- (4) Texas B-On-Time Loan Program.

Sec. 11.29. Financial Aid Study to be Conducted. The Governor's, Lieutenant Governor's, House Speaker's and Comptroller's Office shall conduct a study of financial aid, including grants, scholarships, loans, tuition and fee exemptions and waivers, and any other form of financial assistance provided by the State of Texas and public institutions in the state. The group shall consider ways to use available resources to maximize the total number of students enrolled in higher education. The study shall be completed no later than December, 2004.

Sec. 11.30. TRS-Care Reduction. Contingent on the enactment of legislation appropriating funds from the Economic Stabilization Fund for the purpose of TRS-Care Retiree Health for the biennium beginning September 1, 2003, amounts appropriated elsewhere in this bill for TRS-Care retiree health insurance program are reduced by an amount, in general revenue, equal to the amount appropriated for TRS-Care in the legislation.

Sec. 11.31. Poison Control Call Takers. The following amounts are appropriated out of the GR-Dedicated Advisory Commission on Emergency Communications Account No. 5007 to the Commission on State Emergency Communications in State: 3.1.1., Poison Control Call Takers: \$315,397 in fiscal year 2004 and \$451,757 in fiscal year 2005.

Sec. 11.32. Texas Department of Health. Rider number 1: Health Care Facilities, on page II-30 in the bill pattern of the Texas Department of Health in this Act is struck and shall not take effect for the biennium beginning September 1, 2003.

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Sec. 11.33. Texas Enterprise Fund. It is legislative intent that the following items be considered for funding out of the Texas Enterprise Fund during the 2004–05 biennium: \$9 million for the Regional Academic Health Center, \$2 million for the El Paso medical school at Texas Tech University Health Sciences Center, and \$1 million for the Laredo Extension Campus at the University of Texas Health Sciences Center at San Antonio.

Sec. 11.34. Contingency Rider House Joint Resolution 68.

- (a) Contingent on the enactment by the Seventy-eighth Legislature and approval by the voters in November 2003 of House Joint Resolution 68, or similar legislation, relating to the use of income and appreciation of the permanent school fund and the enactment of associated legislation, an amount estimated to be \$275,000,000 shall be transferred from the permanent school fund to the available school fund for the state fiscal biennium beginning September 1, 2003, pursuant to the provisions of the joint resolution.
- (b) Out of amounts appropriated in the bill pattern for the Texas Education Agency in Strategy A.1.1., FSP - Equalized Operations, and identified in Rider 2, Chapter 42 and 46 Formula Funding, \$247,500,000, for the biennium, is contingent on the enactment by the Seventy-eighth Legislature and approval by the voters of House Joint Resolution 68, or similar legislation and the enactment of associated legislation.
- (c) In the event that the Legislature does not enact or the voters do not approve House Joint Resolution 68, or similar legislation or enact associated legislation, the following changes shall be made to the bill pattern for the Texas Education Agency in this Act:
 - (1) In Strategy A.1.1., FSP - Equalized Operations, appropriations shall be reduced by a total of \$247,500,000 for the state fiscal biennium beginning September 1, 2003;
 - (2) Sums identified in rider number 2, Chapter 42 and 46 Formula Funding, in the bill pattern for the Texas Education Agency shall be decreased by \$247,500,000 for the state fiscal biennium beginning September 1, 2003; and
 - (3) Estimates of appropriations from the Available School Fund shall be reduced by \$247,500,000 for the state fiscal biennium beginning September 1, 2003.
- (d) Contingent on passage, enactment and voter approval of House Joint Resolution 68, or similar legislation and the enactment of associated legislation, general revenue appropriated to the Texas Education Agency for payment of costs associated with investment of the Permanent School Fund shall be reduced by \$7.3 million in 2004 and \$11.3 million in 2005 to reflect the requirement contained in the legislation that costs associated with investment of the Permanent School Fund lands are to be paid from the corpus of the Permanent School Fund.
- (e) Contingent on passage, enactment and voter approval of House Joint Resolution 68 or similar legislation or associated legislation, general revenue amounts appropriated to the General Land Office shall be reduced by \$8,572,602 in 2004 and \$8,567,588 in 2005 to reflect the requirement contained in the legislation that costs associated with investment of the Permanent School Fund lands be paid from the corpus of the Permanent School Fund.

Sec. 11.35. Contingency Appropriation for Senate Bill 104. In Strategy B.1.1., Enforcement, the amount of \$3,480,836 in fiscal year 2004 and \$3,041,894 in fiscal year 2005 out of General Revenue Dedicated - Physician Enforcement Account No.8074 is hereby appropriated to the Board of Medical Examiners contingent upon the enactment of Senate Bill 104, or similar legislation relating to the

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regulation and enforcement of the practice of medicine by the Board of Medical Examiners, by the Seventy-eighth Legislature, Regular Session for the purpose of implementing that Act. Also contingent on the enactment of Senate Bill 104, or similar legislation, the "Number of Full-time Equivalent Positions (FTE)" is hereby increased by 20 in fiscal year 2004 and 20 in fiscal year 2005. In no event shall the amount appropriated by this rider exceed the revenue generated by Sec. 153.0535 of Senate Bill 104.

Sec. 11.36. Contingency Appropriation for Senate Bill 252. Contingent upon enactment of Senate Bill 252 by the Seventy-eighth Legislature, Regular Session, or similar legislation relating to the registration of mortgage bankers, the Savings and Loan Department is appropriated \$362,395 for fiscal year 2004 and \$431,695 for fiscal year 2005 out of General Revenue for the purpose of implementing the provisions of the legislation. Also, contingent on the enactment of Senate Bill 252, or similar legislation, the "Number of Full-time Equivalent Positions (FTE)" is hereby increased by 5 for fiscal year 2004 and by 6 for fiscal year 2005. In no event shall the amount expended by this provision exceed the amount of additional revenue generated pursuant to Senate Bill 252.

Sec. 11.37. Contingency for Transferring the State Board for Educator Certification to the Texas Education Agency. Contingent on passage of Senate Bill 265 or similar legislation transferring functions of the State Board for Educator Certification to the Texas Education Agency:

- (a) The General Revenue appropriation for the Texas Education Agency (TEA) made elsewhere in this Act is increased by \$16,638,593 in fiscal year 2004 and by \$17,037,904 in fiscal year 2005, and the "Number of Full-Time Equivalent Positions (FTE)" figure indicated in the TEA's bill pattern is increased by 70 each year of the 2004-05 biennium. A portion of the appropriation increase for fiscal year 2004 may be used for the transfer of personnel and property associated with the State Board for Educator Certification to the Texas Education Agency. The remainder of the appropriation increase is intended to provide funding for those functions that the legislation assigns to the Texas Education Agency. The appropriations to the State Board for Educator Certification made elsewhere in this Act for both years of the biennium are eliminated.
- (b) The rider provisions, titled as follows, included in the bill pattern for the State Board for Educator Certification, Article III, of this Act are transferred to the Texas Education Agency: Appropriations Limited to Revenue Collections, Communication of New Rules, Contingent Revenue, and Appropriation of Educator Assessment Fees.
- (c) The Legislative Budget Board is directed to make appropriate technical adjustments to all necessary TEA strategies, measures, and riders to implement the legislation.

Sec. 11.38. Contingency Appropriation for Senate Bill 266. Contingent on the enactment of Senate Bill 266, or similar legislation by the Seventy-eighth Legislature, Regular Session and contingent on the final legislation placing the funds of the Board of Law Examiners in the General Revenue Fund of the state treasury, the Board of Law Examiners is hereby appropriated \$2,288,114 in fiscal year 2004 and \$2,288,114 in fiscal year 2005 in General Revenue to implement the provisions of the legislation. Also contingent on the enactment of Senate Bill 266, or similar legislation and also contingent on the final legislation placing the funds of the Board of Law Examiners in the General Revenue Fund of the state treasury, the "Number of Full-Time-Equivalent Positions (FTE)" for the Board of Law Examiners is hereby authorized at 17 in fiscal years 2004 and 2005. Other direct and indirect costs appropriated elsewhere in this act are estimated to be \$263,324 in fiscal year 2004 and \$262,898 in fiscal year 2005. In no event shall the amount appropriated by this provision, including other direct and indirect costs, exceed the amount generated by the agency through fees, fines, and other miscellaneous revenue.

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Sec. 11.39. Contingency Appropriation for Senate Bill 273. Contingent upon the enactment of Senate Bill 273, or similar legislation that administratively attaches the Court Reporters Certification Board to the Office of Court Administration, all appropriations to the Court Reporters Certification Board for fiscal years 2004-2005 are hereby transferred to the Office of Court Administration of the Texas Judicial System for the purposes provided by the legislation. The Office of Court Administration shall:

- (a) provide administrative assistance and services to the board, including budget planning and purchasing;
- (b) accept, deposit, and disburse money made available to the board;
- (c) pay the salaries and benefits of the director and employees of the board; and
- (d) provide the board with adequate computer equipment and support.

Also contingent upon the enactment Senate Bill 273 or similar legislation, the "Number of Full-Time-Equivalent Positions (FTE)" as shown in the Office of Court Administration's bill pattern shall be increased by 3.0 FTEs in both fiscal years 2004 and 2005.

Sec. 11.40. Contingency for Senate Bill 275. Contingent on passage of Senate Bill 275, or similar legislation relating to the creation of the Texas Economic Development Bank Fund all funds transferred into the Texas Economic Development Bank from the following programs:

- (a) Texas Small Business Industrial Development Corporation;
- (b) Capital access program;
- (c) Texas leverage fund;
- (d) Linked deposit program;
- (e) Enterprise zone program;
- (f) Industrial revenue bond program;
- (g) Defense economic readjustment zone program;
- (h) Empowerment Zone and Enterprise Community grant program;
- (i) Renewal community program;
- (j) Texas product development fund;
- (k) Texas small business incubator fund; and

balances, fees and investment earnings that the bank is authorized to collect for the implementation and administration of the Texas Economic Development Bank are hereby appropriated to the Texas Department of Economic Development or its successor agency and shall use funds appropriated to implement this Act for the 2004-05 biennium, by the Seventy-eighth Legislature, Regular Session.

Sec. 11.41. Contingency Appropriation for Senate Bill 279. Contingent upon enactment of Senate Bill 279 by the Seventy-eighth Legislature, Regular Session, or similar legislation relating to continuation of the Department of Licensing and Regulation, the Department of Licensing and Regulation's appropriation is hereby reduced \$285,424 for fiscal year 2004 and \$478,575 for fiscal year 2005 from General Revenue, and the "Number of Full-time Equivalent Positions (FTE)" figure for the Department of Licensing and Regulation is hereby decreased by 7.5 for fiscal year 2004 and 13 for fiscal year 2005. This reduction is contingent upon transfer of appropriations and FTEs from the Funeral Service Commission, the Structural Pest Control Board, the Plumbing Examiners, the Cosmetology Commission, the Board of Barber Examiners, the Board of Professional Geoscientists, and the Land Surveying Board related to the abolition of these agencies.

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Sec. 11.42. Contingency Appropriation for House Bill 471. Contingent upon the enactment of House Bill 471, or similar legislation, relating to the borrowing of money and the issuance of notes by the Texas Transportation Commission, by the Seventy-eighth Legislature, Regular Session, and the enactment and voter approval of House Joint Resolution 28, proposing a constitutional amendment providing for authorization of the issuing of notes or the borrowing of money on a short-term basis by a state transportation agency for transportation-related projects the Texas Department of Transportation is authorized to make any necessary debt service payments out of funds appropriated above from State Highway Fund 6.

Sec. 11.43. Contingency Appropriation, New District Courts. Contingent on the enactment of House Bill 644, Senate Bill 1551, or similar legislation by the Seventy-eighth Legislature, Regular Session, the Judiciary Section, Comptroller's Department is hereby appropriated out of the General Revenue Fund \$203,400 in fiscal year 2004 and \$305,100 in fiscal year 2005 for additional district courts created effective September 1, 2003 and 2004. Also contingent on the enactment of House Bill 644, Senate Bill 1551 or similar legislation, the "Number of Full-Time-Equivalent Positions (FTE)" for the Judiciary Section, Comptroller's Department is hereby increased by 2 FTEs in fiscal year 2004 and by 3 FTEs in fiscal year 2005 for the new district courts.

Sec. 11.44. Contingency Appropriation for Senate Bill 652 and Senate Joint Resolution 55. Contingent upon the passage of Senate Bill 652 or similar legislation by the Seventy-eighth Legislature, Regular Session, and adoption of Senate Joint Resolution 55 or similar legislation by the Seventy-eighth Legislature, Regular Session, and by Texas voters in September 2003, in addition to amounts appropriated elsewhere in this Act to the Texas Department of Economic Development or its successor agency, there is hereby appropriated to Strategy A.1.1., Economic Development, \$250,000,000 in general obligation bond proceeds for the biennium beginning September 1, 2004 to provide loans for economic development projects in defense-related communities. Any funds remaining at August 31, 2004 may be spent for the same purposes in the fiscal year beginning September 1, 2004.

