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Bob Bullock
Comptroller of Public Accounts
State of Texas
1977 Annual Financial Report

1977 ANNUAL FINANCIAL REPORT
of
The State of Texas

for the fiscal year ended
August 31, 1977



BOB BULLOCK
Comptroller of Public Accounts



BOB BULLOCK
Comptroller

COMPTROLLER OF PUBLIC ACCOUNTS
STATE OF TEXAS
AUSTIN, 78774

November 7, 1977

The Honorable Dolph Briscoe
Governor of Texas
The State Capitol
Austin, Texas 78767

Dear Governor Briscoe:

The State's fiscal year ended August 31, 1977 was, again, a record year for both revenues and expenditures for state government.

Revenues and an opening cash balance of \$9.00 billion supported expenditures of \$7.02 billion, leaving a net cash balance of \$1.98 billion. This cash balance, also a record figure, was \$336 million more than the cash balance at the beginning of the fiscal year.

This favorable position was made possible by record revenues from all major sources, including \$4.42 billion in tax collections, \$1.85 billion in federal funds, \$372 million in licenses and fees, \$279 million in investments of state funds, and \$341 million in income from state owned land.

This report details revenues and expenditures for 1977 as required by Article 4348, R.C.S. of Texas.

Respectfully submitted,

BOB BULLOCK
Comptroller of Public Accounts

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INTRODUCTION

This *1977 Annual Financial Report of the State of Texas* presents information on the financial condition and the revenue and expenditure transactions for which the Comptroller of Public Accounts has accounting responsibility.

The report is presented in two volumes. This first volume offers a summary of the financial condition of the State and presents an analysis of historical trends of revenues, expenditures and fund balances. The second volume, *Revenues and Expenditures of State Funds*, gives detailed information on the transactions of each state fund.

This first volume provides information on the State's finances in three sections. The first section is an overview of the State's financial condition, revenues and expenditures within the context of historical changes since 1973 and includes a discussion of the State's tax structure and an analysis of fiscal relationships with the Federal government and local governments in Texas. The second section shows detailed revenue, expenditure and fund balance information for fiscal 1977 in comparison with 1976. The final section presents information on appropriations, investments, bonded indebtedness, suspense and trust funds, securities in trust with the State, petty cash funds, tax clearance funds, and the Foundation School Program.

Summary of Financial Information

THE TEXAS ECONOMIC ENVIRONMENT

The Texas economy in recent years has experienced growth and development which reflect the State's position as the major economic center of the Southwest. The economic environment, the level of State revenue, and the expenditures of the State for goods and services are highly interrelated. Among the many indicators which describe the State's economic environment are population, employment, personal income, gross sales, and the production of oil and gas. In addition to these aggregate indicators, trends in the State's Standard Metropolitan Statistical Areas (SMSAs) are important in identifying the regional nature of growth within the State's boundaries. The following sections provide information on the economic climate which existed in Texas during the period covered by this annual report.

Population

A major contributing factor in the continuing growth and development of the Texas economy has been the State's population growth. Texas moved ahead of Pennsylvania in 1974 to become the nation's third most populous state with almost 12.2 million people. Over the most recent period for which population estimates are available (July 1, 1975 to July 1, 1976), the population of Texas increase was highest among the ten most populous states.

Employment

The strength and diversity of the Texas economy is reflected in the labor force. Non-agricultural employment in Texas reached 4.85 million in June 1977, a 2.8 percent increase over the previous year's total. During this same period, the average annual unemployment rate for the state dropped from 6.4 percent to 5.4 percent. Texas ranks second to Illinois in having the lowest unemployment rate among major industrial states. Texas' unemployment rate is significantly lower than the current 7.1 percent rate for the entire U.S. These low rates of unemployment relative to those of other states and the nation as a whole can be attributed to the diversity of industry in Texas. As shown in Table A, the non-agricultural industries which employ the greatest number of workers are wholesale and retail trade, manufacturing, state and local government, and service industries. These four industrial categories account for approximately 78

percent of total non-agricultural employment. The remainder is distributed among contract construction, transportation, public utilities, finance, insurance, real estate, and mining.

Personal Income

Between the first quarters of 1976 and 1977, total personal income in Texas increased 9.7 percent from \$75.4 billion to \$82.7 billion, approximately the same rate as for the nation as a whole. During the same period, state per capita personal income increased from \$6,038 to \$6,624. The distribution of personal income by industry also illustrates the diversity of the Texas economy. Labor and proprietors' income, the major component of total personal income, increased 14.2 percent in Texas between 1975 and 1976, as compared with a 10.1 percent increase nationwide. The greatest increases in personal income between 1975 and 1976 occurred in farm, mining, and construction industries which grew at significantly faster rates than those for the nation as a whole.

TABLE A
NON-AGRICULTURAL EMPLOYMENT IN TEXAS
BY MAJOR INDUSTRIAL CATEGORY, JUNE 1977

<u>Industry Sector</u>	<u>Number of Employees (THOUSANDS)</u>	<u>Percent of Total Non-Agricultural Employment</u>
Wholesale and Retail Trade	1,190	24.5
Manufacturing	890	18.3
Government	857	17.7
Services	855	17.6
Contract Construction	338	7.0
Transportation and Public Utilities	302	6.2
Finance, Insurance, and Real Estate	270	5.6
Mining	153	3.2
TOTAL	4,855	100.0

SOURCE: U.S., Department of Labor, Bureau of Labor Statistics, Employment and Earnings, Vol. 24, No. 8, August, 1977.

Gross Sales

Sales of business establishments in Texas are the basis of the largest single source of tax revenue in Texas, the sales tax. Between the calendar years 1975 and 1976, total gross sales in Texas increased 14.9 percent from \$124 billion to \$142.5 billion. When these total sales figures are adjusted for inflationary effects, this increase represents a real growth in gross sales of 8.6 percent between 1975 and 1976. More recent data indicate that sales during 1977 may be growing at even higher rates. Gross sales in the first three months of 1977 totaled \$33.8 billion as compared to \$28.3 billion for the same period in 1976.

Oil and Gas Production

Oil and gas production has played a major role in shaping the Texas economy. Although the amount of oil produced in Texas declined during the past fiscal year, the value of production remained roughly constant due to higher average prices received for Texas oil. Crude oil production totaled 1,125.4 million barrels during fiscal 1977, down 4.5 percent from the previous fiscal year. The average price of crude oil, however, increased 4.2 percent over the same period from an average of \$7.91 per barrel in FY 1976 to \$8.24 in FY 1977.

Gas production in Texas is also declining. Production data available for the first half of FY 1977 indicate a decrease of 2.5 percent in natural gas production, from 3,873.9 billion cubic feet in the first half of FY 1976 to 3,776.7 billion cubic feet for the same period in FY 1977. The total value of natural gas production increased 31.8 percent over this period, however, as a result of an increase in the average price of gas from about \$0.60 per MCF in FY 1976 to nearly \$0.81 per MCF in FY 1977.

Regional Growth in Texas

The figures cited in the previous sections are aggregates made up of very different events in different parts of the state. Trends in regional activity can be seen in data which reflect the economies of SMSAs in Texas. Table B contains 1975 estimates of population and selected indicators of economic activity in the 25 SMSAs in Texas for the month of June, 1977. As shown in Table B, Dallas-Fort Worth ranks as the most populous SMSA in the state on the basis of the most recent estimates available from the Bureau of the Census. Dallas-Fort Worth also ranked first among the 25 SMSAs in nonfarm employment, bank debits, and the value of urban building permits issued during the month of

TABLE B
POPULATION AND SELECTED ECONOMIC INDICATORS FOR
TEXAS SMSAs, JUNE 1977

<u>SMSA</u>	<u>Population</u> <u>(1975 est.)</u>	<u>Nonfarm</u> <u>Employment</u>	<u>Bank Debits,</u> <u>Seasonally</u> <u>Adjusted</u> <u>(thousands)</u>	<u>Value of Urban</u> <u>Bldg. Permits</u>
Abilene	128,400	47,100	\$ 554,429	\$ 4,035
Amarillo	152,000	67,400	1,274,989	9,679
Austin	394,800	180,000	3,343,467	24,245
Beaumont-Port Arthur- Orange	349,500	137,650	1,276,285	18,248
Brownsville-Harlingen- San Benito	169,300	49,480	1,024,248	5,400
Bryan-College Station	72,300	^a	265,237	3,441
Corpus Christi	297,300	103,150	1,437,130	9,109
Dallas-Fort Worth	2,552,800	1,162,200	41,143,823	164,715
El Paso	414,700	137,100	1,564,301	24,159
Galveston-Texas City	182,000	70,770	660,785	3,985
Houston	2,297,300	1,155,800	36,556,179	130,992
Killeen-Temple	210,500	^a	355,171	7,287
Laredo	78,100	25,670	227,027	1,314
Longview	125,300	51,720	451,149	9,450
Lubbock	196,700	79,140	1,518,188	12,144
McAllen-Pharr- Edinburg	220,700	59,700	572,822	7,806
Midland	69,700	28,940	1,066,078	4,945
Odessa	98,800	43,820	698,163	1,704
San Angelo	74,800	28,680	449,105	2,995
San Antonio	977,200	334,100	3,885,932	37,843
Sherman-Denison	79,000	30,750	202,365	4,711
Texarkana	114,700	40,450	298,036	2,026
Tyler	107,400	43,240	603,241	8,595
Waco	156,700	62,190	730,202	3,789
Wichita Falls	130,700	46,750	611,209	8,140
TOTAL (All SMSAs)	9,650,700	3,985,800	\$ 100,769,561	\$ 510,757

^a Monthly employment estimates are not available for these SMSAs.

SOURCE: The University of Texas at Austin, Bureau of Business Research, Texas Business Review, Vol. LI, No. 8, August, 1977.

June, 1977. In quarterly gross sales, however, the Houston SMSA ranked first with \$9.9 billion in total sales in the first three months of 1977. The combined gross sales of the Houston, Dallas-Fort Worth, and San Antonio SMSAs accounted for 69.2 percent of the \$29.5 billion total for all SMSAs in the first quarter of 1977.

Sales in manufacturing industries represent the largest individual component of total gross sales in Texas SMSAs. In the first three months of 1977, gross sales in manufacturing comprised 23.6 percent of total gross sales for all SMSAs. Houston was the top-ranked SMSA (ahead of Dallas-Fort Worth and Beaumont-Port Arthur-Orange) in manufacturing gross sales, accounting for 36.2 percent of the SMSA manufacturing total for the State. In terms of growth in total gross

sales and gross sales in manufacturing, Lubbock, Tyler, Midland, Galveston-Texas City, Amarillo, and San Angelo experienced the highest percentage increases among Texas SMSAs between the first quarters of 1976 and 1977. During this same period, the lowest rates of growth occurred in the border SMSAs of Laredo, El Paso, and Brownsville-Harlingen-San Benito, and in Texarkana.

THE ACCOUNTING SYSTEM

The Comptroller of Public Accounts is charged by law "to superintend the fiscal concerns of the State as the sole accounting officer thereof" (V.A.C.S., Art. 4344) and to prescribe the forms to be used in collection of state revenues and in payment of state expenditures. The Comptroller is also required to provide the Governor with an annual statement of the State's finances.

The accounting system from which this *Annual Financial Report* was prepared is basically a cash system which records the revenues, expenditures, and cash balances of funds in the State Treasury for each state agency. Coding procedures identify revenues by source, expenditures by both object (salaries, capital outlay, etc.) and function (legislative, welfare, etc.), and the fund and the state agency involved in each transaction. The general ledger, an auxiliary system of control summary accounts, records non-cash assets and liabilities of the State. Each state agency manages the administration of its programs and maintains records of expenditures, accruals, encumbrances, and the balance of appropriations available. Several funds, such as many institutions of higher education have, are not required by law to be within the control of the State Treasury and therefore are not within the realm of the Comptroller's accounting responsibility.

The Comptroller's Office is also charged with the responsibility of keeping the appropriation records for all state agencies. The State Treasury has custody of all cash and non-cash assets which the Legislature requires be deposited with

it. Release of those assets must be authorized by both the state agency involved and the Comptroller. Before issuing a warrant to pay a claim against the State, the Comptroller must determine that the statutory authority for payment has not expired and, if the warrant is to be drawn against a fund other than the General Revenue Fund, that there is a sufficient cash balance in the fund to make payment.

The appropriation control responsibility is a dimension of the accounting system designed to insure that state agencies do not exceed the spending authority provided by the Legislature. The appropriation control records show the fiscal year, major function, program activity, and subactivity for each legislative appropriation. The table below tracks the basic appropriation system for the General Revenue Fund for 1977. (See Tables 22 and 23 for detailed appropriation information.)

The accounting system in effect in 1977 was designed 16 years ago to meet then existing needs. As problems have emerged in state agency management and in formulating overall state financial policy, and as more emphasis has been placed on program evaluation (relating program costs to program benefits), revision of the central accounting system became necessary. In response to this need the Comptroller of Public Accounts has installed Financial Accounting and Control for Texas System (FACTS) effective September 1, 1977. This improved system is on a modified accrual basis and has the capability to record

**General Revenue Fund
Appropriations Records, 1977
(in thousands)**

Opening Appropriations Balances:

Year of Appropriation

1973	\$	21	
1974		715	
1975		20,682	
1976		221,368	
1977		<u>2,594,064</u>	
Total			\$ 2,836,850

1977 Changes in Authority

Decrease in School Aid Estimate	\$	(218,147) ^a	
Other — Net		94,884	
Lapsed Funds		(22,525)	
Appropriated Revenue		<u>(7,468)</u>	
Total Changes — Net			<u>(153,256)</u>

Total Appropriation Authority		2,683,594	
Less: Expenditures and Transfers		(2,492,451)	

Ending Appropriations Balances, 8-31-77:		<u>\$ 191,143</u>	
------------------------------------------	--	-------------------	--

^a Includes unexpended balances of \$8.933 million for Foundation School Program lapsed in September, 1977.

encumbrances, assets, and liabilities as well as revenues, expenditures, and fund balances. FACTS was designed to provide more detail in a format which will be more responsive to the financial information demands of today's state government policymakers and managers.