Further, in addition to amounts appropriated elsewhere in this Act, there is hereby appropriated to the Texas Public Finance Authority an amount not to exceed \$17,815,068 out of loan payments and interest earnings on loan payments deposited to the newly created General Revenue-Dedicated Texas Military Value Revolving Loan Account for the biennium beginning September 1, 2004 to pay debt service on general obligation bonds issued to provide loans for economic development projects in defense-related communities. The General Revenue Fund may be used to make debt service payments on bond proceeds issued under Senate Bill 652 and Senate Joint Resolution 55, provided that anticipated loan payments and interest earnings on loan payments deposited to the Texas Military Value Revolving Loan Account are sufficient to repay the General Revenue Fund by August 31, 2005. Finally, from the proceeds of the bonds issued under Senate Bill 652 and Senate Joint Resolution 55, there is hereby appropriated to the Texas Public Finance Authority, amounts necessary to pay the costs to the Authority of issuing the bonds and any related administrative expenses.

Sec. 11.45. Contingency Appropriation for House Bill 660. Contingent upon the enactment of House Bill 660 or similar legislation relating to the access to criminal history record information by certain licensing and regulatory agencies, by the Seventy-eighth Legislature, Regular Session, the Department of Public Safety, Real Estate Commission, Board of Plumbing Examiners, Board of Architectural Examiners, Board of Professional Engineers, Department of Health, Board of Barber Examiners, Texas State Board of Dental Examiners, Cosmetology Commission, Board of Chiropractic Examiners, Board of Vocational Nurse Examiners, Board of Podiatric Medical Examiners, Optometry Board, Board of Pharmacy, Board of Examiners of Psychologists, Commission on Environmental Quality, Department of Transportation, and Texas Appraiser Licensing and Certification Board are hereby appropriated any revenues from fees collected as a result of the implementation of that Act that are in excess of the amounts included in the Comptroller's Biennial Revenue Estimate for fiscal year

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2004 and fiscal year 2005 for fees collections, by agencies listed in the legislation, that may be used for the purposes of the legislation. In no event shall the amount expended out of this appropriation exceed the amount of additional revenue generated pursuant to House Bill 660.

Sec. 11.46. Contingency Appropriation for Senate Bill 945. Contingent on passage of Senate Bill 945, or similar legislation relating to the establishment of a system of biometric identification for driver licenses, by the Seventy-eighth Legislature, Regular Session, the Department of Public Safety is appropriated all revenue not to exceed \$37,408,960 in fiscal year 2004 and \$10,284,323 in fiscal year 2005 from the collection of increased driver license fees that are deposited into a new General Revenue - Dedicated account for the purpose of developing and implementing a biometric driver license identification system. Also contingent on the passage of Senate Bill 945, or similar legislation, the "Number of Full-Time-Equivalent Positions (FTE)" indicated in the Department of Public Safety's bill pattern is increased by 28 in each year of the biennium.

Sec. 11.47. Contingency Rider for Senate Bill 1131. Contingent upon enactment of Senate Bill 1131 or similar legislation relating to the funding of certain emergency medical services, trauma facilities, and trauma care systems, the Department of Health (TDH) is hereby appropriated any revenues deposited to the credit of the Emergency Medical Services, Trauma Facilities, and Trauma Care Systems Account in the General Revenue Fund during the biennium beginning September 1, 2003. These funds shall be used for purposes authorized in Health and Safety Code, § 773.122. Funds appropriated herein may be transferred to the appropriate strategies to implement the provisions set out in Health and Safety Code, § 773.122.

Not later than October 1 of each year of the biennium, the agency shall submit a plan for the use of the funds appropriated from the Emergency Medical Services, Trauma Facilities, and Trauma Care Systems Account in the General Revenue Fund for the purposes authorized in Health and Safety Code, § 773.122 to the Legislative Budget Board and the Governor. None of the funds may be expended by the agency until this plan is approved by the Legislative Budget Board and the Governor.

Sec. 11.48. Contingency Appropriation for Senate Bill 1667. Contingent upon enactment of Senate Bill 1667 by the Seventy-eighth Legislature, Regular Session, or similar legislation relating to obtaining criminal history record information from mortgage broker or loan officer license applicants, the Savings and Loan Department is appropriated \$397,800 for fiscal year 2004 and \$397,800 for fiscal year 2005 from General Revenue to implement the provisions of the legislation. In no event shall the amount expended by this provision exceed the amount of additional revenue generated pursuant to Senate Bill 1667.

Sec. 11.49. Contingency Appropriation for Senate Bill 1704. Contingent upon the enactment of Senate Bill 1704, or similar legislation, relating to the registration of vehicles and the issuance of specially designed license plates by the Texas Department of Transportation, by the Seventy-eighth Legislature, Regular Session:

- (a) The department is hereby appropriated \$3,600,000 in fiscal year 2004 and \$2,400,000 in fiscal year 2005 from the State Highway Fund in Strategy D.1.2., Registration & Titling, to implement the provisions of that legislation;
- (b) Amounts for the acquisition of information resource technologies category in the capital budget rider for the department in fiscal year 2004 is increased by \$2,300,000 for modifications to the department's Registration and Titling System only; and
- (c) Revenues generated from the sale of specialty license plates identified in Senate Bill 1704, or similar legislation, that are to be distributed as directed by the legislation are hereby appropriated to the department for the purpose of distribution as required by that legislation.

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In no event shall the amount expended out of, or transferred from, this appropriation exceed the amount of additional revenues generated pursuant to Senate Bill 1704, or similar legislation. The additional revenues generated must be sufficient to cover the costs of the appropriation associated with the implementation of the provisions of the bill.

Sec. 11.50. Contingency Appropriation for House Bill 1840. Contingent upon enactment of House Bill 1840 by the Seventy-eighth Legislature, Regular Session, or similar legislation relating to the fees established by the State Securities Board, and upon the State Securities Board raising additional revenue to cover appropriations as provided by the Act, the State Securities Board is hereby appropriated \$1,675,316 for fiscal year 2004 and \$1,798,016 for fiscal year 2005 out of additional revenues collected and certified by the Comptroller of Public Accounts pursuant to House Bill 1840 for the purpose of implementing that Act, and the "Number of Full-time Equivalent Positions (FTE)" figure for the State Securities Board is hereby increased by no more than 27 for fiscal year 2004 and 27 for fiscal year 2005. In no event shall the amount expended out of appropriations identified by this provision exceed the amount of additional revenues generated pursuant to House Bill 1840.

Sec. 11.51. Contingency Appropriation for House Bill 1877. Contingent on passage of House Bill 1877, or similar legislation relating to creating the rural physician relief program, by the Seventy-eighth Legislature, Regular Session, the Office of Rural Community Affairs is appropriated \$2,407,970 for fiscal year 2004 and \$2,407,970 for fiscal year 2005 from the General Revenue-Dedicated - Rural Physician Relief account to implement the provisions of the legislation. In no event shall the total amount appropriated herein exceed the amount of additional revenue collected pursuant to the Act in each fiscal year.

Sec. 11.52. Contingency Appropriation for House Bill 1940. Contingent on the enactment of House Bill 1940, or similar legislation by the Seventy-eighth Legislature, Regular Session, the Judiciary Section, Comptroller's Department is hereby appropriated \$1,006,000 in fiscal year 2004 and \$2,164,000 in fiscal year 2005 from the Felony Prosecutor Supplement Fund (an account in the state treasury) to reimburse counties for the costs of assistant district attorney longevity pay. Any fees deposited into the Felony Prosecutor Supplement Fund in excess of \$1,006,000 in fiscal year 2004 and \$2,164,000 in fiscal year 2005 are hereby appropriated to the Judiciary Section, Comptroller's Department for the same purpose.

Sec. 11.53. Contingency Appropriation Reduction for House Bill 2351. Contingent upon the passage of House Bill 2351, or similar legislation, which allocates 15 percent of boat registration fees collected on or after September 1, 2003, the Parks and Wildlife Department is hereby appropriated an amount not to exceed \$2,643,700 per fiscal year out of State Parks Account No. 64 to Strategy A.2.1, Operate State Parks.

In addition, appropriations made in this Act to the Parks and Wildlife Department out of Game, Fish and Water Safety Account No. 9 shall be reduced by \$2,643,700 from the appropriate strategies listed above.

The department is authorized to expend these funds only to the extent that such expenditures comply with limitations established for salary, travel and capital expenditures; employment levels; and other provisions contained in Article IX of this Act.

Sec. 11.54. Nursing Resource Section. Contingent upon enactment of House Bill 3126 or similar legislation creating the nursing resource section under the Health Professions Resource Center, and contingent upon generation and transfer of revenues by the Board of Nurse Examiners and the Board of Vocational Nurse Examiners pursuant to the provisions of the bill in support of the nursing resource center, \$230,887 in fiscal year 2004 and \$234,943 in fiscal year 2005 in General Revenue

OTHER PROVISIONS
(Continued)

Funds generated under the provisions of the bill are hereby appropriated to the Texas Department of Health for the purposes of implementing the nursing resource section. The Board of Nurse Examiners and Board of Vocational Nurse Examiners, upon completion of necessary actions to assess or increase such additional fees, shall furnish copies of the board meeting minutes and other information supporting the estimated revenues to be generated for the 2004-05 biennium under the revised fee structure to the Comptroller of Public Accounts. If the Comptroller finds the information sufficient to support the projection of increased revenues, a finding of fact to that effect shall be issued and the contingent appropriation shall be made available.

~~Sec. 11.55. Contingency for House Bill 3181. Contingent upon enactment of House Bill 3181, House Bill 2292, or similar legislation establishing the Commission for State Health Expenditures, a total of \$2 million in General Revenue Funds for the biennium are hereby transferred from the Department of Health, Strategy E.1.3., Health Care and Outcomes, to the Commission on State Health Expenditures. The Commission on State Health Expenditures is also hereby authorized a total of 25 Full-time Equivalent Positions per fiscal year.~~

Sec. 11.56. Contingency Appropriation for House Bill 3318. Contingent upon enactment of House Bill 3318, or similar legislation relating to the creation of the Subsequent Injury Fund as an account in the General Revenue Fund, the Texas Workers' Compensation Commission is hereby appropriated all funds necessary for payment of liabilities of the Subsequent Injury Fund, as set out in Section 403.006, Labor Code (estimated to be \$5,100,000 per year).

~~Sec. 11.57. Contingency for House Bill 3441. Contingent upon enactment of House Bill 3441 or similar legislation by the Seventy-eighth Legislature, Regular Session, the State Preservation Board is hereby appropriated \$80,000 for the fiscal year beginning September 1, 2003, and \$80,000 for the fiscal year beginning September 1, 2004, out of the GR-Dedicated Fund - Capitol Account, in Strategy A.3.1., Manage Enterprises, for operation and maintenance of Capitol Complex parking meters. In addition, the agency's Full Time Equivalent (FTE) cap is hereby increased by 2 for each fiscal year of the biennium.~~

In addition, contingent upon passage of House Bill 3441, or similar legislation, the agency is hereby appropriated \$200,000 for the fiscal year beginning September 1, 2003, out of the GR-Dedicated Fund - Capital Renewal Account, in Strategy A.1.2, Building Maintenance, to maintain and preserve the Capitol, the General Land Office Building, their contents and their grounds.

Any unexpended balances remaining as of August 31, 2004 are hereby appropriated to the agency in fiscal year 2005 for the same purposes.

Sec. 11.58. Contingency Appropriation for House Bill 3588. Contingent upon the enactment of House Bill 3588, or similar legislation, relating to the construction, acquisition, financing, maintenance, management, operation, ownership, and control of transportation facilities and the progress, improvement, policing, and safety of transportation in the state, by the Seventy-eighth Legislature, Regular Session:

- (a) the Department of Transportation ("the Department") is hereby authorized to pay debt service for the issuance of bonds and other public securities secured by the state highway fund and the financing and construction of highway improvement projects from amounts appropriated above from the State Highway Fund;
- (b) the Department is hereby appropriated all available funds in the Texas Mobility Fund No. 365, for the purposes outlined in § 201, Subchapter M, Transportation Code, during each year of the biennium; and

OTHER PROVISIONS
(Continued)

- (c) the Department may expend funds appropriated elsewhere in this Act to the Department from Strategy A.1.1., Plan/Design/Manage, Strategy A.1.2., Right-Of-Way Acquisition, and C.1.1., Highway Construction for the development of the Trans Texas Corridor and other transportation authorities in accordance with the provisions of the bill.

Sec. 11.59. Provision Contingent on Senate Bill 1952.

- (a) Contingency Rider for Senate Bill 1952 for the Texas Commission on Environmental Quality. Contingent on passage of Senate Bill 1952, or similar legislation, the Texas Commission on Environmental Quality is appropriated all monies collected in fiscal year 2004 and fiscal year 2005 for the assessment of a fee for the authorization to use a general permit as provided for under Section 5.132 (g) of the Texas Water Code.

Any unexpended balance remaining in this appropriation on August 31, 2004, is appropriated for the same purposes for the fiscal year beginning September 1, 2004.

- (b) Contingency Appropriation for Senate Bill 1952 or House Bill 2208. Contingent upon the enactment of Senate Bill 1952 or House Bill 2208 or similar legislation relating to the access to criminal history record information by the Board of Nurse Examiners, by the Seventy-eighth Legislature, Regular Session, the Board of Nurse Examiners is hereby appropriated any revenues from fees collected as a result of the implementation of that Act that are in excess of the amounts included in the Comptroller's Biennial Revenue Estimate for fiscal year 2004 and fiscal year 2005 for fees collections, by the Board of Nurse Examiners, that may be used for the purposes of the legislation. In no event shall the amount expended out of this appropriation exceed the amount of additional revenue generated pursuant to House Bill 2208.
- (c) Contingency Appropriation for Rail Safety Fees. In addition to the amounts appropriated above and contingent upon the enactment of Senate Bill 1952 or similar legislation authorizing the Railroad Commission to assess fees on railroad operators by the Seventy-eighth Legislature, 2003, the Railroad Commission is hereby appropriated additional revenues deposited to the credit of the General Revenue Fund from fees assessed on railroad operators in amount not to exceed \$1,138,686 in fiscal year 2004 and \$1,137,336 in fiscal year 2005. These funds shall be used to operate the rail safety program in Strategy B.1.2. Rail Safety. The Railroad Commission is hereby authorized to transfer to appropriations made pursuant to this provision to the appropriate strategy items.

These appropriations are contingent upon the Railroad Commission assessing fees sufficient to generate, during the 2004-05 biennium, revenue to cover, at a minimum the General Revenue appropriations for the Rail Safety Program as well "Other direct and indirect costs" for the program appropriated elsewhere in this Act. The Railroad Commission, upon completion of necessary actions to assess or increase additional fees, shall furnish copies of the Railroad Commission's minutes and other information supporting the estimated revenues to be generated for the 2004-05 biennium under the revised fee structure to the Comptroller of Public Accounts. If the Comptroller finds the information sufficient to support the projection of increased revenues, a finding of fact to that effect shall be issued and the contingent appropriation shall be made available for the intended purposes.

Contingent upon the Railroad Commission assessing fees to cover the costs of the Rail Safety program, the Railroad Commission may transfer appropriations made out of the General Revenue Fund in an amount not to exceed \$1,138,686 in fiscal year 2004 and not to exceed \$1,137,336 in fiscal year 2005 from Strategy B.1.2, Rail Safety, to Strategy D.1.1, Electronic Government.

OTHER PROVISIONS
(Continued)

Also contingent upon the Railroad Commission assessing fees to cover the costs of the Rail Safety program, the Railroad Commission's Capital Budget authority is hereby increased for the following item and in the following amounts.

	2004	2005
(1) Oil and Gas Migration	\$994,211	\$261,749

- (d) Contingency Appropriation for Senate Bill 1952. Contingent upon the enactment of Senate Bill 1952 or similar legislation authorizing the Department of Transportation to enter into an agreement that includes the design and construction of the department's Houston District office headquarters facility, the Department of Transportation is authorized to expend funds, estimated to be \$2,800,000 each year, from appropriations made to the department for lease/purchase payments to the entity contracted to construct the Houston District office headquarters facility on department owned real property leased to the entity. Notwithstanding the capital budget provisions of this Act, expenditures under this section shall not count against the limitation on expenditures for capital budget items.

Sec. 11.60. Other Provisions Contingent on Senate Bill 1952.

- (a) Contingency for Senate Bill 1952: Allocation of Office Space to State Agencies. Contingent on the enactment of Senate Bill 1952, or similar legislation, reducing the average number of square feet per state employee to 135 square feet of office space per agency employee as of September 1, 2003, the Comptroller shall reduce appropriations to all state agencies affected by Article 7 of Senate Bill 1952 and in lease contracts as of September 1, 2003 for office space by a total of \$13.7 million in General Revenue for the biennium beginning September 1, 2003. Amounts to be reduced at each affected agency shall be determined by the Texas Building and Procurement Commission and approved by the Legislative Budget Board.
- (b) ERS Contributions for New Employees. Contingent on the enactment of Senate Bill 1952 or similar legislation by the Seventy-eighth Legislature, Regular Session, implementing the recommendations contained in e-Texas issue GG 37, *Bring ERS Contributions for New Hires in Line with the Private Sector*, the following provisions shall take effect:
- (1) Appropriations identified above and appropriated elsewhere in this Act out of the General Revenue Fund to the Employees Retirement System for retirement contributions are hereby reduced by \$2,837,000 for fiscal year 2004 and by \$3,095,000 for fiscal year 2005.
 - (2) Appropriations appropriated elsewhere in this Act out of funds other than the General Revenue Fund to the Employees Retirement System for retirement contributions are hereby reduced by \$1,972,000 for fiscal year 2004 and by \$2,251,000 for fiscal year 2005.
- (c) Contingency for Senate Bill 1952. Contingent on the passage of Senate Bill 1952 or similar legislation that delays membership in the Teacher Retirement System for 90 days, the following reductions are implemented: \$28,208,847 in fiscal year 2004 and \$29,055,113 in fiscal year 2005 out of the General Revenue portion of Strategy A.1.1., TRS-Public Education Retirement, and \$10,452,452 in fiscal year 2004 and \$10,766,025 in fiscal year 2005 out of the General Revenue portion of Strategy A.1.2., TRS-Higher Education

OTHER PROVISIONS

(Continued)

Retirement; \$1,604,188 in fiscal year 2004 and \$1,652,314 in fiscal year 2005 out of the General Revenue-Dedicated portion of Strategy A.1.2., TRS-Higher Education Retirement; and \$3,358,875 in fiscal year 2004 and \$3,459,641 in fiscal year 2005 out of Strategy A.2.1., Retiree Health (all General Revenue).

Sec. 11.61. Contingency Appropriation for House Bill 730.

- (a) Contingent upon the enactment of House Bill 730, or similar legislation relating to residential construction by the Seventy-eighth Legislature, Regular Session, and contingent upon the Comptroller certifying the revenue under Subsection (d) the Texas Residential Construction Commission is hereby appropriated, for administrative purposes, \$1,495,260 for fiscal year 2004 out of the General Revenue Fund for the purpose of implementing the provisions of House Bill 730. All unexpended balances from this appropriation remaining as of August 31, 2004 are appropriated for fiscal year 2005 for the same purpose. Also contingent on the enactment of House Bill 730, or similar legislation, the "Number of Full-time Equivalent Positions (FTE)" is hereby authorized at 26 for fiscal year 2004 and 26 for fiscal year 2005.
- (b) In addition to amounts appropriated for the commission's administrative purposes identified above, the Texas Residential Construction Commission is hereby appropriated, contingent upon the Comptroller certifying the revenue in accordance with Subsection (d), all application and inspection fees or reimbursements received for the third-party inspections and dispute resolution program. Expenditures of such receipts shall be utilized for the purpose of paying third-party inspectors, as well as any related expenses associated with the dispute resolution program. Such expenses may include related costs such as professional fees, materials testing expenses, or other associated costs that shall be determined by each individual case. Application and Inspection fees and/or other estimated expense reimbursements paid by the prevailing party may be refunded upon collection of reimbursement amounts from the losing party. The agency shall develop appropriate operating procedures, administrative rules and estimated fee amounts as may be necessary to ensure the third-party inspection and dispute resolution program is self-funding.
- (c) In no event shall the total amount appropriated above in Subsections (a) & (b) exceed the amount of additional revenue collected pursuant to the Act in each fiscal year.
- (d) The appropriations made under Subsections (a) & (b) are also contingent on the Texas Residential Construction Commission, upon completion of necessary actions to assess or increase such additional fees, furnishing copies of the commission meeting minutes and other information supporting the estimated revenues to be generated for the 2004-05 biennium under the fee structure to the Comptroller of Public Accounts. If the Comptroller finds the information sufficient to support the projection of revenues, a finding of fact to that effect shall be issued and the contingent appropriation shall be made available for the intended purposes. In the event that actual and/or projected revenue collections are insufficient to offset the costs identified by this provision, the Legislative Budget Board may direct that the Comptroller of Public Accounts reduce the appropriation authority provided above to be within the amount of revenue expected to be available.

Sec. 12.01. Reduction of Management Costs. Contingent on the enactment of Senate Bill 1952, or similar legislation by the Seventy-eighth Legislature, Regular Session, implementing the recommendations contained in e-Texas issue GG 10, *Reduce Management Costs in State Government*, the following provision shall take effect:

- (a) Appropriations made by this Act are hereby reduced for fiscal year 2004, by the amounts indicated and from the appropriation sources indicated. From the General Revenue Fund, \$2,787,781, from General Revenue-Dedicated Funds, \$1,964,400, and from Federal Funds, \$5,060,918. These amounts include reductions in appropriations for employee benefits. The Comptroller will make the reductions in a manner consistent with statutory provisions, in consultation with the Legislative Budget Board. Reductions to the Department of Protective and Regulatory Services exclude Child Protective Services Supervisors and Program Directors and Adult Protective Services Supervisors. PRS reductions are limited to \$244,500 from General Revenue, \$500 in from General Revenue Dedicated, and \$435,500 from Federal Funds.
- (b) Appropriations made by this Act are hereby reduced for fiscal year 2005, by the amounts indicated and from the appropriation sources indicated. From the General Revenue Fund, \$5,575,562, from General Revenue-Dedicated Funds, \$3,928,801, and from Federal Funds, \$10,121,837. These amounts include reductions in appropriations for employee benefits. The Comptroller will make the reductions in a manner consistent with statutory provisions, in consultation with the Legislative Budget Board. Reductions to the Department of Protective and Regulatory Services (PRS) exclude Child Protective Services Supervisors and Program Directors and Adult Protective Services Supervisors. PRS reductions are limited to \$489,000 from General Revenue, \$1,000 from General Revenue-Dedicated, and \$871,000 from Federal Funds.

Sec. 12.02. Reduction of Staff Costs. Contingent on the enactment of Senate Bill 1952, or similar legislation by the Seventy-eighth Legislature, Regular Session, implementing the recommendations contained in e-Texas issue GG 11, *Reduce Human Resource Management Costs*, the following provisions shall take effect:

- (a) Appropriations made by this Act to the agencies listed below are hereby reduced for each fiscal year beginning on September 1, 2003, by the amounts and from the appropriation sources indicated below. The "Number of Full-Time Equivalent Positions (FTE)" item in the bill pattern for each of the agencies listed below is hereby reduced for the fiscal year beginning September 1, 2003, by the number indicated.

Agency #	Agency Name	General Revenue	General Revenue Dedicated	Federal Funds	Other Funds	FTE Reductions
303	Texas Building and Procurement Commission	\$21,000	\$1,000	\$0	\$0	1
305	General Land Office	\$13,000	\$5,000	\$2,000	\$12,000	1
453	Workers' Compensation Commission	\$182,000	\$0	\$0	\$0	8
454	Insurance Department of	\$0	\$90,000	\$0	\$0	4
455	Railroad Commission	\$17,000	\$6,000	\$2,000	\$0	1
582	Texas Commission on Environmental Quality	\$22,000	\$143,000	\$18,000	\$0	7

**e-TEXAS
(Continued)**

601	Transportation, Department of	\$0	\$0	\$0	\$1,504,000	80
694	Youth Commission, Texas	\$545,000	\$0	\$0	\$0	21
696	Criminal Justice, Dept. of	\$1,154,000	\$0	\$0	\$0	64
701	Education Agency, Texas	\$19,000	\$18,000	\$9,000	\$5,000	2
Total		\$1,973,000	\$263,000	\$31,000	\$1,521,000	189

(b) Due to the reduction in FTEs, the appropriations to the Employees Retirement System for retirement and health insurance are hereby reduced by the amounts listed below for the fiscal year beginning September 1, 2003. The appropriations for FICA taxes are hereby reduced for the amounts listed below for the fiscal year beginning September 1, 2003.

Contribution	General Revenue	General Revenue Dedicated	Federal Funds	Other Funds
ERS (20.63%)	\$407,000	\$54,000	\$6,000	\$314,000
FICA (7.65%)	\$176,000	\$20,000	\$2,000	\$116,000

(c) Appropriations made by this Act to the agencies listed below are hereby reduced for the fiscal year beginning on September 1, 2004, by the amounts and from the appropriation sources indicated below. The "Number of Full-Time Equivalent Positions (FTE)" item in the bill pattern for each of the agencies listed below is hereby reduced for the fiscal year beginning September 1, 2004, by the number indicated.

Agency #	Agency Name	General Revenue	General Revenue Dedicated	Federal Funds	Other Funds	FTE Reductions
303	Texas Building and Procurement Commission	\$32,000	\$2,000	\$0	\$0	1
305	General Land Office	\$19,000	\$8,000	\$3,000	\$18,000	1
453	Workers' Compensation Commission	\$273,000	\$0	\$0	\$0	8
454	Insurance Department of	\$0	\$135,000	\$0	\$0	4
455	Railroad Commission	\$26,000	\$9,000	\$3,000	\$0	1
582	Texas Commission on Environmental Quality	\$33,000	\$214,000	\$27,000	\$0	7
601	Transportation, Department of	\$0	\$0	\$0	\$2,256,000	80
694	Youth Commission, Texas	\$818,000	\$0	\$0	\$0	21
696	Criminal Justice, Dept. of	\$0	\$1,713,000	\$0	\$0	64
701	Education Agency, Texas	\$28,000	\$27,000	\$14,000	\$8,000	2
Total		\$1,229,000	\$2,108,000	\$47,000	\$2,282,000	189

(d) Due to the reduction in FTEs, the appropriations to the Employees Retirement System for retirement and health insurance are hereby reduced by the amounts listed below for the fiscal year beginning September 1, 2004. The appropriations for FICA taxes are hereby reduced for the amounts listed below for the fiscal year beginning September 1, 2004.