FINANCIAL CONDITION

Cash Condition

At the close of fiscal 1977 the State of Texas held a closing cash balance of \$1,979 million, a 20.5 percent increase over the \$1,643 million cash balance at the beginning of the year. This is slightly above the 19.8 percent average annual increase experienced since 1973. This favorable cash condition has resulted from a greater increase (11.6 percent in 1977) in revenues than in the level of

expenditures (6.5 percent). Table 1 presents an overview of the State's opening cash condition, the revenues and expenditures for fiscal 1977, and the resulting closing cash condition. Net revenues of \$7,356 million were \$749 million more than net expenditures of \$6,607 million, while disbursements for interfund transfers and investment transactions of \$3,643 million were \$413 million greater than receipts of \$3,230 million for corresponding revenue items. This results in a net increase in the cash balance of \$336 million.

The State's accounting system has over 400 funds (excluding Trust and Suspense Funds) which are classified into seven groups according to function. Group 1, General State Operating and Disbursing Funds, includes the General Revenue Fund 001 and agencies' operating funds from which general expenditures for operating state government are made. Group 2, Constitutional Funds Expendable for Specific Purposes, includes the Available School Fund 002, the State Highway Fund 006, the Available University Fund 011, various bond sinking and reserve funds, and other funds which receive constitutionally or statutorily dedicated revenues. Expenditures from these funds may be made for strictly specified purposes such as support of public education, highway construction, and bond debt service. Group 3, Federal Funds, includes the Federal Public Welfare Administration Fund 117 and others which receive federal monies for programs administered by the State. Group 4, Trust or Pledged Funds, includes the University of Texas Revenue Bond Fund 022, a debt service reserve fund, and the School Bus Revolving Fund 053, a fund used for purchase of vehicles for public school transportation which is reimbursed by purchasing schools. Group 5, Constitutional Non-Expendable Funds, consists of endowment funds such as the Permanent School Fund 044 and the Permanent University Fund 045. The principal of these funds may be invested but not appropriated for state expenditures. Groups 6, the Tax Clearance Funds, includes the Omnibus Tax Fund 120 and the Highway Motor Fuel Tax Fund 060, among others. These funds receive "earmarked" revenues that are channeled to other funds to support state spending. Group 7, Petty Cash Funds, includes those funds authorized by the Legislature to be held outside of the State Treasury by various agencies for payment of travel advances and other nominal expenses.

The cash condition summarized in Table 1 is restated in Table 2 with a breakdown of opening and closing cash balances, revenues, and expenditures

into the seven fund groups. The revenue and expenditure amounts include interfund transfers and investment transactions. (Table 21 presents this information by fund within each group.) Three groups had 93.7 percent of the total cash balance of \$1,979 million at August 31, 1977. Group 1 had \$1,216 million or 61.4 percent. Next largest closing balances were Group 2 with \$504 million (25.5 percent) and Group 3 with \$135 million (6.8 percent). The other four groups made up the remaining 6.3 percent of the total closing cash balance.

Financial Condition

While Tables 1 and 2 are addressed to the State's cash condition for 1977, Table 3 presents the overall financial condition of the State for fiscal 1977 in comparison with the previous four years. Shown in the financial condition are cash balances of all funds, including Suspense and Trust cash, investments, securities in trust with the Treasury, and the unemployment account with the Federal Treasury.

Of total state cash, investments, and securities of \$13,221 million on August 31, 1977, investments of \$7,670 million represent 58.0 percent of the total. Investments experienced an increase of 15.3 percent during 1977 and an average annual increase of 13.0 percent since 1973. Securities in trust with the State Treasury increased by 19.5 percent in fiscal 1977 and the closing balance of \$3,074 million was 23.3 percent of the total of all cash, investments, and securities. Cash balances of all funds comprised 16.8 percent and the Federal Treasury account, 1.9 percent of the total financial balance. The total closing balance of all cash, investments and securities has increased an average of 14.3 percent annually, from \$7,645 million in 1973 to \$13,221 million in 1977. The increase during fiscal 1977 was 16.8 percent.

TABLE 1
STATEMENT OF CASH CONDITION
Year Ended August 31, 1977

Opening Cash Balance, September 1, 1976		\$	1,642,533,375.68
RECEIPTS			
REVENUES: Gross Collections	\$ 7,390,734,138.96		
Less: Refunds	<u>34,954,974.77</u>		
Net Revenues			7,355,779,164.19
Other Receipts, Net:			
Sale of State Bonds	\$ 106,000,000.00		
Sale/Redemption of Investments	594,069,243.02		
Repayments of Loans	34,160,719.94		
Departmental Transfers	271,324,959.57		
Operation Fund Transfers	123,445,082.37		
Interfund Transfers	35,731,238.01		
Allocations from Tax Clearance Funds	2,015,877,628.44		
Advance and Re-Payments for S.B. 1	100.24		
Unexpended Balances	1,317,910.42		
Revenue Refunds Applied	34,969,821.73		
Expenditure Refunds Applied	<u>13,493,928.17</u>		
Total, Other Receipts			<u>3,230,390,631.91</u>
TOTAL RECEIPTS			10,586,169,796.10
Receipts to Petty Cash Accounts			130,333.00
TOTAL RECEIPTS AND CASH BALANCE			<u><u>\$ 12,228,833,504.78</u></u>
<hr/>			
DISBURSEMENTS			
EXPENDITURES: Gross Expenditures	\$ 6,620,440,594.19		
Less: Refunds	<u>13,461,208.36</u>		
Net Expenditures			\$ 6,606,979,385.83
Other Disbursements, Net:			
Purchases of Securities	\$ 1,014,364,951.74		
Loans	39,032,505.15		
Purchase of Water Rights	4,977,537.51		
Departmental Transfers	333,178,466.02		
Operating Fund Transfers	123,445,082.37		
Miscellaneous Non-Governmental Expenditures	35,434,142.98		
Allocations from Tax Clearance Funds	2,015,877,628.44		
Advance for S.B. 1	100.24		
Refunds of Revenue	34,969,821.73		
Refund of Expenditures	13,493,928.17		
Land and Merchandise Purchased for Resale	<u>28,141,844.66</u>		
Total, Other Disbursements			<u>3,642,916,009.01</u>
TOTAL DISBURSEMENTS			10,249,895,394.84
Expenditures from Petty Cash to State Treasury			49,845.00
CLOSING CASH BALANCE, August 31, 1977			<u><u>\$ 1,978,888,264.94</u></u>

TABLE 2
SUMMARY OF CASH CONDITION BY FUND GROUP

	Net Cash Balance 9-1-76	Revenues ^a	Expenditures ^a	Net Cash Balance 8-31-77
GROUP 1: GENERAL STATE OPERATING AND DISBURSING FUNDS	\$ 1,023,101,996.97	\$ 4,858,091,966.36	\$ 4,665,482,759.93	\$ 1,215,711,203.40
GROUP 2: CONSTITUTIONAL FUNDS EXPENDABLE FOR SPECIFIC PURPOSES	362,484,050.32	2,030,460,172.39	1,889,165,469.25	503,778,753.46
GROUP 3: FEDERAL FUNDS	169,808,394.77	928,959,061.64	963,335,745.49	135,431,710.92
GROUP 4: TRUST OR PLEDGED FUNDS	2,262,627.00	20,605,627.75	20,514,433.75	2,353,821.00
GROUP 5: CONSTITUTIONAL NON-EXPENDABLE FUNDS	7,970,272.88	439,978,744.50	434,633,625.06	13,315,392.32
GROUP 6: TAX CLEARANCE FUNDS	75,928,438.74	2,308,074,223.46	2,276,763,361.36	107,239,300.84
GROUP 7: PETTY CASH FUNDS	<u>977,595.00</u>	<u>130,333.00</u>	<u>49,845.00</u>	<u>1,058,083.00</u>
TOTAL CASH, ALL GROUPS	<u>\$ 1,642,533,375.68</u>	<u>\$ 10,586,300,129.10</u>	<u>\$ 10,249,945,239.84</u>	<u>\$ 1,978,888,264.94</u>

^a Includes Interfund Transfers and Investment Transactions

For detail, see Table 21, page 69.

TABLE 3
SUMMARY OF FINANCIAL CONDITION, 1973-1977
(Year Ended August 31)

	1973	1974	1975	1976	1977
Opening Cash Balance	\$ 573,860,597.75	\$ 916,372,981.14	\$ 1,261,952,546.28	\$ 1,454,446,978.92	\$ 1,642,533,375.68
Net Revenues	4,443,453,804.60	4,999,576,253.50	5,674,625,548.92	6,591,684,806.81	7,355,779,164.19
Receipts to Petty Cash Accounts	<u>7,375.00</u>	<u>85,249.00</u>	<u>155,150.00</u>	<u>586,991.00</u>	<u>130,333.00</u>
Total Cash Available	5,017,321,777.35	5,916,034,483.64	6,936,733,245.20	8,046,718,776.73	8,998,442,872.87
Less:					
Net Expenditures	4,019,409,512.24	4,426,663,248.99	5,377,326,615.23	6,203,503,772.15	6,606,979,385.83
Net Interfund Transfers and Investment Transactions	81,539,144.02	227,418,628.32	104,928,891.05	200,658,683.90	412,525,377.10
Expenditures from Petty Cash Accounts	<u>139.95</u>	<u>60.05</u>	<u>30,760.00</u>	<u>22,945.00</u>	<u>49,845.00</u>
CLOSING NET CASH BALANCE	916,372,981.14	1,261,952,546.28	1,454,446,978.92	1,642,533,375.68	1,978,888,264.94
INVESTMENTS IN STATE TREASURY	<u>4,698,696,647.71</u>	<u>5,269,447,705.66</u>	<u>5,883,880,278.90</u>	<u>6,650,377,231.72</u>	<u>7,670,322,034.44</u>
TOTAL CASH AND INVESTMENTS	5,615,069,628.85	6,531,400,251.94	7,338,327,257.82	8,292,910,607.40	9,649,210,299.38
SUSPENSE AND TRUST CASH WITH STATE TREASURY	150,165,645.84	195,676,217.14	204,106,990.63	235,993,074.47	251,510,902.50
SECURITIES IN TRUST WITH STATE TREASURY	1,556,387,639.61	2,004,759,923.48	2,252,933,827.69	2,572,095,445.00	3,074,041,404.08
ACCOUNT WITH FEDERAL TREASURY	<u>323,463,783.80</u>	<u>352,063,351.31</u>	<u>262,171,885.14</u>	<u>218,183,037.18</u>	<u>246,270,720.81</u>
TOTAL ALL CASH, INVESTMENTS AND SECURITIES	<u>\$ 7,645,086,698.10</u>	<u>\$ 9,083,899,743.87</u>	<u>\$ 10,057,539,961.28</u>	<u>\$ 11,319,182,164.05</u>	<u>\$ 13,221,033,326.77</u>

STATE REVENUES

Introduction

Total state revenues for the year ended August 31, 1977, were \$7.36 billion. This represents an increase of 11.6 percent over the \$6.59 billion received during fiscal 1976.

Figure 1 illustrates the growth in state revenues and its major components for fiscal 1973-1977. Total revenues have increased from \$4.44 billion for fiscal 1973 to the \$7.36 billion recorded for fiscal 1977. This represents an average annual increase of 13.3 percent. The following table summarizes these changes:

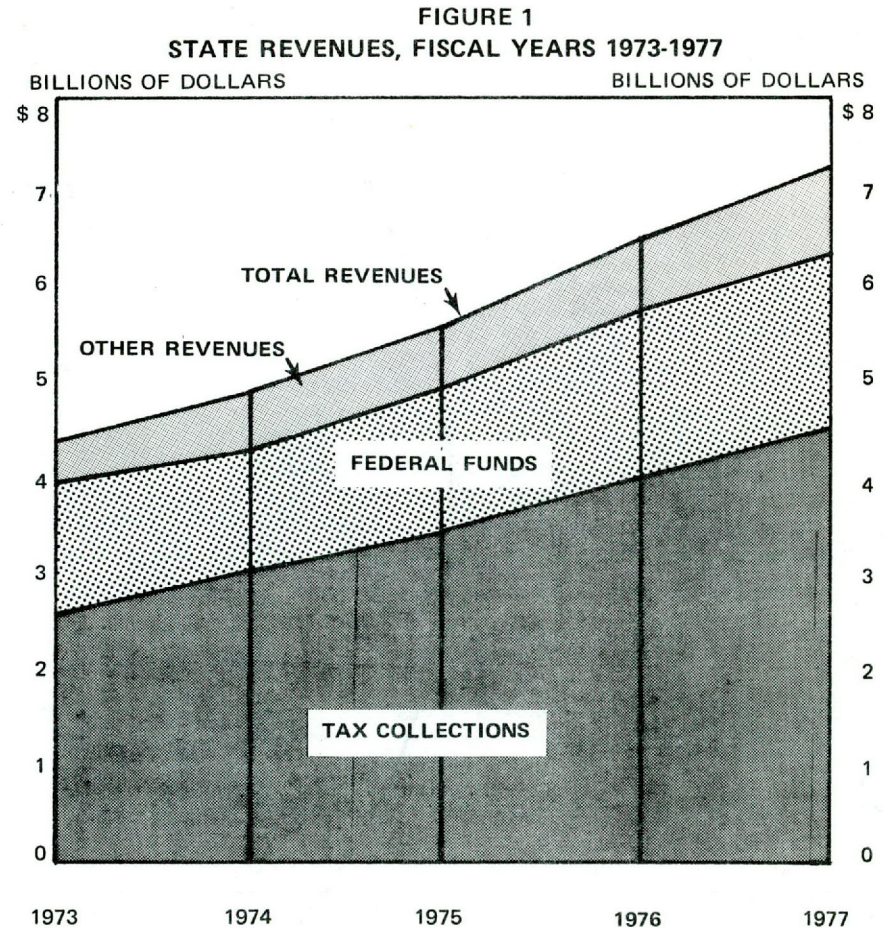
<u>Fiscal Year</u>	<u>Total Revenue (Millions of Dollars)</u>	<u>Percent Increase</u>
1973	\$ 4,443.5	--
1974	4,999.6	12.5%
1975	5,674.6	13.5
1976	6,591.7	16.2
1977	7,355.8	11.6

(This information is detailed in Tables 4 and 6.)

Major Components of State Revenue

As Figure 1 indicates, state taxes and federal funds account for most of the revenue received by the State. Tax collections are responsible for an average of 59.5 percent of all state receipts over the last five years. In fiscal 1977, state taxes represented 60.1 percent of total revenues. (See Table 5 and Figure 2).

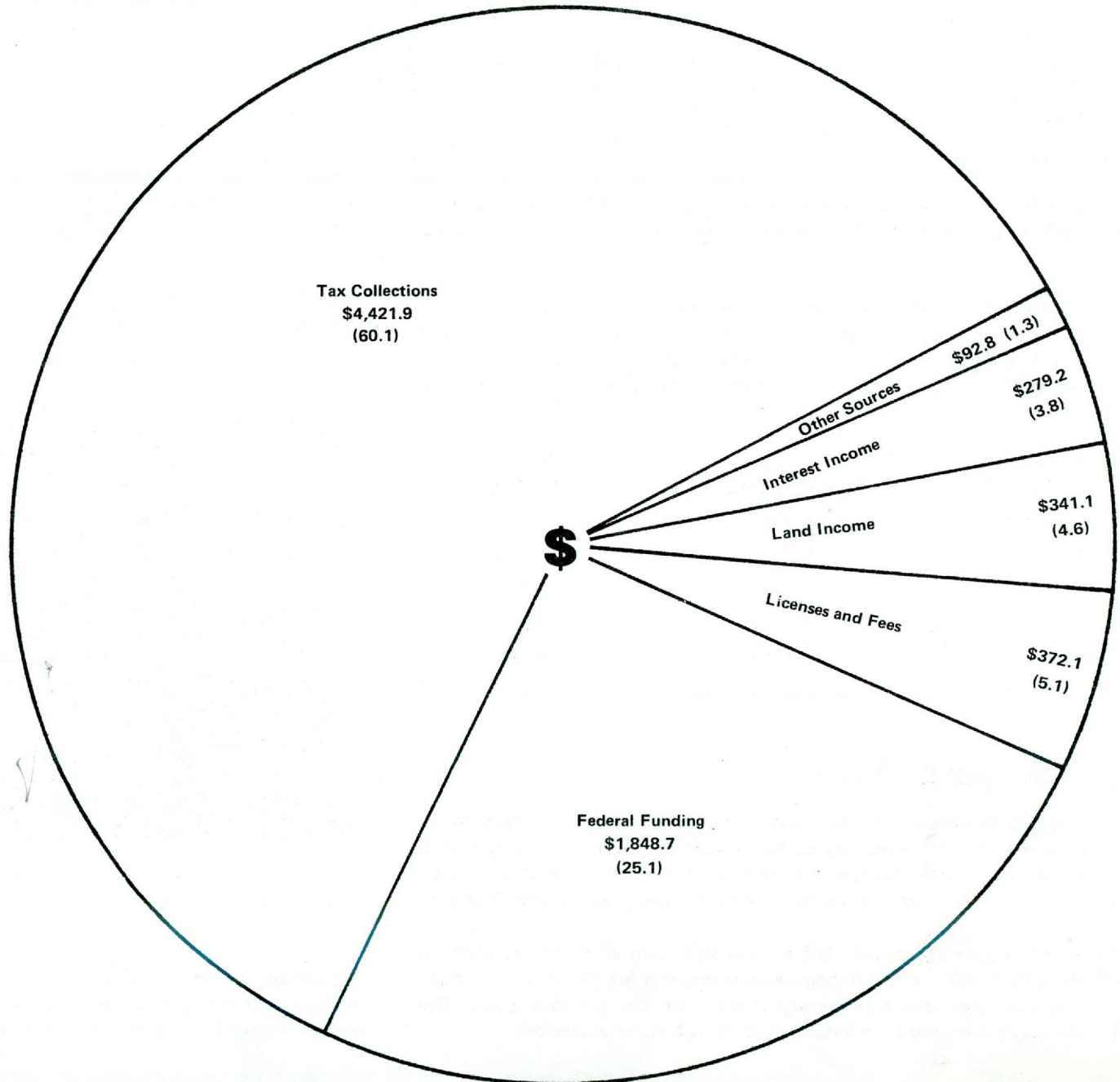
Federal funds have averaged 26.7 percent as a share of all state receipts for fiscal years 1973-1977. This funding source accounted for 25.1 percent of fiscal 1977 revenues, the lowest percentage share over the last five years. This reduction resulted chiefly from a decrease in federal highway receipts.



Licenses and fees have comprised an average of 5.7 percent of total state revenues over the last five years. During this period, the percentage share has declined from 6.6 percent in fiscal 1973 to 5.1 percent in 1977.

FIGURE 2
FISCAL YEAR 1977
NET STATE REVENUES

Millions of Dollars
(Percentage by Source)



Total 1977 State Revenues = \$7,355.8

TABLE 4
NET REVENUES^a AND OPENING CASH BALANCES, 1973-1977
(Year Ended August 31)

	1973	1974	1975	1976	1977
TAX COLLECTIONS BY MAJOR TAX					
Sales Tax ^b	\$ 926,211,008	\$ 1,126,238,969	\$ 1,266,637,463	\$ 1,478,372,157	\$ 1,689,043,253
Oil Production and Regulation Taxes	209,895,460	347,161,452	404,763,845	431,314,584	428,483,531
Natural Gas Production Tax	124,901,745	171,067,969	259,569,541	364,587,897	474,317,960
Motor Fuel Taxes (Gasoline, Diesel, LPG)	385,373,018	389,948,327	395,220,240	427,284,420	444,098,360
Cigarette and Tobacco Taxes	244,215,689	248,474,031	260,937,620	279,728,019	288,058,892
Motor Vehicle Sales Tax ^b	197,391,374	197,836,361	202,637,866	270,531,988	328,091,785
Corporation Franchise Tax	133,812,708	154,479,934	166,634,818	213,581,936	236,611,834
Alcoholic Beverages Taxes	82,736,139	89,281,291	92,388,244	98,508,140	105,061,652
Insurance Occupation Tax	77,163,151	84,347,171	92,028,432	102,517,127	120,039,325
Inheritance Tax	47,109,448	50,202,513	47,867,563	58,372,759	66,568,074
Ad Valorem (Property) Taxes	57,191,361	50,810,857	44,900,963	36,667,504	42,755,265
Utility Taxes	28,296,252	32,178,139	42,801,997	56,735,313	81,970,241
Telephone Tax	23,627,463	27,262,964	30,625,764	34,984,105	39,671,905
Other Taxes ^c	45,651,715	56,758,008	62,976,441	59,983,451	77,120,122
Total Tax Collections	<u>\$ 2,583,576,531</u>	<u>\$ 3,026,047,986</u>	<u>\$ 3,369,990,797</u>	<u>\$ 3,913,169,400</u>	<u>\$ 4,421,892,199</u>
REVENUES BY SOURCE					
Tax Collections	\$ 2,583,576,531	\$ 3,026,047,986	\$ 3,369,990,797	\$ 3,913,169,400	\$ 4,421,892,199
Licenses and Fees	292,035,105	307,580,053	315,468,409	340,153,790	372,136,401
Interest Income	132,139,051	169,020,498	213,002,855	234,170,910	279,200,792
Federal Funding	1,293,095,902	1,283,321,968	1,523,576,068	1,775,201,622	1,848,650,453
Land Income: Rents, Royalties, Sales	89,941,307	161,392,171	183,249,891	246,534,396	341,114,444
Other Revenue Sources ^d	52,665,909	52,213,578	69,337,529	82,454,689	92,784,875
TOTAL NET REVENUES	4,443,453,805	4,999,576,254	5,674,625,549	6,591,684,807	7,355,779,164
Receipts to Petty Cash Accounts	7,375	85,249	155,150	586,991	130,333
Opening Net Cash Balances, September 1					
State Treasury	573,663,863	916,169,011	1,261,663,387	1,454,033,430	1,641,555,781
Petty Cash Funds	196,735	203,970	289,159	413,549	977,595
Total, Opening Net Cash Balances, September 1	<u>573,860,598</u>	<u>916,372,981</u>	<u>1,261,952,546</u>	<u>1,454,446,979</u>	<u>1,642,533,376</u>
Total Net Revenues and Opening Cash Balances	<u>\$ 5,017,321,778</u>	<u>\$ 5,916,034,484</u>	<u>\$ 6,936,733,245</u>	<u>\$ 8,046,718,777</u>	<u>\$ 8,998,442,873</u>

^a Excludes some revenues not cleared through the Comptroller's Office.

^b Sales Tax (Limited Sales and Use Tax) and Motor Vehicle Sales Tax shown separately.

^c Hotel-motel and other occupation taxes not separately identified; cement and other gross receipts taxes not separately identified; and the Sulphur Tax.

^d Pay patient collections, grants, donations, and miscellaneous revenues.

TABLE 5
 PERCENTAGES OF NET REVENUE BY SOURCE, 1973-1977

	PERCENT OF TOTAL				
	1973	1974	1975	1976	1977
<u>TAX COLLECTIONS BY MAJOR TAX</u>					
Sales Tax	35.8%	37.2%	37.6%	37.8%	38.2%
Oil Production and Regulation Taxes	8.1	11.5	12.0	11.0	9.7
Natural Gas Production Tax	4.8	5.6	7.7	9.3	10.7
Motor Fuel Taxes (Gasoline, Diesel, LPG)	14.9	12.9	11.7	10.9	10.0
Cigarette and Tobacco Taxes	9.5	8.2	7.7	7.2	6.5
Motor Vehicle Sales Tax	7.6	6.5	6.0	6.9	7.4
Corporation Franchise Tax	5.2	5.1	4.9	5.5	5.4
Alcoholic Beverages Taxes	3.2	2.9	2.8	2.5	2.4
Insurance Occupation Tax	3.0	2.8	2.8	2.6	2.7
Inheritance Tax	1.8	1.7	1.4	1.5	1.5
Ad Valorem (Property) Taxes	2.2	1.7	1.3	0.9	1.0
Utility Taxes	1.1	1.1	1.3	1.5	1.8
Telephone Tax	0.9	0.9	0.9	0.9	0.9
Other Taxes	<u>1.9</u>	<u>1.9</u>	<u>1.9</u>	<u>1.5</u>	<u>1.8</u>
Total Tax Collections	100.0	100.0	100.0	100.0	100.0
<u>REVENUES BY SOURCE</u>					
Tax Collections	58.1	60.5	59.4	59.4	60.1
Licenses and Fees	6.6	6.2	5.6	5.2	5.1
Interest Income	3.0	3.4	3.8	3.6	3.8
Federal Funding	29.1	25.7	26.8	26.9	25.1
Land Income: Rent, Royalties, Sales	2.0	3.2	3.2	3.7	4.6
Other Revenue Sources	<u>1.2</u>	<u>1.0</u>	<u>1.2</u>	<u>1.2</u>	<u>1.3</u>
TOTAL NET REVENUES	100.0	100.0	100.0	100.0	100.0

TABLE 6
ANNUAL PERCENTAGE CHANGE IN NET REVENUE BY SOURCE, 1974-1977

	PERCENTAGE CHANGE FROM PRIOR YEAR			
	1974	1975	1976	1977
<u>TAX COLLECTIONS BY MAJOR TAX</u>				
Sales Tax	21.6%	12.5%	16.7%	14.3%
Oil Production and Regulation Taxes	65.4	16.6	6.6	- 0.7
Natural Gas Production Tax	37.0	51.7	40.5	30.1
Motor Fuel Taxes (Gasoline, Diesel, LPG)	1.2	1.4	8.1	3.9
Cigarette and Tobacco Taxes	1.7	5.0	7.2	3.0
Motor Vehicle Sales Tax	0.2	2.4	33.5	21.3
Corporation Franchise Tax	15.4	7.9	28.2	10.8
Alcoholic Beverages Taxes	7.9	3.5	6.6	6.7
Insurance Occupation Tax	9.3	9.1	11.4	17.1
Inheritance Tax	6.6	- 4.7	21.9	14.0
Ad Valorem (Property) Taxes	- 11.2	- 11.6	- 18.3	16.6
Utility Taxes	13.7	33.0	32.6	44.5
Telephone Tax	15.4	12.3	14.2	13.4
Other Taxes	24.3	11.0	- 4.8	28.6
Total Tax Collections	17.1	11.4	16.1	13.0
<u>REVENUES BY SOURCE</u>				
Tax Collections	17.1	11.4	16.1	13.0
Licenses and Fees	5.3	2.6	7.8	9.4
Interest Income	27.9	26.0	9.9	19.2
Federal Funding	- 0.8	18.7	16.5	4.1
Land Income: Rent, Royalties, Sales	79.4	13.5	34.5	38.4
Other Revenue Sources	- 0.9	32.8	18.9	12.5
TOTAL NET REVENUES	12.5	13.5	16.2	11.6

State tax revenues are more responsive to inflation and their growth has overshadowed the dollar increases in licenses and fees, which are generally levied at flat rates.