**e-TEXAS
(Continued)**

Contribution	General Revenue	General Revenue Dedicated	Federal Funds	Other Funds
ERS (20.63%)	\$611,000	\$81,000	\$10,000	\$471,000
FICA (7.65%)	\$226,000	\$30,000	\$4,000	\$175,000

Sec. 12.03. Retirement Incentives. Contingent on the enactment of House Bill 3208, or similar legislation by the Seventy-eighth Legislature, Regular Session, implementing the recommendations contained in e-Texas issue GG 13, *Provide Retirement Incentives for State Employees to Reduce Costs*, the following provisions shall take effect:

- (a) For each state employee who receives a lump-sum retirement incentive payment pursuant to the provisions of House Bill 3208, the Comptroller of Public Accounts shall reduce the appropriation of the agency employing the state employee on the effective date the employee's retirement by an amount up to thirty-five percent (35%) of the employee's average monthly salary multiplied by the number of whole months remaining in the biennium after the effective date of the employee's retirement.
 - (1) In the event that a state employee who receives a lump-sum payment as described by Subsection (a) of this section retires effective August 31, 2003, the effective date of the retirement shall be deemed to be September 1, 2003 for the purpose of Subsection (a) of this section and the appropriation reduction required by Subsection (a) of this section shall apply to appropriations made in this Act for fiscal year 2004 and fiscal year 2005.
 - (2) In the event that a state employee who receives a lump-sum payment as described by Subsection (a) of this section retires during fiscal year 2004, the Comptroller shall apply a proportionate amount of the reduction to fiscal year 2004 and fiscal year 2005.
 - (3) For the purpose of Subsection (a) of this section, the "employee's average monthly salary" shall mean the average of the regular monthly salary paid by the agency to the employee during the 12-month period preceding the month in which the employee retires.
- (b) The appropriation amounts reduced pursuant to Subsection (a) of this section or as much thereof as may be necessary, are hereby reappropriated to the Comptroller of Public Accounts for the purpose of paying lump-sum retirement incentive payments pursuant to House Bill 3208. Amounts not necessary to provide for the lump-sum retirement incentives shall be transferred to the unappropriated balances of the originating fund.
 - (1) In the event that the appropriation made under Subsection (b) of this section is not sufficient to fund the lump-sum retirement incentive payments authorized by House Bill 3208, the Comptroller of Public Accounts is hereby appropriated, out of the General Revenue Fund and other funds, the amounts necessary to provide for the House Bill 3208 lump-sum retirement incentive payments.
 - (2) In no event shall funds appropriated by this Act be used to pay House Bill 3208 lump-sum retirement incentive payment to, in excess of, twenty-five percent (25%) of the employee's total regular salary for the 12-month period preceding the month in which the employee retires.

**e-TEXAS
(Continued)**

- (c) The method of financing of the appropriation reduction required by Subsection (a) of this section and of the lump-sum retirement incentive payments shall be proportionate to the fund or funds from which the employee's salary warrants were issued during the 24-month period preceding the month in which the employee retires.
- (d) It is the intent of the Legislature that implementation of these provisions, net of additional contributions for group insurance for general state employees, will result in General Revenue appropriations reductions of at least \$21,136,596 for the 2004-05 biennium.

Sec. 12.04. Sale of Real Property - General Revenue Appropriation Reduction.

- (a) The Comptroller of Public Accounts is hereby directed to reduce the General Revenue appropriations made by this Act to the agencies listed in this subsection in the following amounts, to be evenly divided between fiscal years 2004 and 2005:
 - (1) Department of Mental Health and Mental Retardation by \$11,095,471;
 - (2) Department of Criminal Justice by \$23,444,500; and
 - (3) Building and Procurement Commission by \$8,210,000.
- (b) Contingent on sufficient proceeds from the sale of property being generated by or for the agencies listed in Subsection (a) of this section, the proceeds from the sale are hereby appropriated to the agency owning the property at the time of the sale for purposes consistent with the item or items of appropriation from which the subsection (a) reductions were drawn.
- (c) The total amount appropriated to an agency by Subsection (b) of this section shall not exceed 110 percent of the amount of the appropriation reduction for that agency made by Subsection (a) of this section. In the event that the proceeds of such sale of real property exceed 110 percent of the amount of the Subsection (a) reduction, the surplus shall be transferred by the Comptroller to the unappropriated balance of the General Revenue Fund.
- (d) General revenue appropriations made to agencies and institutions in this Act who on August 31, 2003 own real property purchased with General Revenue or General Revenue-Dedicated Funds are reduced by \$97 million for the 2004-05 biennium. Specific reductions to agencies and institutions shall be determined by the Governor and Legislative Budget Board (LBB). The Governor and Land Commissioner may convey interests in real property totaling at least \$97 million of real property during the biennium beginning September 1, 2003. The proceeds from these conveyances are hereby appropriated to be distributed as determined by the LBB and the Governor.
- (e) Contingent upon Senate Bill 388 or similar legislation creating the Texas Real Property Interim Committee being enacted, the Real Property Interim Committee must approve the real property transactions made by subsection (d).

Sec. 12.05. Contingency Reduction In Appropriation for Senate Bill 1173. Contingent upon enactment of Senate Bill 1173, or similar legislation by the Seventy-eighth Legislature, Regular Session, implementing recommendation C in e-Texas issue HHS 8, *Improve Purchasing of Prescription Drugs*, the General Revenue Fund appropriations to the Employees Retirement System made by this Act are hereby reduced by \$1,000,000 in fiscal year 2004 and \$1,000,000 in fiscal year 2005 and General Revenue Fund appropriations to the Teacher Retirement System made by this Act are hereby reduced by \$4,676,000 in fiscal year 2004 and \$9,354,000 in fiscal year 2005.

e-TEXAS
(Continued)

Sec. 12.06. Surplus Property. Contingent on the enactment of Senate Bill 1952, or similar legislation by the Seventy-eighth Legislature, Regular Session, implementing the recommendations contained in e-Texas II issue GG 40, *Increase Revenues from Surplus Property*, the following provision shall take effect:

Notwithstanding any other provision in this Act, receipts to any agency of the state government specified in this Act received from the sale of surplus property, equipment, livestock, commodities, or salvage pursuant to the provisions of Chapter 2175, Government Code, and which were originally purchased with an appropriation from the General Revenue Fund shall be deposited into the General Revenue Fund and are not appropriated for expenditure. It is the intent of the legislature that implementation of GG 40 increase the amount of unobligated General Revenue by at least \$2,773,897 in 2004 and \$2,775,442 in 2005 above amounts contained in the Comptroller's January 2003 Biennial Revenue Estimate.

**RECAPITULATION - ARTICLE IX
GENERAL PROVISIONS
(General Revenue)**

	For the Years Ending	
	August 31, <u>2004</u>	August 31, <u>2005</u>
Contingency Appropriation for Senate Bill 1952	\$ (58,557,174)	\$ (46,375,779)
Contingency Appropriation for House Joint Resolution 68	(15,872,602)	(19,867,588)
Contingency Appropriation for SB 279	(285,424)	(478,575)
Part 12 - e-Texas Recommendations	(91,487,283)	(103,841,684)
TRS-Care Reduction	(516,000,000)	0
TOTAL, ARTICLE IX - GENERAL PROVISIONS	\$ (682,202,483)	\$ (170,563,626)

**RECAPITULATION - ARTICLE IX
GENERAL PROVISIONS
(General Revenue - Dedicated)**

	For the Years Ending	
	August 31, <u>2004</u>	August 31, <u>2005</u>
Contingency Appropriation for Senate Bill 1952	\$ (221,711)	\$ (245,545)
Part 12 - e-Texas Recommendations	(558,711)	(3,307,545)
TOTAL, ARTICLE IX - GENERAL PROVISIONS	\$ (780,422)	\$ (3,553,090)

**RECAPITULATION - ARTICLE IX
GENERAL PROVISIONS
(Federal Funds)**

	For the Years Ending	
	August 31, <u>2004</u>	August 31, <u>2005</u>
Contingency Appropriation for Senate Bill 1952	\$ (909,065)	\$ (1,039,968)
Part 12 - e-Texas Recommendations	(948,065)	(8,713,768)
TOTAL, ARTICLE IX - GENERAL PROVISIONS	\$ (1,857,130)	\$ (9,753,736)

**RECAPITULATION - ARTICLE IX
GENERAL PROVISIONS
(Other Funds)**

	For the Years Ending	
	August 31, 2004	August 31, 2005
Contingency Appropriation for Senate Bill 1952	\$ (841,224)	\$ (965,487)
Part 12 - e-Texas Recommendations	67,082,761	65,981,499
TOTAL, ARTICLE IX - GENERAL PROVISIONS	\$ 66,241,537	\$ 65,016,012

**RECAPITULATION - ARTICLE IX
GENERAL PROVISIONS
(All Funds)**

	For the Years Ending	
	August 31, 2004	August 31, 2005
Contingency Appropriation for Senate Bill 1952	\$ (60,529,174)	\$ (48,626,779)
Contingency Appropriation for House Joint Resolution 68	(15,872,602)	(19,867,588)
Contingency Appropriation for SB 279	(285,424)	(478,575)
Part 12 - e-Texas Recommendations	(25,911,298)	(49,881,498)
TRS-Care Reduction	(516,000,000)	0
TOTAL, ARTICLE IX - GENERAL PROVISIONS	\$ (618,598,498)	\$ (118,854,440)
Number of Full-Time-Equivalent Positions (FTE)	(209.5)	(567.0)

ARTICLE X

THE LEGISLATURE

Sec. 1. The several sums of money herein specified, or so much thereby as may be necessary, are appropriated out of any funds in the State Treasury not otherwise appropriated, or out of special funds as indicated, for the support, maintenance, or improvement of the designated legislative agencies.

SENATE

	For the Years Ending	
	August 31, 2004	August 31, 2005
Out of the General Revenue Fund:		
A. Goal: SENATE		
A.1.1. Strategy: SENATE	\$ 27,428,666	\$ 29,502,662
Grand Total, SENATE	<u>\$ 27,428,666</u>	<u>\$ 29,502,662</u>

- Purposes for Which Appropriations May Be Expended.** Funds appropriated to the Senate may be expended for constitutionally authorized annual salaries for Members of the Senate and the Lieutenant Governor, per diem, other salaries and wages, consumable supplies and materials, current and recurring operating expenses, films, membership dues in any national or regional organization of legislative leaders, capital outlay, building repair and remodeling and other expenses of the Senate including interim expenses of the Seventy-eighth and Seventy-ninth Legislatures as may be authorized by law or by resolution.
- Appropriation of Fees: Rental Space in Capitol Building.** The Texas Senate shall charge a reasonable fee for rental of space within the State Capitol Building under its control and authority. Any fees so collected are hereby appropriated for use by the Texas Senate during the biennium covered by this Act.
- Unexpended Balances.** Any unexpended balances as of August 31, 2003, in the appropriations made by the Legislature to the Senate are hereby appropriated to the Senate for the same purposes for the biennium beginning September 1, 2003.

HOUSE OF REPRESENTATIVES

	For the Years Ending	
	August 31, 2004	August 31, 2005
A. Goal: HOUSE OF REPRESENTATIVES		
A.1.1. Strategy: HOUSE OF REPRESENTATIVES	\$ 29,374,863	\$ 34,061,815
Grand Total, HOUSE OF REPRESENTATIVES	<u>\$ 29,374,863</u>	<u>\$ 34,061,815</u>

HOUSE OF REPRESENTATIVES
(Continued)

Method of Financing:		
General Revenue Fund	\$ 29,099,863	\$ 33,771,815
Appropriated Receipts	<u>275,000</u>	<u>290,000</u>
Total, Method of Financing	<u>\$ 29,374,863</u>	<u>\$ 34,061,815</u>

1. **Purposes For Which Appropriations May Be Expended.** Funds appropriated to the House of Representatives may be expended for Constitutionally authorized annual salaries for Members of the House of Representatives, per diem, other salaries and wages, consumable supplies and materials, current and recurring operating expenses, films, membership dues in the National Conference of State Legislatures and in any national or regional organization of legislative leaders, capital outlay, building repair and remodeling, and other expenses for the House of Representatives, including interim expenses of the Seventy-eighth and Seventy-ninth Legislatures as may be authorized by law or resolution.
2. **Appropriation of Fees: Rental Space in Capitol Building.** The House of Representatives shall charge a reasonable fee for rental of space within the State Capitol Building under its control and authority. Any fees so collected are hereby appropriated for use by the House during the biennium covered by this Act.
3. **Unexpended Balances.** Any unexpended balances as of August 31, 2003, in the appropriations made by the Legislature to the House of Representatives are hereby appropriated to the House of Representatives for the same purposes for the biennium beginning September 1, 2003.
4. **Transfer Authority.** Transfers in an amount determined by the Speaker of the House may be made from these balances for the purpose of funding Senate Bill No. 54, Acts of the Sixty-fifth Legislature, Regular Session.
5. **Unexpended Balances: Senate and House of Representatives.** Any unexpended balances as of August 31, 2004 in the appropriations made hereinabove to the Senate and the House of Representatives are hereby appropriated for the same purposes for the fiscal year beginning September 1, 2004.
6. **Transfer and Appropriation to Legislative Budget Board Account.** Out of the appropriations made in this Article for the Senate or the House of Representatives, there may be transferred, upon the written approval of the Lieutenant Governor or the Speaker of the House, to an appropriations account for the Legislative Budget Board, such sums as may be deemed necessary but not to exceed an aggregate of \$4,184,924 for the fiscal year beginning September 1, 2003 and \$4,185,396 for the fiscal year beginning September 1, 2004, for maintaining the operations of said Legislative Budget Board. In addition to amounts identified elsewhere in this provision, there is hereby appropriated to the Legislative Budget Board out of the General Revenue Fund a total of \$7,074,323 for the 2004-05 biennium in lieu of prior and other interagency transfers, including: \$262,500 in each fiscal year from the Texas Education Agency for school finance modeling; \$218,750 in each fiscal year from the Texas Education Agency for the Educational Economic Policy Center; \$297,500 in each fiscal year from the Texas Department of Human Services for the Federal Funds Analysis Unit; \$357,613 each fiscal year from the Texas Legislative Council for computer support; \$1,233,698 each fiscal year for other necessary expenses in carrying out the provisions of Chapter 322, Government Code; \$284,292 in fiscal year 2004 and \$581,661 in fiscal year 2005 from unexpended balances; and \$734,125 each fiscal year from the Department of Information Resources to evaluate and review information planning and information systems and strategic and biennial operating plans.