State income from oil, gas, and mineral royalties and leases from state lands accounted for 4.6 percent of all state revenues in fiscal 1977. The contribution of this revenue source to total receipts has more than doubled from 2.0 percent in fiscal 1973, chiefly as a result of substantial income gains due to rising oil and gas prices.

Interest income and miscellaneous revenue sources comprise the remaining receipts. Interest on state deposits represented an average of 3.5 percent of total revenues since 1973, with fiscal 1977 at 3.8 percent. Court costs and other miscellaneous revenues were 1.3 percent of all receipts during fiscal 1977, and have averaged slightly above 1.0 percent of total revenues over the last five years.

(A more detailed presentation of state revenues can be found in Table 17.)

Tax Collections

State tax receipts are the major source of revenue for state government and these have experienced substantial growth in recent years. Since fiscal 1973, increases in state tax collections have averaged 14.2 percent annually, growing from \$2.6 billion in fiscal 1973 to \$4.4 billion for fiscal 1977. Fiscal 1977 collections of \$4.4 billion exhibited an increase of 13.0 percent over the \$3.91 billion collected in fiscal 1976. The following table briefly outlines total tax collections for the last five fiscal years:

<u>Fiscal Year</u>	<u>Total Tax Collections (Millions of Dollars)</u>	<u>Percent Increase</u>
1973	\$ 2,583.6	--
1974	3,026.0	17.1%
1975	3,370.0	11.4
1976	3,913.2	16.1
1977	4,421.9	13.0

(This information is detailed in Tables 4 and 6.)

Figure 3 shows the major tax sources which comprise total collections. As the pie chart indicates, the sales tax is the major source of state tax dollars, totaling \$1.69 billion in fiscal 1977 and accounting for 38.2 percent of all tax collections. This tax source has registered substantial growth over the last five years, increasing from \$926.2 million in fiscal 1973 to \$1.69 billion in fiscal 1977. This represents an average annual increase of 15.9 percent for the period, with 1977 sales tax receipts slightly below average at a 14.3 percent gain over the \$1.48 billion collected during fiscal 1976.

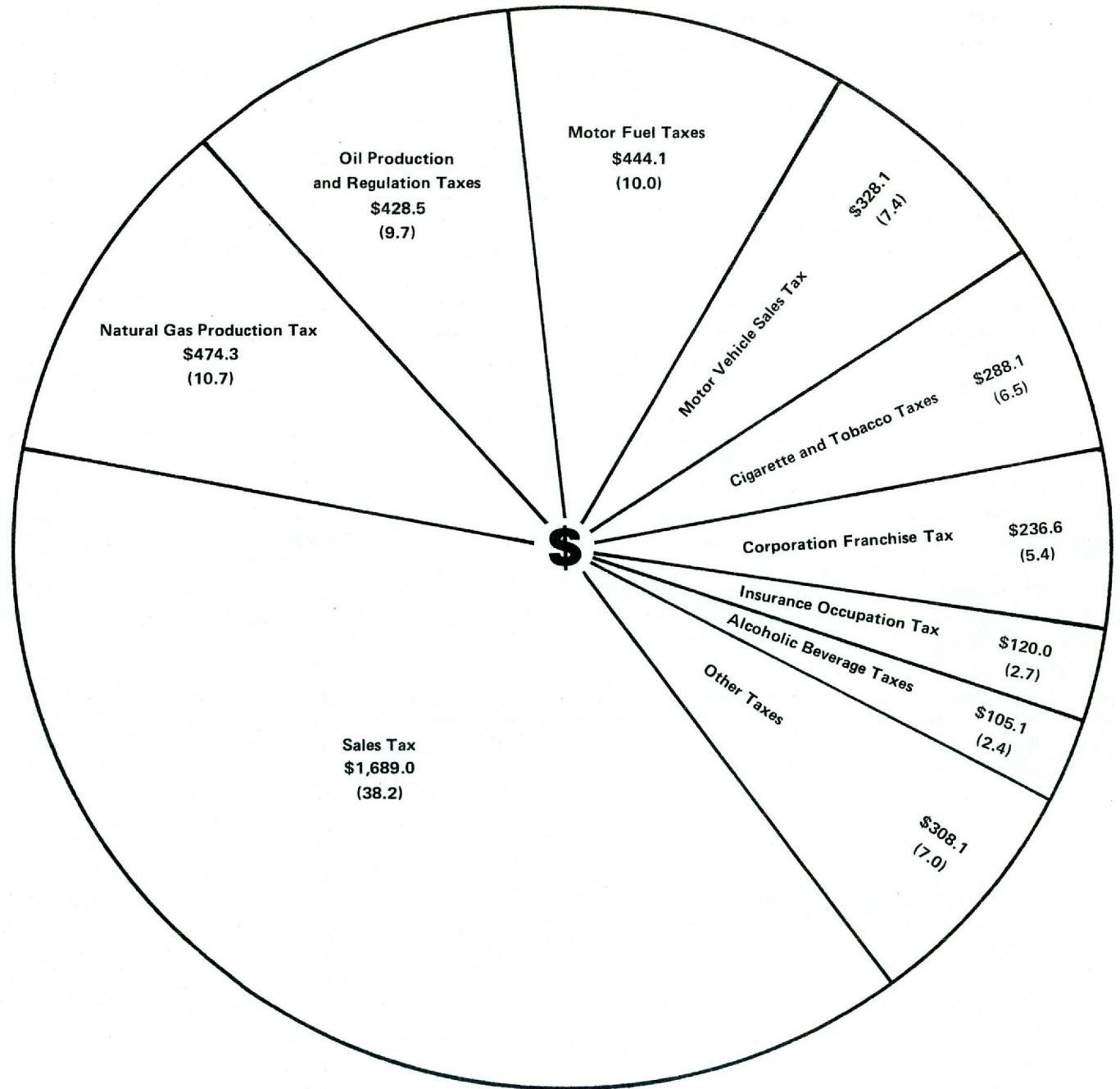
The natural gas production tax became the second major source of tax revenue during fiscal 1977, with receipts of \$474.3 million representing 10.7 percent of total collections. As the fastest growing source of tax revenue — natural gas production tax receipts have averaged annual increases of 39.1 percent over the last five years — the 7.5 percent levy on the value of natural gas produced within Texas has increased from 4.8 percent as a share of total taxes in fiscal 1973 to its 10.7 percent level in fiscal 1977. The rapid rise in natural gas prices is responsible for this increase since Texas natural gas production has declined continuously since 1974.

Oil production and regulation taxes are another major source of state tax revenue, with fiscal 1977 collections of \$428.5 million representing 9.7 percent of total tax collections. In contrast to the natural gas production tax, revenue from this tax source actually declined by 0.7 percent from fiscal 1976 collections of \$431.3 million. Declining production and federally controlled oil prices are the major reasons for the decline in the amount of revenue collected from the 4.6 percent levy on the value of crude oil produced in the State.

Motor fuel taxes of \$444.1 million accounted for 10 percent of fiscal 1977 collections, a modest 3.9 percent increase over fiscal 1976 receipts of \$427.3 million. Motor fuel taxes are the third largest source of state tax revenue. Levied at a flat 5 cents per gallon on gasoline and LPG and 6.5 cents on diesel fuel, taxes on motor fuel do not respond to price changes in the same fashion as oil and natural gas production taxes. As a result, this tax source has recorded average increases in collections of only 2.7 percent over the last five years. Slow growth in motor fuel consumption is responsible for the slight gains in motor fuel tax collections.

FIGURE 3
FISCAL YEAR 1977
NET TAX COLLECTIONS

Millions of Dollars
(Percentage by Source)



Total 1977 Tax Collections = \$4,421.9

The taxes on motor vehicle sales and rentals continued to show substantial gains during fiscal 1977, with collections of \$328.1 million registering at 21.3 percent increase above the \$270.5 million taken in during the previous fiscal year. As Table 6 indicates, motor vehicle sales and rental tax collections showed only slight increases during fiscal 1974 and 1975 — 0.2 percent and 2.4 percent, respectively — while most of the country was suffering the effects of an economic recession. As the economy began to improve in late 1975 and automobile prices began to rise, increased purchases of higher-priced cars and trucks boosted fiscal 1976 collections by 33.5 percent and 1977 motor vehicle sales tax receipts by the 21.3 percent mark.

Cigarette and tobacco taxes totaled \$288.1 million for fiscal 1977. The bulk of this revenue came from the cigarette tax (\$277.9 million), which was an \$8 million increase over the \$269.8 million collected during fiscal 1976 from the 18.5 cent levy on each package of cigarettes sold in Texas. The tobacco products tax (\$9.7 million) and cigarette and tobacco tax permit fees (\$0.5 million) were responsible for the rest of the collections under this tax source.

Repeating the experience of other flat-rate state taxes, cigarette and tobacco products have experienced only modest growth in recent years, an annual average of 3.7 percent for the period fiscal 1973-1977. This slow growth is illustrated in the declining percentage share of total taxes represented by cigarette and tobacco tax collections: from 9.5 percent in fiscal 1973 to 6.5 percent for fiscal 1977.

The corporation franchise tax netted \$236.6 million in collections during fiscal 1977, 5.4 percent of all tax collections. Levied at \$4.25 on each \$1,000 of stated capital, surplus, and undivided profits of corporations doing business in Texas, this tax source has experienced significant growth in recent years, averaging annual increases of 13.9 percent over the last five fiscal years. The 28.2 percent rise recorded during fiscal 1976 resulted from the settlement of several large protests which accounted for much of this growth. A 10.8 percent increase was experienced in fiscal 1977.

Occupation taxes on insurance companies brought in \$120 million during fiscal 1977, a 17.1 percent increase over 1976 collections of \$102.5 million. The insurance companies occupation tax is responsible for \$118.3 million of this total, and is assessed as a percentage of gross premiums, varying with the share of policyholders within the State and type of coverage. The tax on workmen's compensation programs offered by insurance companies resulted in \$1.7 million in tax revenue during fiscal 1977.

Alcoholic beverage taxes of \$105.1 million in fiscal 1977 represented 2.4 percent of total tax collections for the year. The beer tax (\$53.1 million) and liquor tax (\$38 million) made up most of this total, with taxes on wine and malt liquor as well as liquor permit fees responsible for the remainder.

Total alcoholic beverage tax revenues have averaged annual increases of 5.9 percent over the last five fiscal years. During this period, this tax source has declined as a share of total tax collections, from 3.2 percent in fiscal 1973 to 2.4 percent in fiscal 1977. Again, beer and liquor taxes are levied at flat rates, and have been overshadowed in growth by the value-based sales and oil and natural gas production taxes.

The inheritance tax resulted in fiscal 1977 collections totaling \$66.6 million, 1.5 percent of all tax receipts. Since independent factors — the number of Texans who die each year — affect the amount of inheritance tax revenue collected, the annual percentage change in revenues is not consistent. For the period fiscal 1973-1977, the percentage change from the prior year ranged from -4.7 percent in fiscal 1975 to 21.9 percent for fiscal 1976.

Utility taxes have been a rapidly growing revenue source in recent years, although receipts from these taxes account for less than 2 percent of total tax collections. The tax on electric, gas and water utilities brought in \$58.5 million during fiscal 1977, up from the \$45.3 million received during the prior year. This represents a 29.1 percent increase. In addition, the public utilities gross receipts tax which was first levied during fiscal 1977 to finance the activities of the Texas Public Utilities Commission raised \$9.5 million. The gas utility administration tax totaled \$13.9 million for the year.

The gross receipts tax on electric, gas and water utilities has grown astronomically since fiscal 1974, with an annual average increase of 31.5 percent. Skyrocketing utilities costs and the nature of this tax levy as a percentage of gross receipts have accounted for this increase.

Other tax sources include the ad valorem tax, telephone tax, and a number of smaller taxes. The state ad valorem tax is now used exclusively to retire college building fund bonds, and totaled \$42.8 million or 1 percent of fiscal 1977 tax collections. The gross receipts tax on telephone companies brought in \$39.7 million during the last fiscal year registering a 13.4 percent increase over fiscal 1976 collections of \$35 million. Miscellaneous taxes such as the sulphur and cement taxes, telegraph tax, and mixed drink gross receipts tax amounted to collections of \$77.1 million, 1.8 percent of total tax receipts.

The Texas Tax Structure: A Comparison With Other States

When the percentage shares of total tax collections from the major tax sources are examined, some interesting characteristics of the Texas tax structure and state taxation in general are highlighted. The accompanying table illustrates the percentage distribution of total tax collections for fiscal year 1976 – the latest comparable data that are available – in the five largest states (including Texas), the four regional states, and the U.S. average for all states and the District of Columbia. Since the focus is on state taxes, other revenue sources such as federal funding, licenses and fees, and rents and royalties from state lands are excluded from the discussion here.

Taxes on consumption – retail sales, motor fuels, tobacco products, and alcoholic beverages – account for the majority of all state tax collections in the U.S. (50.4 percent). Among the states listed, consumption taxes as a share of total collections range from 33.2 percent in New York to 62.7 percent in New Mexico. The Texas average was 62.5 percent, substantially above the U.S. average. (NOTE: Under the classification scheme by the Bureau of the Census,

the corporation franchise tax is listed under corporation license taxes, a category which is not included in this summary. This explains why the percentages for Texas in the table below differ slightly from those shown in Table 5.)

The general sales tax accounts for one-third of all state tax collections nationally, making it the largest single tax source in most states. Among the states listed, the share of total collections accounted for by the sales tax ranged from 22.9 percent in New York to 45.3 percent for New Mexico. Forty percent of the total collections in Texas were generated by the State's 4 percent sales tax levy.

Motor fuel taxes are based on gasoline, diesel, and special fuel consumption, usually levied at a flat rate on each gallon purchased. These taxes were 10.5 percent of average state tax collections. Texas' 5 cent tax on gasoline and liquefied gas and 6.5 cent levy on diesel fuel accounted for 11.5 percent of the State's total taxes in fiscal 1976.

PERCENTAGE DISTRIBUTION OF TAX COLLECTIONS BY SOURCE, BY STATE
FISCAL YEAR 1976

	<u>U.S.</u>	<u>California</u>	<u>New York</u>	<u>TEXAS</u>	<u>Pennsylvania</u>	<u>Illinois</u>	<u>Louisiana</u>	<u>Oklahoma</u>	<u>Arkansas</u>	<u>New Mexico</u>
General Sales and Gross Receipt Taxes	33.2%	36.5%	22.9%	40.0%	30.8%	38.2%	27.3%	20.7%	36.2%	45.3%
Individual Income Taxes	26.0	28.9	42.2	--	23.4	27.8	7.6	22.9	22.3	10.8
Motor Fuel Taxes	10.5	7.6	5.1	11.5	10.6	8.9	10.7	13.4	17.2	11.3
Corporate Income Taxes	8.8	12.5	12.1	--	13.6	7.1	5.7	6.1	8.5	4.4
Tobacco Products Taxes	4.2	2.6	3.6	7.5	5.4	4.3	3.6	5.7	6.7	2.5
Property Taxes	2.6	3.7	0.3	1.0	1.3	0.1	0.1	--	0.3	2.6
Public Utility Taxes	2.5	0.1	3.9	2.5	5.4	6.4	1.0	0.3	--	0.6
Alcoholic Beverage Taxes	2.5	1.2	1.6	3.5	2.3	1.7	2.9	3.7	2.6	1.2
Severance Taxes	2.5	0.1	--	21.6	--	--	36.2	17.2	1.3	16.3
Insurance Occupation Taxes	2.4	2.4	1.9	3.0	2.2	1.5	2.6	3.8	2.5	2.1
Inheritance Taxes	1.8	3.1	1.6	1.6	3.1	1.6	0.9	2.6	0.3	0.3
Other Taxes	3.0	1.3	4.8	7.8	1.9	2.4	1.4	3.6	2.1	2.6
TOTAL TAX COLLECTIONS	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>

SOURCE: Calculated from U.S. Department of Commerce, Bureau of the Census, State Government Finances in 1976 (Washington, D.C.: U.S. Government Printing Office, 1977), Table 7, pp. 18-27.

Individual and corporate income taxes follow levies on consumption as a major component of state taxation. The national averages indicate that 34.8 percent of all state taxes were based on individual and corporate income. Texas is the only state among those listed not to tax personal or business income, while 54.3 percent of New York's state tax collections were levied on an income base.

The regional nature of taxes on oil and gas resources is clear when severance tax collections are examined. While severance taxes are only 2.5 percent of all U.S. state tax collections, they account for substantial shares of tax revenue in Texas (21.6 percent), Louisiana (36.2 percent), Oklahoma (17.2 percent), and New Mexico (16.3 percent). In contrast, New York, Pennsylvania, and Illinois collect little or no severance taxes, and California receives only 0.1 percent of its total taxes from levies on natural resources.

Tax Collections Deposited in the Major State Funds

Table 7 outlines how state tax revenues flow into the major funds from which revenues are transferred and expended to finance state government activities. Four major funds are detailed: (1) the General Revenue Fund, (2) Available School Fund, (3) Highway Motor Fuel Fund, and (4) the Omnibus Tax Clearance Fund.

The General Revenue Fund is the major state operating fund from which most agencies are financed. The Legislature has wide discretion in appropriating these funds, although substantial sums of general revenue money are usually spent on the Foundation School Program. In addition, approximately \$9 million is spent each year to retire State Water Development Bonds.

As the table indicates, the state sales tax and the corporation franchise tax are the major sources of tax revenue for the State's General Revenue Fund. Total fiscal 1977 tax receipts deposited in the General Revenue Fund were \$2 billion. The other three funds have constitutional limits which " earmark " their revenues for specific purposes. The Available School Fund receives little direct tax revenue (only \$557,517 during fiscal 1977), but substantial amounts of tax dollars are transferred to this fund from the Omnibus Tax Fund and the Highway Motor Fuel Fund for distribution to local school districts.

The Highway Motor Fuel Fund is the depository for state motor fuel tax receipts, totaling \$444.1 million during fiscal 1977. Allocations of this tax

revenue are made to the Available School Fund, the State Highway Fund, and the County and District Road Indebtedness Fund.

The Omnibus Tax Clearance Fund is the largest of the tax clearance funds from which a variety of revenues are distributed to state operating funds for expenditure. The major tax revenues deposited into this fund include the natural gas production tax (\$474.3 million), oil production and regulation taxes (\$428.5 million), motor vehicle sales and rental taxes (\$328.1 million), and the taxes on cigarettes and tobacco products (\$278 million). Other important tax revenues received by the Omnibus Tax Fund include alcoholic beverage tax collections of \$92.8 million, insurance companies occupation taxes of \$118.3 million, and gross receipts taxes on electric, gas, and water utilities of \$39.7 million. These tax revenues are allocated to various funds to finance tax collection activities, public schools, and a series of priority programs designated by the Legislature. (Detailed discussions of the Highway Motor Fuel Fund and the Omnibus Tax Clearance Fund are included in a later section of this report.)

Federal Funds

Federal funds of \$1.85 billion accounted for 25.1 percent of all state revenues during fiscal year 1977, and were second only to tax collections as a major source of financing for state government activities. This amount is a 4.1 percent increase over the \$1.78 billion received during fiscal 1976. The 25.1 percent share of all revenues constitutes the lowest proportion of federal receipts for the last five years. (See Tables 5 and 6.)

Figure 4 illustrates the growth in federal funds and the major program areas in which funds have been received over the last five fiscal years. Total federal receipts have grown from \$1.29 billion to \$1.85 billion for the period fiscal 1973-1977, averaging annual increases of 9.6 percent. As the graph indicates, federal funds for welfare, education and highways account for three-quarters of these receipts.

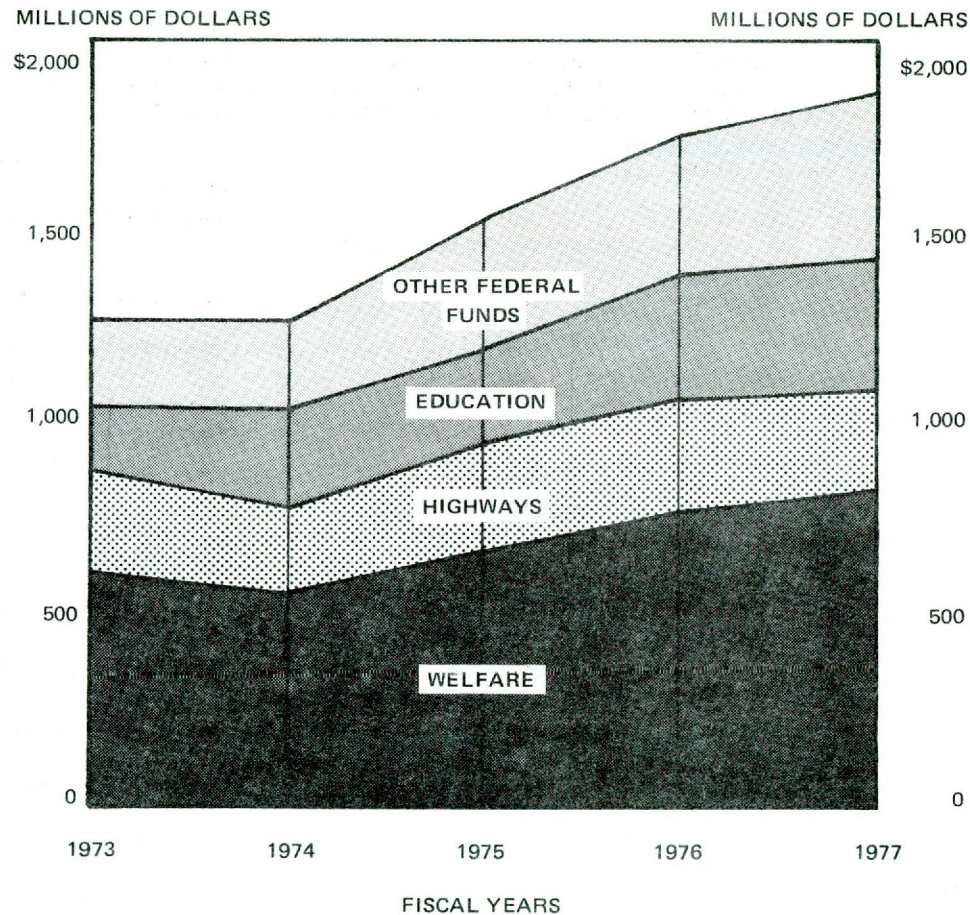
A breakdown of federal funds for eleven program categories over a five-year period is presented in Table 8. These categories reflect major areas of state spending and were compiled by aggregating the federal receipts of those agencies and/or state programs whose primary responsibilities fall under a particular categorical heading. Revenue sharing, which can be spent in a variety of ways, was separated as a distinct category, although nearly all of the revenue sharing funds received by the State during fiscal 1977 were spent on higher education.

TABLE 7
NET TAX REVENUES OF MAJOR FUNDS
Year Ended August 31, 1977

Tax	General Revenue Fund 001	Available School Fund 002	Highway Motor Fuel Fund 060	Omnibus Tax Clearance Fund 120	Major Funds Total	All Funds	Major Funds As a Percent of Total
Limited Sales Excise & Use Tax	\$ 1,681,082,693				\$ 1,681,082,693	\$ 1,689,043,253	99.5%
Production & Regulation — Crude Oil				\$ 428,483,531	428,483,531	428,483,531	100.0
Natural & Casinghead Gas Tax				474,317,960	474,317,960	474,317,960	100.0
Motor Fuel Tax (Gasoline, Diesel, LPG)			\$ 444,098,360		444,098,360	444,098,360	100.0
Cigarette & Tobacco Products Taxes & Licenses	9,911,437			277,972,455	287,883,892	288,058,892	99.9
Motor Vehicle Sales Tax				328,091,785	328,091,785	328,091,785	100.0
Franchise Tax	236,611,834				236,611,834	236,611,834	100.0
Alcoholic Beverages Taxes & Licenses	2,179,752			92,780,811	94,960,563	105,061,652	90.4
Insurance Companies Occupation Tax				118,302,327	118,302,327	120,039,325	98.6
Inheritance Tax	66,568,074				66,568,074	66,568,074	100.0
Ad Valorem Tax	2,063	555,717			557,780	42,755,265	1.3
Utilities Tax	9,546,799			58,483,751	68,030,550	81,970,241	83.0
Telephone Companies Tax				39,671,905	39,671,905	39,671,905	100.0
Sulphur Tax				4,479,734	4,479,734	4,479,734	100.0
Cement Tax				4,030,941	4,030,941	4,030,941	100.0
Other — Production & Gross Receipts Taxes	5,400	1,800		3,917,433	3,924,633	59,224,592	6.6
Hotel, Motel & Miscellaneous Excise Tax	17,089,007				17,089,007	17,089,007	100.0
Other Occupation Taxes				(7,704,152)	(7,704,152)	(7,704,152) ^a	100.0
Totals	\$ 2,022,997,059	\$ 557,517	\$ 444,098,360	\$ 1,822,828,481	\$ 4,290,481,417	\$ 4,421,892,199	97.0%

^a Admission Tax Refunds due to Court Decision.

FIGURE 4
FEDERAL FUNDS RECEIVED BY THE STATE, FISCAL YEARS 1973-1977



Of the eleven categories listed all except Highways/Transportation experienced increases from fiscal 1976. The category showing the greatest percentage change was General Government. This rise was due mostly to increases in the Governor's Federal Assistance Projects Fund (a \$4.8 million increase), and the addition of the new Antirecessionary Fiscal Assistance Program (\$8.7 million). In fiscal 1977, federal receipts for the Highways/Transportation category were down by nearly \$42.5 million or 13.8 percent from the previous year. (See Figure 5 for a breakdown of federal funds by program category.)