Such sums as may be transferred to an account for the Legislative Budget Board shall be budgeted by said Board pursuant to Chapter 322, Government Code, and any amendments thereto including the payment of travel expenses and registration fees incurred by Budget Board

HOUSE OF REPRESENTATIVES
(Continued)

members or members of its staff in attending meetings on problems of federal-state relations, interstate problems, problems affecting state or local governments, and meetings sponsored by the Council of State Governments or any of its affiliated organizations, and contributions incident to membership in national or regional organizations of state governments.

7. Unexpended Balances: Legislative Budget Board.

- a. Any unexpended balances as of August 31, 2003, in the appropriations made to the Legislative Budget Board for fiscal year 2003, are hereby appropriated to the Legislative Budget Board for the biennium beginning September 1, 2003.
- b. Any unexpended balances as of August 31, 2004, in the appropriations made hereinabove to the Legislative Budget Board are hereby appropriated for the same purposes for the fiscal year beginning September 1, 2004.

8. Transfer to Sunset Advisory Commission Account and Unexpended Balances.

- a. Out of the appropriations made in this Article for the Senate or the House of Representatives, there may be transferred upon the written approval of the Lieutenant Governor or the Speaker of the House, to an appropriations account for the Sunset Advisory Commission such sums as may be deemed necessary but not to exceed an aggregate of \$1,472,460 for the fiscal year beginning September 1, 2003, and \$1,501,832 for the fiscal year beginning September 1, 2004, for maintaining the operations of the Commission. Any unexpended balances as of August 31, 2004, in the appropriations made hereinabove to the Sunset Advisory Commission are hereby appropriated for the same purposes for the fiscal year beginning September 1, 2004.
- b. Any unexpended balances as of August 31, 2003, in the appropriations made to the Sunset Advisory Commission for fiscal year 2003, are hereby appropriated to the Sunset Advisory Commission for the biennium beginning September 1, 2003.

LEGISLATIVE COUNCIL

	For the Years Ending	
	August 31, 2004	August 31, 2005
Out of the General Revenue Fund:		
A. Goal: LEGISLATIVE COUNCIL		
A.1.1. Strategy: LEGISLATIVE COUNCIL	\$ 34,281,226	\$ 34,601,633
Grand Total, LEGISLATIVE COUNCIL	\$ 34,281,226	\$ 34,601,633

- 1. **Purposes for Which Appropriations May Be Expended.** Funds appropriated to the Legislative Council may be expended for payment of salaries and other necessary expenses to carry out the council's statutory powers and duties (including those powers and duties provided by Chapters 301, 323, and 326, Government Code; §§ 531.203, 762.011, and 2053.004, Government Code; and § 276.008, Election Code) and to carry out responsibilities assigned pursuant to legislative resolution. Out of the funds appropriated above \$1,000,000 each shall be transferred annually to the Senate and the House of Representatives for printing costs and \$50,000 each shall be transferred annually for moving expenses.

LEGISLATIVE COUNCIL
(Continued)

2. **Unexpended Balances.** Any unexpended balances as of August 31, 2003 previously appropriated to the Legislative Council are hereby appropriated to the Council for the biennium beginning September 1, 2003 for the purposes stated in Rider provision 1 of the preceding appropriation to the Council.

Any unexpended balances in the appropriations account of the Legislative Council as of August 31, 2004 are hereby appropriated to the Legislative Council for the fiscal year beginning September 1, 2004.

3. **Appropriation of Fees: Charges for Information Services.** In addition to other amounts appropriated, there is appropriated to the Legislative Council for the fiscal years beginning September 1, 2003 and September 1, 2004 any amounts received as charges under § 323.014(c), Government Code.
4. **Transfers to Legislative Agencies.** The Legislative Council may transfer amounts, as appropriate, to the Commission on Uniform State Laws and to other legislative agencies as determined by the Lieutenant Governor and the Speaker of the House.

COMMISSION ON UNIFORM STATE LAWS

	For the Years Ending	
	August 31, 2004	August 31, 2005
Out of the General Revenue Fund:		
A. Goal: COMMISSION ON UNIFORM STATE LAWS		
A.1.1. Strategy: COMMISSION ON UNIFORM STATE LAWS	\$ 90,170	\$ 97,962
Grand Total, COMMISSION ON UNIFORM STATE LAWS	\$ 90,170	\$ 97,962

1. **Purposes for Which Appropriations May Be Expended.** Funds appropriated to the Commission on Uniform State Laws may be expended for payment of the contribution by the State of Texas to the National Conference of Commissioners on Uniform State Laws and for payment of other necessary expenses of the commission in carrying out provisions of Chapter 415, Acts, Fifty-second Legislature, Regular Session, 1951, as amended by Chapter 735, Acts, Sixty-fifth Legislature, Regular Session, 1977, including the printing of the commission's report and travel expenses of members of the commission to attend annual meeting of the National Conference of Commissioner's on Uniform State Laws and travel to the state capitol on commission business.
2. **Unexpended Balances.** Any unexpended balances as of August 31, 2003 in the general appropriations made for the Commission on Uniform State Laws are hereby appropriated to the Commission on Uniform State Laws for the same purposes for the biennium beginning September 1, 2003.

Any unexpended balances in the appropriations of the Commission on Uniform State Laws as of August 31, 2004 are hereby appropriated to the Commission on Uniform State Laws for the fiscal year beginning September 1, 2004.

STATE AUDITOR'S OFFICE

	For the Years Ending	
	August 31, 2004	August 31, 2005
A. Goal: STATE AUDITOR		
A.1.1. Strategy: STATE AUDITOR	\$ 14,528,086	\$ 14,480,899
Grand Total, STATE AUDITOR'S OFFICE	\$ 14,528,086	\$ 14,480,899
 Method of Financing:		
General Revenue Fund	\$ 11,628,086	\$ 11,580,899
<u>Other Funds</u>		
Appropriated Receipts	1,800,000	1,800,000
Interagency Contracts	1,100,000	1,100,000
Subtotal, Other Funds	\$ 2,900,000	\$ 2,900,000
 Total, Method of Financing	\$ 14,528,086	\$ 14,480,899

1. **Legislative Audit Committee Direction.** The sums appropriated for the State Auditor's Office are to be expended under the direction and subject to the control of the Legislative Audit Committee.
2. **Appropriation of Interagency Contracts.** All funds transferred to the State Auditor's Office (SAO) pursuant to interagency contracts with state agencies for services provided by the SAO are hereby appropriated to the SAO during the fiscal year in which they are received and shall be used as provided by Government Code, Chapter 321.
3. **Appropriation of Appropriated Receipts.** All funds reimbursed to the State Auditor's Office (SAO) by local governmental entities for the provision of services are hereby appropriated to the SAO during the fiscal year in which they are received and shall be used as provided by Government Code, Chapter 321.
4. **Unexpended Balances.** Any unexpended balance as of August 31, 2003, in amounts previously appropriated to the State Auditor from the General Revenue Fund is hereby appropriated to the State Auditor for the same purposes for the biennium beginning September 1, 2003.

Any unexpended balance remaining in the appropriations of the State Auditor as of August 31, 2004, is hereby appropriated to the State Auditor for the same purposes for the fiscal year beginning September 1, 2004.
5. **Notification of State Auditor Reports.** The State Auditor shall provide copies of audit reports to the respective affected agencies and to the Legislative Audit Committee prior to public release of any audit or audit information.

LEGISLATIVE REFERENCE LIBRARY

	For the Years Ending	
	August 31, 2004	August 31, 2005
A. Goal: LEGISLATIVE REFERENCE LIBRARY		
A.1.1. Strategy: LEGISLATIVE REFERENCE LIBRARY	\$ 1,132,553	\$ 1,238,398
Grand Total, LEGISLATIVE REFERENCE LIBRARY	\$ 1,132,553	\$ 1,238,398
Method of Financing:		
General Revenue Fund	\$ 1,114,553	\$ 1,220,398
Appropriated Receipts	13,000	13,000
Interagency Contracts	5,000	5,000
Total, Method of Financing	\$ 1,132,553	\$ 1,238,398

1. **Purposes for Which Appropriations May Be Expended.** Funds appropriated to the Legislative Reference Library may be expended for library administration and services, for salaries and wages, travel, consumable supplies and materials, current and recurring operating expenses, capital outlay, books and periodicals, and other necessary expenses to be expended under the direction of the Legislative Library Board.

2. **Unexpended Balances.** Any unexpended balances as of August 31, 2003, in the general appropriations made to the Legislative Reference Library are hereby appropriated for the biennium beginning September 1, 2003.

Any unexpended balances as of August 31, 2004, in the appropriations made herein above to the Legislative Reference Library are hereby appropriated for the same purposes for the fiscal year beginning September 1, 2004.

SPECIAL PROVISIONS RELATING TO THE LEGISLATURE

Sec. 2. (a) A provision of the General Provisions of this Act that restricts or limits the use or transfer of appropriated funds, or that imposes a duty or places a limitation or condition precedent on a state agency, applies to entities and appropriations under this Article only to the extent that the provision by its terms specifically and expressly applies to those entities or appropriations. A general reference to "funds appropriated by this Act" or similar words is not specific and express application for purposes of this section.

(b) Amounts appropriated under this Article may be transferred among entities covered by this Article in accordance with Chapter 326, Government Code.

Sec. 3. Authorization to Spend Unexpended Balances. Notwithstanding any other provision contained herein, a legislative agency may only spend prior year balances with the approval of its respective governing board.

Sec. 4. Appropriation of Unexpended Balances. Notwithstanding any other provision contained herein, unexpended balances remaining from prior year balances and appropriated to agencies in this Article are hereby appropriated at 87.5 percent of fiscal year 2003 unexpended amounts, and all remaining amounts shall be credited to the unappropriated portion of the General Revenue Fund.

RETIREMENT AND GROUP INSURANCE

	For the Years Ending	
	August 31, 2004	August 31, 2005
Out of the General Revenue Fund:		
A. Goal: EMPLOYEES RETIREMENT SYSTEM		
A.1.1. Strategy: RETIREMENT CONTRIBUTIONS Provide an actuarially sound level of funding as defined by state law. Estimated.	\$ 4,442,575	\$ 4,487,002
A.1.2. Strategy: GROUP INSURANCE Provide a basic health care and life insurance program for general state employees. Estimated.	<u>\$ 11,115,384</u>	<u>\$ 11,263,773</u>
Total, Goal A: EMPLOYEES RETIREMENT SYSTEM	<u>\$ 15,557,959</u>	<u>\$ 15,750,775</u>
Grand Total, RETIREMENT AND GROUP INSURANCE	<u>\$ 15,557,959</u>	<u>\$ 15,750,775</u>

SOCIAL SECURITY AND BENEFIT REPLACEMENT PAY

	For the Years Ending	
	August 31, 2004	August 31, 2005
Out of the General Revenue Fund:		
A. Goal: SOCIAL SECURITY/BENEFIT REPLACEMENT		
To provide funding to the Comptroller of Public Accounts for Social Security Contributions and Benefit Replacement Pay.		
A.1.1. Strategy: STATE MATCH – EMPLOYER Provide an employer match for Social Security contributions. Estimated.	\$ 5,521,159	\$ 5,576,370
A.1.2. Strategy: BENEFIT REPLACEMENT PAY Provide Benefit Replacement Pay to eligible employees. Estimated.	<u>\$ 649,595</u>	<u>\$ 616,466</u>
Total, Goal A: SOCIAL SECURITY/BENEFIT REPLACEMENT	<u>\$ 6,170,754</u>	<u>\$ 6,192,836</u>
Grand Total, SOCIAL SECURITY AND BENEFIT REPLACEMENT PAY	<u>\$ 6,170,754</u>	<u>\$ 6,192,836</u>

**RECAPITULATION - ARTICLE X
THE LEGISLATURE
(General Revenue)**

	For the Years Ending	
	August 31, <u>2004</u>	August 31, <u>2005</u>
Senate	\$ 27,428,666	\$ 29,502,662
House of Representatives	29,099,863	33,771,815
Legislative Budget Board	3,388,477	3,685,846
Legislative Council	34,281,226	34,601,633
Commission on Uniform State Laws	90,170	97,962
State Auditor's Office	11,628,086	11,580,899
Legislative Reference Library	<u>1,114,553</u>	<u>1,220,398</u>
Subtotal, Legislature	\$ <u>107,031,041</u>	\$ <u>114,461,215</u>
Retirement and Group Insurance	15,557,959	15,750,775
Social Security and Benefit Replacement Pay	<u>6,170,754</u>	<u>6,192,836</u>
Subtotal,	\$ <u>21,728,713</u>	\$ <u>21,943,611</u>
TOTAL, ARTICLE X - THE LEGISLATURE	\$ <u><u>128,759,754</u></u>	\$ <u><u>136,404,826</u></u>