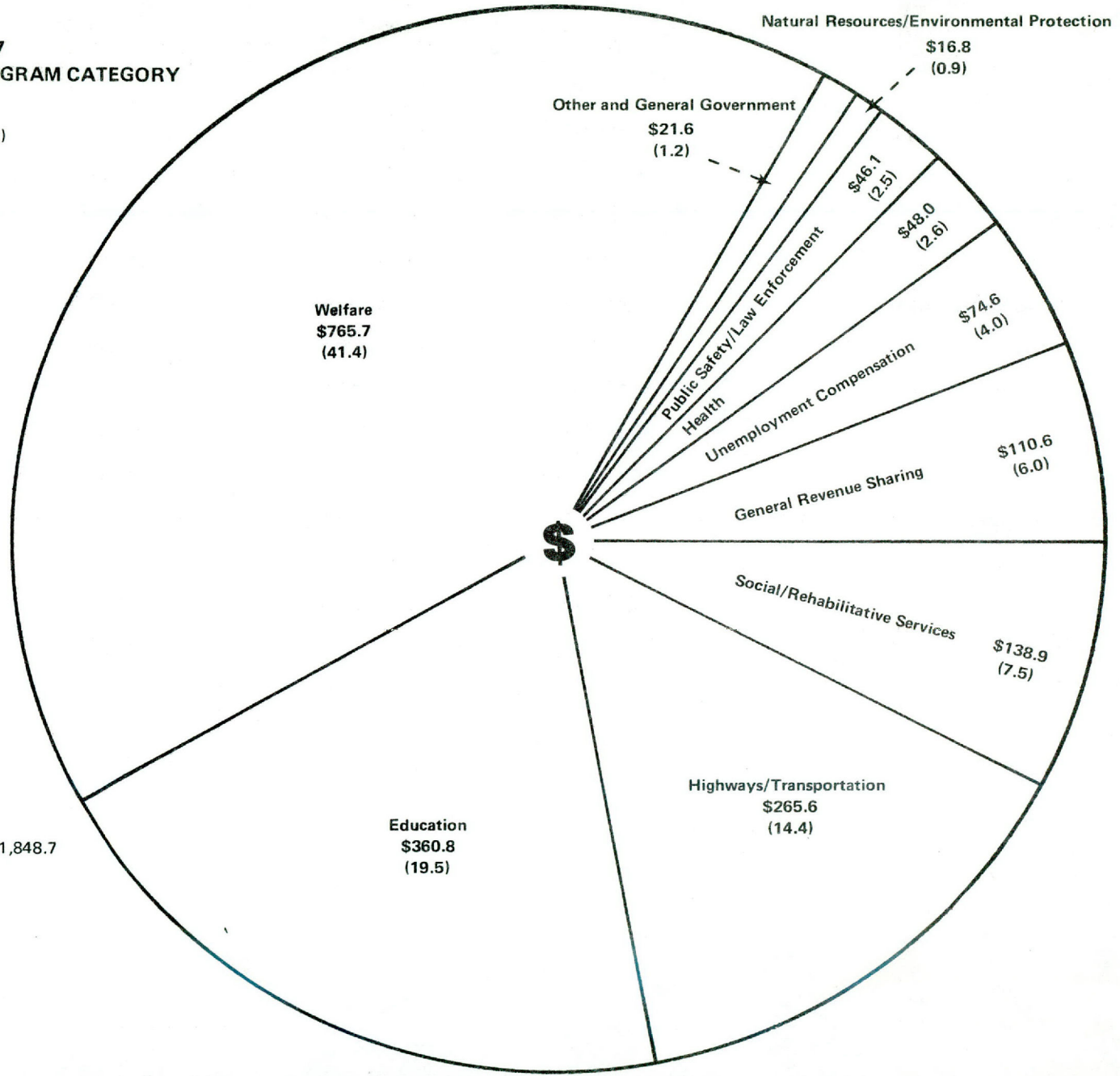
Table 9 lists those state agencies which receive more than \$1 million in federal revenues. The table reveals that the top three agencies — the Department of Public Welfare (now Department of Human Resources), the Texas Education Agency, and the State Department of Highways and Public Transportation — received \$1.4 million or 75.3 percent of total fiscal 1977 federal revenues. Of the seventeen agencies listed in the table, thirteen experienced increases in federal receipts while only four received funding below fiscal 1976 levels.

TABLE 8
 FEDERAL FUND REVENUES BY PROGRAM CATEGORY, 1973-1977
 Year Ended August 31

Program Category	1973	1974	1975	1976	1977
Welfare	\$ 565,938,931.18	\$ 513,558,824.71	\$ 617,593,323.51	\$ 726,009,873.36	\$ 765,691,298.87
Education	212,685,737.06	239,110,514.37	258,011,201.90	327,994,308.13	360,818,703.04
Highways/Transportation	217,220,197.50	219,745,095.88	269,860,034.94	308,049,097.56	265,595,436.00
Social/Rehabilitative Services	55,554,366.98	81,606,972.96	120,744,613.10	135,405,493.98	138,905,454.72
Revenue Sharing	127,708,956.00	97,041,388.00	97,972,777.00	103,016,812.00	110,568,223.00
Unemployment Compensation	42,974,103.80	50,734,382.81	54,533,831.00	64,879,134.63	74,611,024.12
Health	18,335,319.69	18,139,371.40	31,959,498.61	39,851,713.06	48,034,761.12
Public Safety/Law Enforcement	36,769,191.75	45,684,781.67	47,675,014.25	45,767,378.24	46,087,128.17
Natural Resources/Environmental Protection	11,810,695.57	13,140,842.13	16,783,769.55	16,047,905.14	16,787,052.90
General Government	1,804,610.88	2,493,528.83	3,328,779.23	2,491,423.94	15,927,009.59
Other	<u>2,293,791.72</u>	<u>2,066,264.87</u>	<u>5,113,225.22</u>	<u>5,688,482.75</u>	<u>5,624,361.13</u>
TOTAL	<u>\$ 1,293,095,902.13</u>	<u>\$ 1,283,321,967.63</u>	<u>\$ 1,523,576,068.31</u>	<u>\$ 1,775,201,622.79</u>	<u>\$ 1,848,650,452.66</u>

FIGURE 5
FISCAL YEAR 1977
FEDERAL FUND REVENUES BY PROGRAM CATEGORY

Millions of Dollars
 (Percentage by Category)



TOTAL FISCAL 1977 FEDERAL FUNDS = \$1,848.7

TABLE 9
FEDERAL FUND REVENUES BY AGENCY, 1973-1977
Year Ended August 31

STATE AGENCY	1973	1974	1975	1976	1977
Department of Public Welfare	\$ 565,938,921.18	\$ 513,558,824.71	\$ 617,593,323.51	\$ 726,009,873.36	\$ 765,691,298.87
Education Agency	211,477,161.51	236,741,203.89	254,832,066.74	324,656,411.73	353,589,414.87
Department of Highways and Public Transportation	217,200,197.50	219,704,962.33	269,778,733.23	308,859,630.55	265,572,862.31
Revenue Sharing ^a	127,708,956.00	97,041,388.00	97,972,777.00	103,016,812.00	110,568,223.00
Employment Commission	42,974,103.80	50,734,382.81	54,533,831.00	64,879,134.63	74,611,024.12
Governor's Office	35,815,327.84	50,687,727.16	58,080,134.98	56,022,441.61	63,210,612.45
Rehabilitation Commission	37,822,772.00	49,768,961.69	57,352,023.06	51,565,327.27	59,189,659.60
Department of Health Resources	18,335,319.69	18,139,371.40	31,959,498.61	39,851,713.06	48,034,761.12
Department of Community Affairs	6,597,629.92	13,235,748.66	35,408,779.79	56,662,132.67	44,994,619.69
Commission for the Blind	7,629,025.00	9,470,855.00	12,408,712.22	11,776,793.04	13,497,834.33
Parks and Wildlife Department	10,061,939.21	9,194,922.17	11,836,310.97	11,195,559.10	11,058,781.30
Antirecessionary Fiscal Assistance ^a	--	--	--	--	8,704,173.00
Department of Public Safety	3,788,065.35	3,356,155.25	3,171,023.22	2,477,874.95	6,163,500.76
Coordinating Board	1,042,950.59	2,183,745.53	3,000,654.49	3,135,663.05	4,845,351.44
Commission on Alcoholism	1,213,946.57	2,339,386.57	4,156,312.00	3,116,591.61	3,941,502.00
Library and Historical Commission	1,566,838.95	1,133,913.66	3,906,769.00	3,843,408.00	2,855,974.12
Water Quality Board	1,023,048.85	1,884,459.68	2,059,333.14	1,641,449.57	2,499,882.93
Air Control Board	169,302.66	1,575,819.00	2,315,561.00	1,719,388.00	1,846,028.00
Texas State Technical Institute	<u>58,987.71</u>	<u>84,739.62</u>	<u>78,451.73</u>	<u>564.99</u>	<u>1,584,161.36</u>
Subtotal	1,290,424,494.33	1,280,836,567.13	1,520,444,295.69	1,770,430,769.19	1,842,459,665.27
Percent of All Federal Revenues	99.79%	99.81%	99.79%	99.73%	99.67%
All Other State Agencies	<u>2,671,407.80</u>	<u>2,485,400.50</u>	<u>3,131,772.62</u>	<u>4,770,853.60</u>	<u>6,190,787.39</u>
TOTAL	<u>\$ 1,293,095,902.13</u>	<u>\$ 1,283,321,967.63</u>	<u>\$ 1,523,576,068.31</u>	<u>\$ 1,775,201,622.79</u>	<u>\$ 1,848,650,452.66</u>

STATE EXPENDITURES

Expenditures By Function

Total state expenditures during fiscal year 1977 were \$6.6 billion, a 6.5 percent increase over fiscal 1976 spending of \$6.2 billion.

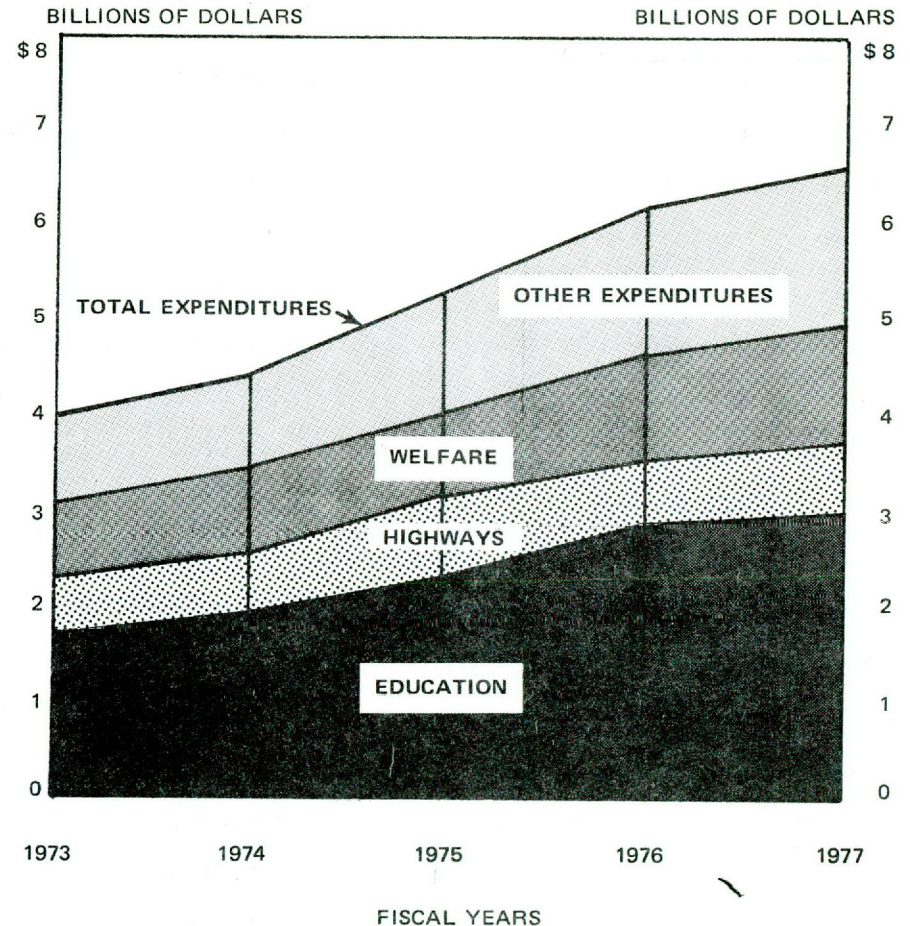
Figure 6 shows the growth in expenditures and the major functional categories of state spending over the last five years. Total expenditures have risen from \$4 billion in fiscal 1973 to the \$6.6 billion recorded for 1977, an average annual increase of 12.1 percent. As the graph illustrates, education is an important function of state government, followed by public welfare and highways. The table below summarizes state expenditures for the last five fiscal years:

<u>Fiscal Year</u>	<u>Total Expenditures (Millions of Dollars)</u>	<u>Percent Increase</u>
1973	\$ 4,019.4	--
1974	4,426.7	10.1%
1975	5,377.3	21.5
1976	6,203.5	15.4
1977	6,607.0	6.5

As Figure 7 indicates, state support for higher and public education totaled \$3.1 billion in fiscal 1977, accounting for 46.4 percent of all state expenditures. Education's share of total spending has been fairly constant over the last five years, averaging slightly under 45 percent. Education costs have grown at a faster rate than total expenses, with annual average growth of 13.3 percent for the period. (See Tables 10, 11, and 12, and Figure 6.)

Public welfare was the second largest function of state spending during fiscal 1977, with outlays of \$1.17 billion representing 17.6 percent of total expenditures. Total welfare spending has increased from \$811.3 million in fiscal 1973 to the 1977 \$1.17 billion level. While a modest decrease of 1.7 percent in welfare spending was recorded for fiscal 1974, welfare costs over the last four years have averaged increases of 13.1 percent. Federal funds accounted for 67.8 percent of state welfare expenditures over the five-year period.