**RECAPITULATION - ARTICLE X
THE LEGISLATURE
(Other Funds)**

	For the Years Ending	
	August 31, <u>2004</u>	August 31, <u>2005</u>
House of Representatives	\$ 275,000	\$ 290,000
State Auditor's Office	2,900,000	2,900,000
Legislative Reference Library	<u>18,000</u>	<u>18,000</u>
Subtotal, Legislature	\$ <u>3,193,000</u>	\$ <u>3,208,000</u>
Less Interagency Contracts	\$ <u>1,105,000</u>	\$ <u>1,105,000</u>
TOTAL, ARTICLE X - THE LEGISLATURE	\$ <u><u>2,088,000</u></u>	\$ <u><u>2,103,000</u></u>

**RECAPITULATION - ARTICLE X
THE LEGISLATURE
(All Funds)**

	For the Years Ending	
	August 31, 2004	August 31, 2005
Senate	\$ 27,428,666	\$ 29,502,662
House of Representatives	29,374,863	34,061,815
Legislative Budget Board	3,388,477	3,685,846
Legislative Council	34,281,226	34,601,633
Commission on Uniform State Laws	90,170	97,962
State Auditor's Office	14,528,086	14,480,899
Legislative Reference Library	<u>1,132,553</u>	<u>1,238,398</u>
Subtotal, Legislature	<u>\$ 110,224,041</u>	<u>\$ 117,669,215</u>
Retirement and Group Insurance	15,557,959	15,750,775
Social Security and Benefit Replacement Pay	<u>6,170,754</u>	<u>6,192,836</u>
Subtotal,	<u>\$ 21,728,713</u>	<u>\$ 21,943,611</u>
Less Interagency Contracts	<u>\$ 1,105,000</u>	<u>\$ 1,105,000</u>
TOTAL, ARTICLE X - THE LEGISLATURE	<u>\$ 130,847,754</u>	<u>\$ 138,507,826</u>

ARTICLE XIII. SAVINGS CLAUSE

If any section, sentence, clause or part of this Act shall for any reason be held to be invalid, such decision shall not affect the remaining portions of this Act; and it is hereby declared to be the intention of the Legislature to have passed each sentence, section, clause, or part thereof irrespective of the fact that any other sentence, section, clause or part thereof may be declared invalid.

ARTICLE XIV. EMERGENCY CLAUSE

The importance of the legislation to the people of the State of Texas and the crowded condition of the calendars in both Houses of the Legislature create an emergency and an imperative public necessity that the Constitutional Rule requiring bills to be read on three separate days in each House be suspended, and said Rule is hereby suspended; and this Act shall take effect and be in force from and after its passage, and it is so enacted.

David Newkum

President of the Senate

Jim Caddick

Speaker of the House

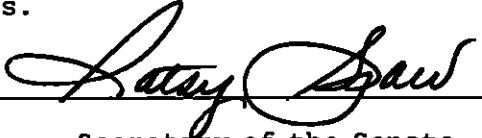
I certify that H.B. No. 1 was passed by the House on April 16, 2003, by the following vote: Yeas 100, Nays 45, 1 present, not voting; that the House refused to concur in Senate amendments to H.B. No. 1 on May 1, 2003, and requested the appointment of a conference committee to consider the differences between the two houses; and that the House adopted the conference committee report on H.B. No. 1 on June 1, 2003, by the following vote: Yeas 105, Nays 41, 2 present, not voting; passed subject to the provisions of Article III, Section 49a, of the Constitution of the State of Texas.

Robert Haney

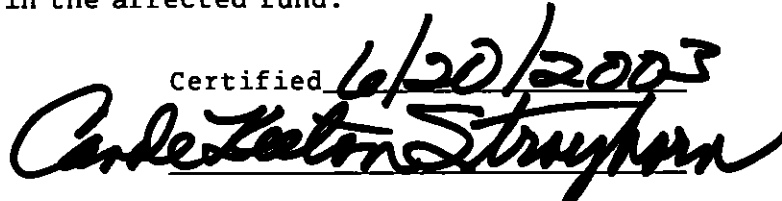
Chief Clerk of the House

H.B. No. 1

I certify that H.B. No. 1 was passed by the Senate, with amendments, on April 29, 2003, by the following vote: Yeas 26, Nays 5; at the request of the House, the Senate appointed a conference committee to consider the differences between the two houses; and that the Senate adopted the conference committee report on H.B. No. 1 on June 1, 2003, by the following vote: Yeas 24, Nays 7; passed subject to the provisions of Article III, Section 49a, of the Constitution of the State of Texas.

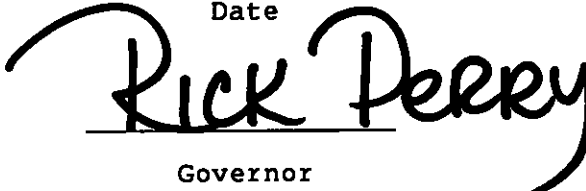

Secretary of the Senate

I certify that the amounts appropriated in the herein H.B. No. 1, Regular Session of the 78th Legislature, are within amounts estimated to be available in the affected fund.

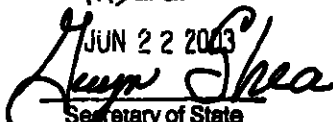
Certified 6/20/2003

Comptroller of Public Accounts

APPROVED: 21 JUN 03

Date


Governor

FILED IN THE OFFICE OF THE
SECRETARY OF STATE
4:52 P.M. O'CLOCK

JUN 22 2003

Secretary of State

Comparison of House, Senate and Conference Committee
 Recommendations for the 2004-2005 Biennium - House Bill 1 (All Funds)
 Interagency Contracts Excluded

Article Code	Agency Code	Agency Name	2004/2005 House	2004/2005 Senate	2004/2005 Conference
01					
	342	AIRCRAFT POOLING BOARD	\$4,311,086	\$5,241,245	\$4,351,086
	813	COMMISSION ON THE ARTS	\$9,659,332	\$7,559,543	\$9,631,332
	302	OFF OF THE ATTY GENERAL	\$782,088,739	\$749,568,111	\$820,587,293
	352	BOND REVIEW BOARD	\$1,033,934	\$1,033,934	\$1,033,934
	303	BUILDING AND PROCUREMENT COMMISSION	\$84,016,571	\$82,367,867	\$79,789,413
	527	CANCER COUNCIL	\$7,090,078	\$7,090,078	\$6,977,078
	304	COMPTROLLER OF PUB ACCTS	\$389,609,224	\$389,609,224	\$389,609,224
	30R	FISCAL PROGRAMS	\$405,680,577	\$405,680,577	\$405,680,577
	477	COMMEMER COMMUNICAT	\$119,200,000	\$93,404,500	\$103,640,580
	327	EMPLOYEES RETIREMENT SYS	\$13,064,815	\$13,064,815	\$13,064,815
	356	ETHICS COMMISSION	\$3,541,112	\$3,832,080	\$3,541,112
	347	PUBLIC FINANCE AUTHORITY	\$1,535,743	\$1,535,743	\$1,535,743
	325	FIRE FIGHTERS' PENSION	\$962,465	\$934,393	\$962,465
	301	OFFICE OF THE GOVERNOR	\$16,680,389	\$16,680,389	\$16,680,389
	300	TRUSTEED PROGRAMS - GOV	\$284,172,888	\$277,650,381	\$279,172,888
	808	HISTORICAL COMMISSION	\$28,568,832	\$36,894,609	\$57,254,331
	344	COMM ON HUMAN RIGHTS	\$4,099,302	\$4,099,302	\$4,099,302
	353	INCENT-PRODUCTIVITY COMM	\$439,466	\$0	\$17,000
	313	DEPT OF INFORMATION RES	\$30,128,284	\$31,990,518	\$27,381,214
	306	LIBRARY & ARCHIVES COMM	\$57,617,152	\$57,617,152	\$51,448,405
	338	PENSION REVIEW BOARD	\$577,764	\$603,606	\$603,606
	809	PRESERVATION BOARD	\$24,124,022	\$25,404,058	\$24,024,022
	479	OFFICE OF RISK MANAGEMENT	\$8,794,226	\$10,132,494	\$8,794,226
	40A	WORKERS' COMP PAYMENTS	\$1,100,000	\$1,100,000	\$1,100,000
	307	SECRETARY OF STATE	\$39,689,426	\$39,689,426	\$120,494,426

Comparison of House, Senate and Conference Committee
 Recommendations for the 2004- 2005 Biennium - House Bill 1 (All Funds)
 Interagency Contracts Excluded

Article Code	Agency Code	Agency Name	2004/2005 House	2004/2005 Senate	2004/2005 Conference	
01	333	STATE-FEDERAL RELATIONS	\$1,817,013	\$750,000	\$1,817,013	
	403	VETERANS COMMISSION	\$6,915,732	\$6,915,732	\$6,915,732	
	A01	RETIREMENT & GROUP INS	\$132,680,060	\$128,590,640	\$135,331,747	
	B01	SOCIAL SECURITY & BRP	\$63,864,689	\$63,084,039	\$64,553,303	
	C01	BOND DEBT SERVICE PAYMENT	\$1,605,870	\$4,325,767	\$4,758,952	
	D01	LEASE PAYMENTS	\$39,157,389	\$39,157,389	\$39,157,389	
			Article 01, Total	\$2,563,826,180	\$2,505,607,612	\$2,684,008,597
02	340	DEPARTMENT ON AGING	\$150,075,115	\$150,875,115	\$150,075,115	
	517	COMM ALCOHOL & DRUG ABUSE	\$298,261,566	\$320,673,170	\$304,761,566	
	318	COMMISSION FOR THE BLIND	\$97,627,215	\$97,514,756	\$97,627,215	
	335	DEAF AND HARD OF HEARING	\$3,343,421	\$3,343,421	\$3,343,421	
	532	EARLY CHILDHOOD INTERVENT	\$219,976,035	\$219,882,984	\$219,907,686	
	501	DEPARTMENT OF HEALTH	\$3,408,030,232	\$3,420,192,520	\$3,571,923,423	
	529	HLTH & HUMAN SVCS COMM	\$20,668,603,547	\$19,114,839,380	\$19,347,683,463	
	324	DEPT OF HUMAN SERVICES	\$8,720,181,715	\$9,340,519,612	\$9,077,294,371	
	655	MHMR	\$3,935,110,764	\$3,960,212,045	\$3,950,967,147	
	530	PROTECTIVE & REGULAT SVCS	\$1,724,648,052	\$1,776,709,325	\$1,743,784,256	
	330	REHABILITATION COMMISSION	\$589,749,384	\$585,667,599	\$589,282,867	
	A02	RETIREMENT & GROUP INS	\$748,163,295	\$706,840,814	\$728,959,671	
	B02	SOCIAL SECURITY & BRP	\$269,607,230	\$264,558,233	\$272,862,761	
	C02	BOND DEBT SERVICE PAYMENT	\$38,513,071	\$43,974,109	\$37,664,187	
	D02	LEASE PAYMENTS	\$14,905,774	\$14,905,774	\$14,905,774	
	P02	ART II. SPECIAL PROVISION	\$0	\$0	\$-324,824,506	
			Article 02, Total	\$40,886,796,616	\$40,020,708,857	\$39,786,218,417

Comparison of House, Senate and Conference Committee
 Recommendations for the 2004- 2005 Biennium - House Bill 1 (All Funds)
 Interagency Contracts Excluded

Article Code	Agency Code	Agency Name	2004/2005 House	2004/2005 Senate	2004/2005 Conference
03	703	TEXAS EDUCATION AGENCY	\$29,578,006,979	\$29,365,674,531	\$30,061,024,205
	705	EDUCATOR CERTIFICATION	\$34,676,195	\$34,810,679	\$33,950,029
	771	SCH-BLIND/VISUAL IMPAIRED	\$29,658,449	\$29,158,449	\$29,908,449
	772	SCHOOL FOR THE DEAF	\$37,281,935	\$36,481,935	\$37,481,935
	367	TELECOMMUNICATIONS INFRA	\$2,086,025	\$0	\$2,086,025
	323	TEACHER RETIREMENT SYSTEM	\$3,988,083,970	\$3,768,888,948	\$4,154,269,796
	32C	OPTIONAL RETIREMENT PRG	\$202,344,397	\$233,259,656	\$233,259,656
	30M	HIGH EDU EMP GP INS CONTR	\$778,931,736	\$822,804,896	\$798,198,334
	781	HIGHER EDUCATION COORD BD	\$867,801,266	\$871,553,461	\$879,201,327
	780	HIGHER EDUCATION FUND	\$350,000,000	\$377,134,882	\$350,000,000
	797	TEXAS EXCELLENCE FUND	\$22,528,059	\$22,528,059	\$22,528,059
	798	UNIVERSITY RESEARCH FUND	\$22,528,059	\$22,528,059	\$22,528,059
	720	UT SYS ADMIN	\$14,425,898	\$12,569,264	\$14,425,898
	799	AVAILABLE UNIVERSITY FUND	\$713,936,597	\$713,936,597	\$713,936,597
	714	UT ARLINGTON	\$222,098,636	\$234,549,143	\$238,043,604
	721	UT AUSTIN	\$730,925,289	\$730,089,412	\$758,584,315
	738	UT DALLAS	\$158,302,340	\$166,881,862	\$168,455,353
	724	UT EL PASO	\$159,012,886	\$161,629,317	\$168,923,315
	736	UT - PAN AMERICAN	\$126,567,780	\$133,620,402	\$136,163,676
	747	UT BROWNSVILLE	\$43,155,852	\$45,114,322	\$45,239,070
	742	UT PERMIAN BASIN	\$32,410,624	\$30,636,178	\$33,554,949
	743	UT SAN ANTONIO	\$177,857,447	\$187,335,304	\$193,119,885
	750	UT TYLER	\$49,062,394	\$51,092,249	\$52,222,791
	710	TEXAS A&M UNIV SYSTEM ADMIN	\$9,449,106	\$9,540,561	\$9,449,106
	711	TEXAS A&M UNIVERSITY	\$541,548,200	\$565,298,935	\$592,664,584