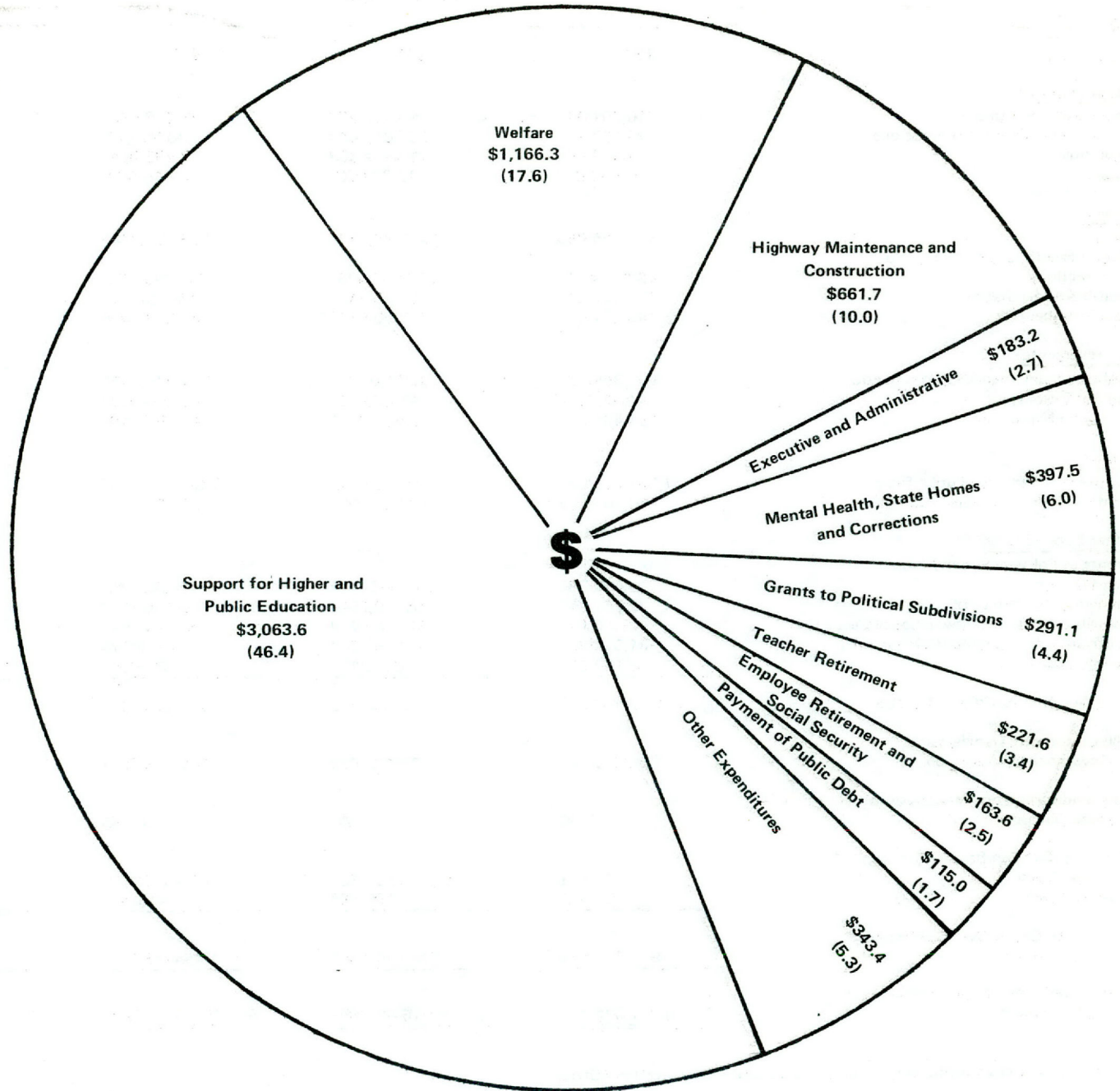
FIGURE 6
STATE EXPENDITURES BY FUNCTION, FISCAL YEARS 1973-1977



State highway spending was \$661.7 million during fiscal 1977, down by \$69.6 million or 9.5 percent from the previous year. Highway construction and maintenance activities were responsible for 10 percent of total state expenditures during fiscal 1977, a decline from the 14.1 percent average for 1973-1976. Reductions in federal highway aid of \$42.4 million accounted for much of the decline in highway spending experienced during the last fiscal year.

FIGURE 7
FISCAL YEAR 1977
NET EXPENDITURES BY FUNCTION

Millions of Dollars
(Percentage by Function)



Total 1977 Expenditures = \$6,607.0

TABLE 10
NET EXPENDITURES^a BY FUNCTION AND CLOSING CASH BALANCES, 1973-1977
 (Year Ended August 31)

	1973	1974	1975	1976	1977
Administrative					
Executive Departments	\$ 50,601,092	\$ 61,410,277	\$ 75,667,588	\$ 99,164,493	\$ 102,742,521
Business Regulatory Commissions	24,159,110	27,093,614	30,230,176	36,044,571	42,015,417
Legislative	13,640,526	17,472,403	19,498,974	16,703,699	20,885,451
Judicial	10,549,860	12,325,052	13,140,568	16,379,725	17,516,840
Services					
Welfare	811,285,596	797,784,376	885,772,343	1,044,634,016	1,166,266,695
Mental Health, State Homes and Corrections	192,379,163	225,979,432	266,937,602	327,500,959	397,454,153
Health And Sanitation	61,394,182	77,960,345	98,750,001	134,197,085	131,061,152
Law Enforcement	48,401,261	57,007,936	62,283,476	74,654,359	83,229,844
Improvements					
Highway Maintenance & Construction	583,386,605	649,319,419	831,750,976	731,239,352	661,682,738
Natural Resources	41,425,913	48,187,822	55,096,020	63,506,741	70,608,239
Parks and Monuments	34,434,762	38,651,210	47,957,498	61,815,569	49,774,038
Education					
Support for Higher & Public Education	1,746,309,953	1,950,030,142	2,307,419,353	2,895,239,544	3,063,550,666
Contribution to Teacher Retirement	150,965,170	143,147,250	253,250,723	204,512,810	221,631,444
Other Expenditures					
Grants to Political Subdivisions and Others	99,463,986	141,967,490	201,255,140	246,114,538	291,067,268
Payment of Public Debt	72,747,042	79,109,643	88,185,114	98,480,622	114,990,492
Contributions to Employee Social Security	43,615,147	54,489,757	66,744,571	77,439,197	86,969,626
Contributions to Employee Retirement	31,517,535	39,654,964	67,497,223	64,775,610	76,626,607
Miscellaneous	3,132,609	5,072,117	5,889,269	11,100,882	8,906,195
TOTAL NET EXPENDITURES	4,019,409,512	4,426,663,249	5,377,326,615	6,203,503,772	6,606,979,386
Net Interfund Transfers and Investment Transactions	81,539,145	227,418,629	104,928,891	200,658,684	412,525,377
Expenditures from Petty Cash to State Treasury	140	60	30,760	22,945	49,845
Closing Net Cash Balances, August 31					
State Treasury	916,169,011	1,261,663,387	1,454,033,430	1,641,555,781	1,977,830,182
Petty Cash	203,970	289,159	413,549	977,595	1,058,083
Total, Closing Net Cash Balances, August 31	<u>916,372,981</u>	<u>1,261,952,546</u>	<u>1,454,446,979</u>	<u>1,642,533,376</u>	<u>1,978,888,265</u>
Total Net Expenditures and Closing Cash Balances	\$ 5,017,321,778	\$ 5,916,034,484	\$ 6,936,733,245	\$ 8,046,718,777	\$ 8,998,442,873

^a Excludes some expenditures not cleared through the Comptroller's Office.

For expenditure detail, see Table 18, page 46.

TABLE 11
 PERCENTAGES OF NET EXPENDITURES BY FUNCTION, 1973-1977

EXPENDITURES	PERCENT OF TOTAL				
	1973	1974	1975	1976	1977
<u>Administrative</u>					
Executive Departments	1.2%	1.4%	1.4%	1.5%	1.5%
Business Regulatory Commissions	0.6	0.6	0.6	0.6	0.6
Legislative	0.3	0.4	0.4	0.3	0.3
Judicial	0.3	0.3	0.2	0.3	0.3
<u>Services</u>					
Welfare	20.2	18.0	16.5	16.8	17.6
Mental Health, State Homes and Corrections	4.8	5.1	5.0	5.3	6.0
Health and Sanitation	1.5	1.8	1.8	2.2	2.0
Law Enforcement	1.2	1.3	1.2	1.2	1.3
<u>Improvements</u>					
Highway Maintenance & Construction	14.5	14.7	15.4	11.8	10.0
Natural Resources	1.0	1.1	1.0	1.0	1.1
Parks and Monuments	0.9	0.9	0.9	1.0	0.8
<u>Education</u>					
Support for Higher & Public Education	43.4	44.0	42.9	46.7	46.4
Contribution to Teacher Retirement	3.8	3.2	4.8	3.3	3.4
<u>Other Expenditures</u>					
Grants to Political Subdivisions and Others	2.5	3.2	3.7	4.0	4.4
Payment of Public Debt	1.8	1.8	1.6	1.6	1.7
Contributions to Employee Social Security	1.1	1.2	1.2	1.2	1.3
Contributions to Employee Retirement	0.8	0.9	1.3	1.0	1.2
Miscellaneous	0.1	0.1	0.1	0.2	0.1
TOTAL NET EXPENDITURES	100.0	100.0	100.0	100.0	100.0

TABLE 12
ANNUAL PERCENTAGE CHANGE IN NET EXPENDITURES BY FUNCTION, 1974-1977

EXPENDITURES	PERCENTAGE CHANGE FROM PRIOR YEAR			
	1974	1975	1976	1977
<u>Administrative</u>				
Executive Departments	21.4%	23.2%	31.1%	3.6%
Business Regulatory Commissions	12.2	11.6	19.2	16.6
Legislative	28.1	11.6	- 14.3	25.0
Judicial	16.8	6.6	24.7	6.9
<u>Services</u>				
Welfare	- 1.7	11.0	17.9	11.6
Mental Health, State Homes and Corrections	17.5	18.1	22.7	21.4
Health and Sanitation	27.0	26.7	35.9	- 2.3
Law Enforcement	17.8	9.3	19.9	11.5
<u>Improvements</u>				
Highway Maintenance & Construction	11.3	28.1	- 12.1	- 9.5
Natural Resources	16.3	14.3	15.3	11.2
Parks and Monuments	12.2	24.1	28.9	- 19.5
<u>Education</u>				
Support for Higher & Public Education	11.7	18.3	25.5	5.8
Contribution to Teacher Retirement	- 5.2	79.7	- 20.2	8.4
<u>Other Expenditures</u>				
Grants to Political Subdivisions and Others	42.7	38.9	22.3	18.3
Payment of Public Debt	8.7	11.5	11.7	16.8
Contributions to Employee Social Security	24.9	22.5	16.0	12.3
Contributions to Employee Retirement	25.8	70.2	- 4.0	18.3
Miscellaneous	61.9	16.1	88.5	- 19.8
TOTAL NET EXPENDITURES	10.1	21.5	15.4	6.5

Expenditures for mental health and correctional services totaled \$397.5 million during fiscal 1977, an increase of \$70 million or 21.4 percent above fiscal 1976. This functional grouping has been one of the fastest-growing categories of state spending, with outlays during fiscal 1973 of \$192.4 million increasing to the \$397.5 million level recorded for fiscal 1977. The average annual increase in mental health and correctional expenditures was 19.8 percent for the five-year period. Correspondingly, the share of total state expenditures made for mental health and correctional services has increased from 4.8 percent for fiscal 1973 to 6.0 percent for fiscal 1977.

Grants to political subdivisions and others has been a rapidly growing function of state spending in recent years. During fiscal 1977, these grants totaled \$291.1 million, an increase of \$45 million or 18.3 percent above the previous year. As the detail in Table 18 indicates, these grants can be classified into four major categories: (1) grants to local governments and community organizations by the Governor's Office and the Texas Department of Community Affairs; (2) grants for mental health services by the Texas Department of Mental Health and Mental Retardation, various state homes, and mental health clinics; (3) public health and rehabilitative services grants by the Department of Health Resources and the Rehabilitation Commission; and (4) miscellaneous grants by a number of state agencies for social services, transportation, recreational, and educational purposes.

State contributions to the teacher retirement system totaled \$221.6 million during fiscal 1977. This represents increased contributions of \$17.1 million over the previous year, an 8.4 percent rise. However, 1976 contributions had fallen off by more than 20 percent from those made during fiscal 1975; state outlays for teacher retirement costs in fiscal 1977 were still well below the \$253.3 million paid out during that year.

Administrative costs for state government were \$183.2 million for fiscal 1977. Expenditures by executive departments (\$102.7 million), business regulatory commissions (\$42 million), the Texas Legislature (\$20.9 million), and the judiciary (\$17.5 million) showed little increase over fiscal 1976. Since agency appropriations are made for two-year intervals, it is not unusual for departments with administrative duties to show only modest spending increases during the second year of an appropriations period.

Among the remaining categories of state spending, expenditures on public

health and sanitation activities reached \$131.1 million, accounting for 2 percent of all state expenditures. Payments of public debt totaled \$115 million, a 16.8 percent increase from the previous year. State employee social security and retirement costs for the year were \$87 million and \$76.6 million, respectively. Law enforcement activities resulted in state expenses of \$83.2 million during fiscal 1977. State spending for the development of natural resources was \$70.6 million during the last fiscal year while outlays for the State's parks and monuments were \$49.8 million.

Expenditures By Object

State expenditures by object are summarized in Table 13 and Figure 8, providing an interesting second look at how state revenues are spent. (See Table 19 for detailed information.)