Comparison of House, Senate and Conference Committee
Recommendations for the 2004- 2005 Biennium - House Bill 1 (All Funds)
Interagency Contracts Excluded

Article Code	Agency Code	Agency Name	2004/2005 House	2004/2005 Senate	2004/2005 Conference
03	718	TAMU GALVESTON	\$27,155,698	\$28,369,401	\$28,242,219
	715	PRAIRIE VIEW A&M	\$107,915,263	\$124,044,976	\$118,526,158
	713	TARLETON STATE UNIVERSITY	\$73,990,263	\$77,559,180	\$77,337,387
	760	A&M UNIV - CORPUS CHRISTI	\$95,799,394	\$100,118,403	\$101,250,991
	732	A&M UNIV - KINGSVILLE	\$81,579,496	\$85,415,170	\$85,554,026
	761	TX A&M INTERNATIONAL UNIV	\$66,537,335	\$67,325,117	\$71,909,370
	757	WEST TEXAS A&M UNIVERSITY	\$64,871,898	\$68,848,835	\$67,831,721
	751	TX A&M UNIV - COMMERCE	\$77,743,767	\$83,850,889	\$82,058,642
	764	TX A&M UNIV - TEXARKANA	\$20,142,979	\$22,593,315	\$21,250,774
	783	UNIV OF HOUSTON SYS ADMIN	\$4,950,504	\$5,087,490	\$7,013,004
	730	UNIVERSITY OF HOUSTON	\$367,445,611	\$383,318,644	\$384,451,940
	759	UH CLEAR LAKE	\$70,121,819	\$76,352,573	\$73,004,219
	784	UH DOWNTOWN	\$63,438,511	\$69,120,686	\$67,585,646
	765	UH VICTORIA	\$25,046,583	\$26,224,864	\$27,072,401
	735	MIDWESTERN STATE UNIV	\$47,929,135	\$51,705,316	\$49,831,559
	769	UNT SYSTEM ADMINISTRATION	\$175,000	\$7,227,348	\$9,136,496
	752	UNIV OF NORTH TEXAS	\$260,652,670	\$272,838,589	\$271,064,942
	755	STEPHEN F. AUSTIN STATE	\$100,094,647	\$103,372,983	\$106,748,047
	717	TEXAS SOUTHERN UNIVERSITY	\$121,403,341	\$135,136,572	\$130,552,050
	768	TEXAS TECH UNIV SYS ADMIN	\$875,000	\$899,212	\$875,000
	733	TEXAS TECH UNIVERSITY	\$300,171,691	\$313,604,785	\$319,506,174
	731	TEXAS WOMAN'S UNIVERSITY	\$109,303,312	\$108,747,788	\$115,379,301
	758	TEXAS STATE UNIVERSITY SYSTEM ADMIN	\$2,391,995	\$2,458,184	\$2,411,995
	737	ANGELO STATE UNIVERSITY	\$60,248,289	\$65,479,591	\$63,317,269
	734	LAMAR UNIVERSITY	\$79,692,349	\$86,128,271	\$86,308,889

Comparison of House, Senate and Conference Committee
 Recommendations for the 2004-2005 Biennium - House Bill 1 (All Funds)
 Interagency Contracts Excluded

Article Code	Agency Code	Agency Name	2004/2005 House	2004/2005 Senate	2004/2005 Conference
03					
	789	LAMAR INSTITUTE OF TECHNOLOGY	\$20,676,431	\$22,211,181	\$20,676,432
	787	LAMAR STATE COLLEGE - ORANGE	\$14,318,538	\$14,709,238	\$14,318,538
	788	LAMAR STATE COLLEGE - PORT ARTHUR	\$21,367,202	\$22,603,700	\$21,367,205
	753	SAM HOUSTON STATE UNIV	\$113,263,545	\$121,639,109	\$119,428,965
	754	SOUTHWEST TEXAS STATE	\$194,192,941	\$204,110,924	\$204,297,509
	756	SUL ROSS STATE UNIV	\$32,516,941	\$32,770,622	\$33,973,244
	741	SUL ROSS RIO GRANDE	\$11,504,987	\$11,939,250	\$12,267,046
	729	UT SW MED CTR - DALLAS	\$282,818,277	\$289,036,909	\$299,045,777
	723	UTMB - GALVESTON	\$969,260,944	\$989,684,902	\$969,260,944
	744	UTHSC - HOUSTON	\$298,457,573	\$309,890,783	\$301,336,823
	745	UTHSC - SAN ANTONIO	\$279,554,776	\$268,118,089	\$279,554,776
	506	UT MD ANDERSON CANCER CTR	\$2,291,601,792	\$2,301,206,028	\$2,292,518,459
	785	UTHC - TYLER	\$162,687,990	\$164,266,896	\$162,687,990
	709	TAMU SYSTEM HEALTH CTR	\$121,776,570	\$130,760,425	\$124,876,570
	763	UNT HEALTH SCIENCE CENTER	\$93,592,669	\$97,352,004	\$93,592,669
	739	TX TECH UNIV HLTH SCI CTR	\$181,096,163	\$201,580,161	\$183,096,163
	704	PUBLIC COMM/JR COLLEGES	\$1,419,503,652	\$1,510,062,547	\$1,511,059,605
	719	TSTC SYSTEM ADMIN	\$6,695,378	\$7,064,977	\$6,695,378
	71B	TSTC - HARLINGEN	\$36,782,500	\$37,243,584	\$38,201,688
	71C	TSTC - WEST TEXAS	\$23,641,519	\$24,846,538	\$24,966,301
	71E	TSTC - MARSHALL	\$8,656,741	\$9,178,966	\$9,215,083
	71D	TSTC - WACO	\$49,493,972	\$55,239,777	\$56,055,016
	556	AG EXPR STATION	\$121,172,059	\$131,188,336	\$125,229,251
	555	COOPERATIVE EXTENSION	\$107,826,236	\$116,780,770	\$116,939,520
	712	ENG EXPR STATION	\$116,427,758	\$142,113,235	\$129,317,400

Comparison of House, Senate and Conference Committee
 Recommendations for the 2004-2005 Biennium - House Bill 1 (All Funds)
 Interagency Contracts Excluded

Article Code	Agency Code	Agency Name	2004/2005 House	2004/2005 Senate	2004/2005 Conference	
03	727	TRANSPORTATION INSTITUTE	\$30,969,877	\$32,641,784	\$32,641,784	
	716	ENG EXT SERVICE	\$106,428,547	\$112,211,556	\$108,356,470	
	576	FOREST SERVICE	\$69,610,134	\$72,424,858	\$70,657,533	
	577	TX WILDLIFE DAMAGE MANG	\$6,321,287	\$6,953,416	\$6,556,511	
	557	VET MED DIAGN LAB	\$20,785,480	\$21,403,205	\$20,826,979	
	904	TEXAS FOOD & FIBERS COMM	\$9,118,393	\$10,129,279	\$9,118,393	
	A03	RETIREMENT & GROUP INS	\$41,084,660	\$39,807,607	\$41,148,846	
	B03	SOCIAL SECURITY & BRP	\$427,220,573	\$423,526,096	\$434,445,150	
	C03	BOND DEBT SERVICE PAYMENT	\$1,110,453	\$1,973,013	\$1,110,453	
	D03	LEASE PAYMENTS	\$16,511,080	\$16,511,080	\$16,511,080	
	P03	ART III, SPECIAL PROVISN	\$4,731,660	\$900,000	\$84,021,451	
	Article 03, Total			\$48,835,135,967	\$48,947,026,128	\$50,092,812,239
	04	201	SUPREME COURT OF TEXAS	\$17,521,957	\$18,198,344	\$20,919,517
		211	COURT OF CRIMINAL APPEALS	\$25,924,159	\$25,889,544	\$26,474,442
221		1ST CT APPEALS, HOUSTON	\$4,849,851	\$5,335,941	\$5,276,800	
222		2ND CT APPEALS, FT. WORTH	\$3,933,134	\$4,345,520	\$4,253,114	
223		3RD CT APPEALS, AUSTIN	\$3,669,466	\$3,886,852	\$3,819,214	
224		4TH CT APPEALS, SAN ANTON	\$3,825,264	\$4,231,776	\$4,150,236	
225		5TH CT APPEALS, DALLAS	\$6,724,890	\$7,293,276	\$7,195,141	
226		6TH CT APPEALS, TEXARKANA	\$2,043,110	\$2,089,496	\$2,056,097	
227		7TH CT APPEALS, AMARILLO	\$2,764,406	\$2,808,136	\$2,813,397	
228		8TH CT APPEALS, EL PASO	\$2,657,960	\$2,707,960	\$2,657,509	
229	9TH CT APPEALS, BEAUMONT	\$2,054,277	\$2,195,486	\$2,167,926		
230	10TH CT APPEALS, WACO	\$2,181,396	\$2,181,396	\$2,129,757		

Comparison of House, Senate and Conference Committee
 Recommendations for the 2004- 2005 Biennium - House Bill 1 (All Funds)
 Interagency Contracts Excluded

Article Code	Agency Code	Agency Name	2004/2005		2004/2005		2004/2005
			House	Senate	House	Senate	Conference
04	231	11TH CT APPEALS, EASTLAND	\$1,923,638	\$2,181,944	\$1,923,638	\$2,181,944	\$2,126,581
	232	12TH CT APPEALS, TYLER	\$2,076,150	\$2,193,778	\$2,076,150	\$2,193,778	\$2,145,455
	233	13TH CT APPEALS, CORPUS	\$3,643,446	\$3,869,292	\$3,643,446	\$3,869,292	\$3,797,196
	234	14TH CT APPEALS, HOUSTON	\$4,910,424	\$5,514,810	\$4,910,424	\$5,514,810	\$5,276,800
	212	OFFICE OF COURT ADMIN	\$37,330,581	\$38,204,107	\$37,330,581	\$38,204,107	\$37,538,777
	213	STATE PROSECUTING ATTNY	\$615,215	\$615,215	\$615,215	\$615,215	\$615,215
	243	STATE LAW LIBRARY	\$1,679,184	\$1,679,184	\$1,679,184	\$1,679,184	\$1,679,184
	204	COURT REPORTERS CERT BD	\$330,277	\$304,757	\$330,277	\$304,757	\$330,277
	242	COMM ON JUDICIAL CONDUCT	\$1,629,749	\$1,779,749	\$1,629,749	\$1,779,749	\$1,779,749
	241	DIST CTS-COMPT JUD SEC	\$178,763,137	\$178,763,168	\$178,763,137	\$178,763,168	\$174,847,346
	A04	RETIREMENT & GROUP INS	\$86,136,633	\$85,472,852	\$86,136,633	\$85,472,852	\$86,302,778
	B04	SOCIAL SECURITY & BRP	\$16,082,488	\$15,846,599	\$16,082,488	\$15,846,599	\$16,290,563
	D04	LEASE PAYMENTS	\$4,899,937	\$4,899,937	\$4,899,937	\$4,899,937	\$4,899,937
	P04	ART IV, SPECIAL PROVISION	\$0	\$0	\$0	\$0	\$0
			Article 04, Total		\$418,170,729	\$422,489,119	\$421,543,008
05	401	ADJUTANT GENERAL	\$70,885,363	\$71,619,511	\$70,885,363	\$71,619,511	\$71,619,511
	458	TEXAS ALCOHOLIC BEVERAGE COMM	\$48,875,680	\$59,703,468	\$48,875,680	\$59,703,468	\$59,703,468
	696	DEPT OF CRIMINAL JUSTICE	\$4,744,298,638	\$4,818,890,909	\$4,744,298,638	\$4,818,890,909	\$4,819,186,558
	410	CRIMINAL JUSTICE POLICY C	\$2,502,220	\$2,502,220	\$2,502,220	\$2,502,220	\$2,502,220
	411	FIRE PROTECTION	\$5,723,428	\$5,625,056	\$5,723,428	\$5,625,056	\$5,625,056
	409	COMM ON JAIL STANDARDS	\$1,671,022	\$1,787,021	\$1,671,022	\$1,787,021	\$1,787,021
	665	JUVENILE PROBATION COMM	\$252,197,387	\$247,908,418	\$252,197,387	\$247,908,418	\$247,908,418
	407	LAW ENFORCE OFFICER STND	\$5,422,273	\$5,422,273	\$5,422,273	\$5,422,273	\$5,422,273
	406	MILITARY FACILITIES COMM	\$18,193,152	\$23,793,152	\$18,193,152	\$23,793,152	\$23,753,152

Comparison of House, Senate and Conference Committee
 Recommendations for the 2004- 2005 Biennium - House Bill 1 (All Funds)
 Interagency Contracts Excluded

Article Code	Agency Code	Agency Name	2004/2005 House	2004/2005 Senate	2004/2005 Conference
05	405	DEPT OF PUBLIC SAFETY	\$761,884,365	\$794,455,171	\$791,247,239
	694	YOUTH COMMISSION	\$458,420,952	\$476,990,120	\$470,516,495
	A05	RETIREMENT & GROUP INS	\$785,645,088	\$753,439,621	\$780,109,655
	B05	SOCIAL SECURITY & BRP	\$293,326,595	\$289,696,186	\$296,528,963
	C05	BOND DEBT SERVICE PAYMENT	\$408,309,374	\$453,045,424	\$403,815,374
	D05	LEASE PAYMENTS	\$4,049,767	\$4,049,767	\$4,049,767
			Article 05, Total	\$7,861,405,304	\$8,008,928,317
06	551	DEPARTMENT OF AGRICULTURE	\$100,895,592	\$100,583,174	\$104,433,174
	554	ANIMAL HEALTH COMMISSION	\$23,210,176	\$23,073,176	\$23,073,176
	582	COMMISSION ON ENVIRONMENTAL QUALITY	\$685,546,224	\$650,693,890	\$666,395,214
	369	COUNCIL ON ENVIRONMENTAL TECHNOLOGY	\$3,062,248	\$3,062,248	\$3,062,248
	305	GENERAL LAND OFFICE	\$88,525,686	\$84,025,686	\$84,025,686
	317	TRUSTEED PROGRAMS WITHIN GLO	\$176,611,576	\$194,011,576	\$190,211,576
	802	PARKS AND WILDLIFE DEPT	\$435,547,230	\$473,900,577	\$464,551,080
	455	RAILROAD COMMISSION	\$89,908,951	\$96,595,281	\$95,962,459
	596	RIVER COMPACT COMMISSIONS	\$674,418	\$674,418	\$674,418
	592	SOIL AND WATER CONS BD	\$29,338,706	\$26,562,115	\$27,755,256
	580	WATER DEVELOPMENT BOARD	\$75,494,770	\$74,659,330	\$75,088,019
	58A	NON-SELF SUPP G.O. WTR BN	\$51,534,805	\$48,708,666	\$51,534,805
	A06	RETIREMENT & GROUP INS	\$134,729,877	\$130,895,610	\$133,657,063
	B06	SOCIAL SECURITY & BRP	\$59,958,207	\$59,668,957	\$60,213,354
	C06	BOND DEBT SERVICE PAYMENT	\$15,170,922	\$15,213,294	\$15,170,922
	D06	LEASE PAYMENTS	\$2,184,066	\$2,184,066	\$2,184,066
		Article 06, Total	\$1,972,393,454	\$1,984,512,064	\$1,997,992,516

Comparison of House, Senate and Conference Committee
 Recommendations for the 2004- 2005 Biennium - House Bill 1 (All Funds)
 Interagency Contracts Excluded

Article Code	Agency Code	Agency Name	2004/2005 House	2004/2005 Senate	2004/2005 Conference
07					
	354	TX AEROSPACE COMMISSION	\$399,558	\$0	\$399,558
	480	TX DEPT ECONOMIC DEV	\$55,665,328	\$57,630,947	\$65,974,984
	332	DEPT HOUSING-COMM AFFAIRS	\$327,966,997	\$312,300,401	\$309,541,429
	362	TEXAS LOTTERY COMMISSION	\$357,936,244	\$338,343,244	\$357,186,244
	357	RURAL COMMUNITY AFFAIRS	\$190,149,574	\$185,709,621	\$189,852,051
	601	DEPT OF TRANSPORTATION	\$10,651,458,963	\$10,753,550,556	\$10,633,075,063
	320	TEXAS WORKFORCE COMM	\$2,072,207,309	\$2,037,433,465	\$2,051,257,848
	32A	UNEMPL COMP BENEFIT ACCT	\$10,034,767	\$10,034,767	\$10,034,767
	A07	RETIREMENT & GROUP INS	\$392,915,875	\$383,100,331	\$387,577,578
	B07	SOCIAL SECURITY & BRP	\$132,975,243	\$132,924,878	\$133,019,670
	C07	BOND DEBT SERVICE PAYMENTS	\$7,548,082	\$10,892,643	\$7,548,082
	D07	LEASE PAYMENTS	\$325,703	\$325,703	\$325,703
		Article 07, Total	\$14,199,583,643	\$14,222,246,556	\$14,145,792,977
08					
	457	BD OF PUBLIC ACCOUNTANCY	\$5,646,789	\$5,374,804	\$5,570,662
	360	OFFICE ADM HEARINGS	\$10,292,948	\$10,292,948	\$10,292,948
	459	BD ARCHITECTURAL EXAM	\$3,547,157	\$3,216,619	\$3,547,157
	502	BOARD OF BARBER EXAMINERS	\$1,229,352	\$1,163,352	\$1,229,352
	508	BD CHIROPRACTIC EXAM	\$680,440	\$644,776	\$680,440
	505	COSMETOLOGY COMMISSION	\$4,633,466	\$4,333,466	\$4,633,466
	469	CREDIT UNION DEPARTMENT	\$3,670,811	\$3,670,811	\$3,670,811
	504	BOARD OF DENTAL EXAMINERS	\$2,626,761	\$2,985,550	\$3,162,631
	460	BD PROFESSIONAL ENGINEERS	\$3,421,200	\$3,205,200	\$3,421,200
	451	DEPT OF BANKING	\$31,899,559	\$33,749,559	\$33,749,559
	466	CONSUMER CREDIT COMM	\$6,856,566	\$6,856,566	\$6,856,566

Comparison of House, Senate and Conference Committee
 Recommendations for the 2004- 2005 Biennium - House Bill 1 (All Funds)
 Interagency Contracts Excluded

Article Code	Agency Code	Agency Name	2004/2005 House	2004/2005 Senate	2004/2005 Conference
08					
450		SAVINGS AND LOAN DEPT	\$10,340,912	\$10,838,912	\$10,838,912
513		FUNERAL SERVICE COMM	\$1,181,183	\$1,331,358	\$1,181,183
481		BOARD OF PROFESSIONAL GEOSCIENTISTS	\$897,907	\$897,907	\$897,907
454		DEPARTMENT OF INSURANCE	\$103,300,169	\$104,606,278	\$104,534,278
359		PUBLIC INSURANCE CNSL	\$2,027,066	\$2,027,066	\$2,027,066
464		BD OF PROF LAND SURVEYING	\$689,672	\$661,230	\$689,672
452		DEPT OF LICENSE & REG	\$14,827,386	\$14,735,896	\$14,663,354
503		BD MEDICAL EXAMINERS	\$10,602,288	\$10,145,676	\$10,602,288
507		BOARD OF NURSE EXAMINERS	\$6,347,746	\$6,005,746	\$6,317,746
511		BD VOCATIONAL NURSE EXAM	\$2,628,499	\$2,475,499	\$2,628,499
514		OPTOMETRY BOARD	\$697,252	\$665,802	\$697,252
472		STRUCT PEST CONTROL BD	\$2,740,524	\$2,625,274	\$2,740,524
515		BOARD OF PHARMACY	\$5,799,914	\$6,254,143	\$6,526,183
533		EXEC CNCL PHYS THERAPY	\$1,731,752	\$1,558,052	\$1,731,752
456		BD OF PLUMBING EXAMINERS	\$3,139,038	\$3,009,038	\$3,139,038
512		PODIATRIC MED EXAMINERS	\$414,349	\$406,549	\$414,349
520		BD EXAM PSYCHOLOGISTS	\$1,441,127	\$1,381,127	\$1,441,127
476		TEXAS RACING COMMISSION	\$23,322,821	\$18,657,468	\$21,659,809
329		REAL ESTATE COMMISSION	\$9,195,484	\$8,774,182	\$9,222,098
312		SECURITIES BOARD	\$7,060,028	\$10,533,360	\$7,060,028
337		BD TAX PROFESSIONAL EXAM	\$326,636	\$291,636	\$326,636
473		PUBLIC UTILITY COMM	\$399,525,902	\$245,186,839	\$266,286,839
475		PUBLIC UTILITY COUNSEL	\$3,495,600	\$3,495,600	\$3,495,600
578		BD OF VET MEDICAL EXAM	\$1,186,864	\$1,125,894	\$1,186,864
453		WORKERS' COMP COMM	\$102,889,352	\$93,047,765	\$102,889,352

Comparison of House, Senate and Conference Committee
 Recommendations for the 2004-2005 Biennium - House Bill 1 (All Funds)
 Interagency Contracts Excluded

Article Code	Agency Code	Agency Name	2004/2005 House	2004/2005 Senate	2004/2005 Conference
08	478	RSRCH OVERST-WORKERS COMP	\$1,958,580	\$1,958,580	\$1,958,580
	A08	RETIREMENT & GROUP INS	\$67,903,133	\$64,510,865	\$67,037,378
	B08	SOCIAL SECURITY & BRP	\$24,917,460	\$24,681,825	\$25,125,313
	D08	LEASE PAYMENTS	\$10,698,483	\$10,698,483	\$10,698,483
		Article 08, Total	\$895,792,176	\$728,081,701	\$764,832,902
09	P10	Contingency Approp. for HB 1409	\$-762,000	\$0	\$0
	P44	Contingency Approp SB1952	\$0	\$0	\$-109,155,953
	P46	Contingency Approp HJR68	\$0	\$0	\$-35,740,190
	P31	Contingency Approp. for SB 1421	\$0	\$-180,120,000	\$0
	P11	Contingency Approp. for SB 459	\$-1,436,000	\$-1,436,000	\$0
	P32	Contingency Approp. for SB 622	\$0	\$-57,133	\$0
	P14	Contingency Approp. for HB 1814/2850	\$-18,753,000	\$0	\$0
	P47	Contingency Approp SB279	\$0	\$0	\$-763,999
	P45	Contingency Approp HB638/HB1365	\$0	\$0	\$-75,792,796
	P15	Contingency Approp. for HB 1233	\$-2,800,000	\$0	\$0
	P33	Contingency Approp. for HB 1318	\$0	\$-47,355,000	\$0
	P16	Contingency Approp. for HB 3527	\$11,947,179	\$0	\$0
	P48	TRS-Care Reduction	\$0	\$0	\$-516,000,000
	P17	Contingency Approp. for HB 1386	\$-57,133	\$0	\$0
	P34	Contingency Approp. for SB 897	\$0	\$-32,831,000	\$0
	P18	Contingency Approp. for HB 1318	\$-31,698,250	\$0	\$0
	P19	Contingency Approp. for HB 906	\$-28,188,500	\$-34,368,000	\$0
	P35	Contingency Approp. for SB 314	\$0	\$-7,650,000	\$0
	P36	Contingency Approp. for SB 327	\$0	\$-62,500,000	\$0

Comparison of House, Senate and Conference Committee
 Recommendations for the 2004- 2005 Biennium - House Bill 1 (All Funds)
 Interagency Contracts Excluded

Article Code	Agency Code	Agency Name	2004/2005 House	2004/2005 Senate	2004/2005 Conference
09	P20	Contingency Approp. for HB 3208	\$-32,831,000	\$0	\$0
	P21	Contingency Approp. for SB 388	\$0	\$0	\$0
	P37	Contingency Approp. for SB 1173	\$0	\$-16,030,000	\$0
	P23	Contingency Approp. for HB 1149	\$-7,650,000	\$0	\$0
	P38	Contingency Approp. for SB 1421	\$0	\$-18,927,000	\$0
	P24	Contingency Approp. for HB 727	\$-21,460,000	\$0	\$0
	P39	Contingency Approp. for SB 1168	\$0	\$-42,828,000	\$0
	P25	Contingency Approp. for HB 1744/2015	\$-23,248,000	\$0	\$0
	P41	Medicaid Managed Care	\$0	\$-28,300,000	\$0
	P26	Contingency Approp. for HB 2292	\$-18,927,000	\$-21,047,000	\$0
	P42	Communities in Schools	\$0	\$8,000,000	\$0
	P27	Contingency Approp. for HB 1743	\$2,252,000	\$0	\$0
	P13	CAPITAL BUDGET REDUCTIONS	\$0	\$-74,247,938	\$0
	P43	Mileage Rate Reduction	\$0	\$-7,200,000	\$0
		Article 09, Total	\$-173,611,704	\$-566,897,071	\$-737,452,938
10	101	SENATE	\$56,931,328	\$56,931,328	\$56,931,328
	102	HOUSE OF REPRESENTATIVES	\$63,436,678	\$63,436,678	\$63,436,678
	104	LEGISLATIVE BUDGET BOARD	\$7,074,323	\$7,074,323	\$7,074,323
	103	LEGISLATIVE COUNCIL	\$68,882,859	\$68,882,859	\$68,882,859
	107	COMM ON UNIFORM STATE LAW	\$188,132	\$188,132	\$188,132
	308	STATE AUDITOR'S OFFICE	\$26,808,985	\$26,808,985	\$26,808,985
	105	LEGISLATIVE REF LIBRARY	\$2,360,951	\$2,360,951	\$2,360,951
	A00	RETIREMENT & GROUP INS	\$36,162,928	\$35,056,272	\$31,308,734
	B00	SOCIAL SECURITY & BRP	\$13,936,677	\$13,717,721	\$12,363,590

Comparison of House, Senate and Conference Committee
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 Interagency Contracts Excluded

Article Code	Agency Code	Agency Name	2004/2005 House	2004/2005 Senate	2004/2005 Conference
		Article 10, Total	\$275,782,861	\$274,457,249	\$269,355,580
12	XII	TOBACCO SETTLEMENT	\$0	\$1,129,971,000	\$0
	C12	BOND DEBT SERVICE PAYMENTS	\$0	\$0	\$0
		Article 12, Total	\$0	\$1,129,971,000	\$0
		Statewide Total	\$117,735,275,226	\$117,677,131,532	\$117,408,878,468