The salaries and wages of state employees were the largest object of state spending during fiscal 1977, with outlays of \$1.7 billion accounting for 25.4 percent of the \$6.6 billion total. State spending for salaries and wages has grown by an average of 15.6 percent annually over the last five years, although the share of total expenditures going to employee compensation has increased only slightly, from 23.2 percent in fiscal 1973 to the 25.4 percent recorded last year.

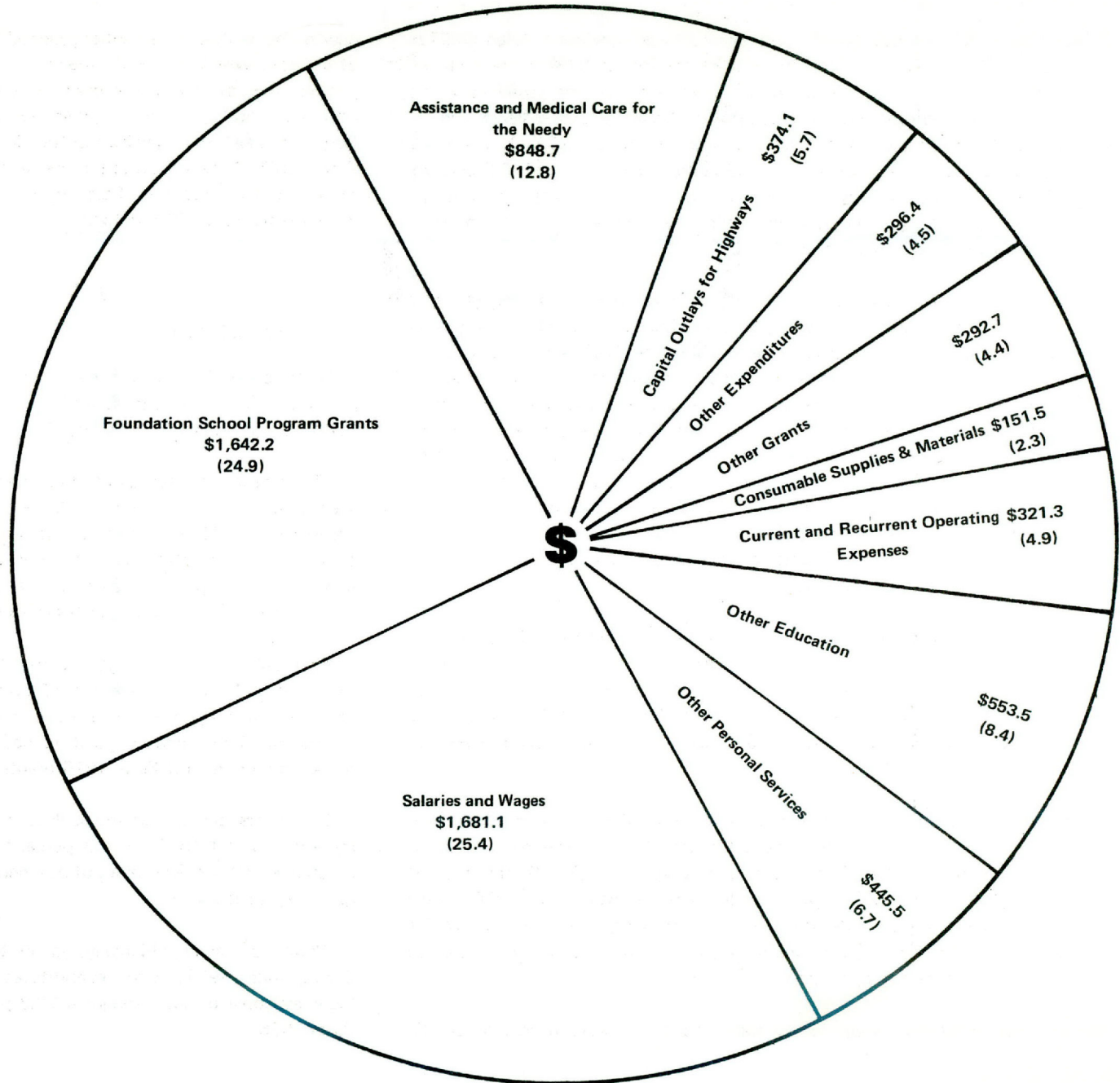
Foundation School Program grants to local school districts were \$1.6 billion for fiscal 1977. These grants were 24.9 percent of all state spending for the year, and showed only a 1.6 percent increase above fiscal 1976. However, action during the 64th Texas Legislature had provided substantial increases in public school spending, and fiscal 1976 grants were 36.3 percent above the prior year.

Public assistance and medical care expenses for the needy totaled \$848.7 million in fiscal 1977, an 8.9 percent increase from the previous year. Public assistance and medical care outlays were responsible for 12.8 percent of all state spending for the year.

Capital outlays for highways accounted for 5.7 percent of total state spending during fiscal 1977, with expenditures of \$374.1 million. Slowdowns in state highway construction brought a 19.8 percent decline in highway spending from fiscal 1976.

FIGURE 8
FISCAL YEAR 1977
NET EXPENDITURES BY OBJECT

Millions of Dollars
 (Percentage by Object)



Total 1977 Expenditures = \$6,607.0

TABLE 13
NET EXPENDITURES BY OBJECT, 1973-1977
Year Ended August 31

OBJECT CATEGORY	1973	1974	1975	1976	1977
Salaries and Wages	\$ 934,892,506	\$ 1,083,097,831	\$ 1,283,583,831	\$ 1,508,034,433	\$ 1,681,097,447
Other Personal Services ^a	241,274,106	272,699,207	434,405,033	411,050,534	445,532,556
Consumable Supplies and Materials	118,907,702	142,078,213	181,322,301	155,199,421	151,526,825
Current and Recurring Operating Expense	135,321,388	179,262,496	256,347,496	253,097,558	321,275,231
Assistance and Medical Care for Needy	666,491,200	600,777,441	596,629,081	779,564,321	848,651,827
Foundation School Program Grants	997,392,490	1,056,359,081	1,185,852,127	1,616,865,503	1,642,167,779
Other Public Education Grants	190,760,821	221,991,346	318,270,796	319,409,570	341,691,017
Grants to Higher Education	94,752,547	121,242,443	151,979,072	174,783,282	211,834,286
Other Grants	99,758,930	142,968,870	201,255,141	247,711,735	292,712,589
Payment of Principal on Indebtedness	35,117,779	41,336,009	45,091,146	53,785,000	59,643,255
Payment of Interest and Other Claims	37,832,088	37,938,800	43,217,960	47,227,791	55,646,829
Capital Outlay for Highways	353,739,735	396,723,230	528,857,368	466,314,302	374,114,785
Capital Outlay for Land and Buildings	51,839,024	60,890,465	81,864,589	73,516,043	90,187,158
Other Capital Outlay	61,329,196	69,297,816	68,650,674	96,944,279	90,897,802
TOTAL NET EXPENDITURES	\$ 4,019,409,512	\$ 4,426,663,248	\$ 5,377,326,615	\$ 6,203,503,772	\$ 6,606,979,386

Percent of Total

Salaries and Wages	23.2%	24.5%	23.9%	24.3%	25.4%
Other Personal Services	6.0	6.2	8.1	6.6	6.7
Consumable Supplies and Materials	3.0	3.2	3.4	2.5	2.3
Current and Recurring Operating Expense	3.4	4.0	4.8	4.1	4.9
Assistance and Medical Care for Needy	16.6	13.6	11.1	12.5	12.8
Foundation School Program Grants	24.8	23.9	22.1	26.1	24.9
Other Public Education Grants	4.7	5.0	5.9	5.1	5.2
Grants to Higher Education	2.4	2.7	2.8	2.8	3.2
Other Grants	2.5	3.2	3.7	4.0	4.4
Payment of Principal on Indebtedness	0.9	0.9	0.8	0.9	0.9
Payment of Interest and Other Claims	0.9	0.9	0.8	0.8	0.8
Capital Outlay for Highways	8.8	8.9	9.8	7.5	5.7
Capital Outlay for Land and Buildings	1.3	1.4	1.5	1.2	1.4
Other Capital Outlay	1.5	1.6	1.3	1.6	1.4
TOTAL NET EXPENDITURES	100.0	100.0	100.0	100.0	100.0

^a Includes Pensions and Workman's Compensation Payments.

For detail, see Table 19, page 56.

TABLE 13 (continued)
NET EXPENDITURES BY OBJECT, 1973-1977
Year Ended August 31

OBJECT CATEGORY	1974	1975	1976	1977
	Percentage Change from Prior Year			
Salaries and Wages	15.9%	18.5%	17.5%	11.5%
Other Personal Services	13.0	59.3	- 5.4	8.4
Consumable Supplies and Materials	19.5	27.6	- 14.4	- 2.4
Current and Recurring Operating Expense	32.5	43.0	- 1.3	26.9
Assistance and Medical for Needy	- 9.9	- 0.7	30.7	8.9
Foundation School Program Grants	5.9	12.3	36.3	1.6
Other Public Education Grants	16.4	43.4	0.4	7.0
Grants to Higher Education	28.0	25.4	15.0	21.2
Other Grants	43.3	40.8	23.1	18.2
Payment of Principal on Indebtedness	17.7	9.1	19.3	10.9
Payment of Interest and Other Claims	0.3	13.9	9.3	17.8
Capital Outlay for Highways	12.2	33.3	- 11.8	- 19.8
Capital Outlay for Land and Buildings	17.5	34.4	- 10.2	22.7
Other Capital Outlay	13.0	- 0.9	41.2	- 6.2
TOTAL NET EXPENDITURES	10.1	21.5	15.4	6.5

Other personal services — state employee and teacher retirement contributions, insurance contributions, and social security and unemployment compensation costs — reached \$445.5 million in fiscal 1977. This represents 6.7 percent of total state expenditures for the year, as compared with the 6.6 percent share recorded for fiscal 1976.

Among the other objects of state spending, grants to colleges and universities have experienced substantial growth in recent years. These grants totaled \$211.8 million in fiscal 1977, accounting for 3.2 percent of all state expenditures.

Grants to higher education have grown by an average of 21.8 percent annually over the last five years.

Consumable supplies and materials for state agencies cost \$151.5 million during fiscal 1977, down by \$3.7 million or 2.4 percent from the previous year. This object category also experienced a decline in fiscal 1976, with expenditures of \$155.2 million well below the \$181.3 million expended on supplies during fiscal 1975.

State Aid to Local Governments

In fiscal 1977, the State of Texas granted more than \$69.9 million to counties and cities. Counties received over \$35.2 million and cities received over \$34.6 million.

State aid to counties and cities is shown for five program categories in Tables 14 and 15: General Government, Highways/Transportation, Social Services, Natural Resources/Environmental Protection, and Public Safety/Law Enforcement. These categories are defined as follows:

General Government — Programs and services of general governmental administration, finance, judiciary, etc.

Highways/Transportation — Programs and services supporting highways, streets, roads, airports, etc.

Social Services — Programs and services for the poor, elderly, youth, alcoholics, etc.

Natural Resources/Environmental Protection — Parks, recreation, and pollution control programs.

Public Safety/Law Enforcement — Law enforcement, traffic safety, and civil defense-disaster relief programs.

Table 14 shows that between fiscal 1976 and 1977 total state aid to counties and cities declined by \$2.1 million or approximately 2.9 percent. Most of the decrease took place in the Highways/Transportation category which was down by more than 45 percent.

The sources of state aid were split almost evenly between federal and state revenues with federal funds providing a slightly higher share.

In fiscal 1977, counties and cities received over \$22.6 million dollars in the General Government category. About \$15.5 million of this amount came from Mixed Beverages Tax revenues (\$9.5 million to counties and \$6.0 million to cities). Another \$4.5 million went to cities from the Library and Historical

Commission, and about \$1.2 million went to counties as payment for the Voter Registration Program. Overall, expenditures in the General Government category accounted for over 32.3 percent of all local aid to counties and cities.

In the Highways/Transportation category, the state provided over \$8.4 million in fiscal 1977. This amount is a reduction from the \$15.2 million that was expended in fiscal 1976. Most of the money (\$7.2 million) flowed to counties from the County Road and District Fund. Only about \$600,000 from this category went to cities, and all of this amount was from the Texas Aeronautics Commission. The Highways/Transportation category represented approximately 12.0 percent of all county and city grant expenditures.

Social services grants to cities and counties totaled \$5.7 million or 8.2 percent of total local aid expenditures. About \$3.6 million of this amount went to cities: \$2.3 million through the Governor's office from the Federal Older Americans Fund and \$1.1 million from the Department of Community Affairs Federal Fund. The largest allotment to counties was from the Texas Youth Council.

The Public Safety/Law Enforcement category, totaling \$27.5 million in fiscal 1977, accounted for almost 40 percent of local aid to counties and cities. This amount, however, was \$1.6 million or 5.5 percent less than for the previous year. Most of the money (\$22.1 million) was in the form of Criminal Justice Planning grants from the Texas Criminal Justice Council, with approximately \$13.0 million going to counties and \$9.1 million to cities. Cities also received \$4.2 million in funds from the Traffic Safety Program of the Department of Highways and Public Transportation.

The Natural Resources category accounted for \$5.6 million in expenditures for fiscal 1977 or 8.0 percent of total grants to counties and cities. All of this funding came from the Department of Parks and Wildlife, and the majority of these funds (\$4.8 million) went to cities. This money came from the Land and Water Conservation Program.

In addition to grants from the State, the 855 cities which impose the one-cent local option sales tax received more than \$336.5 million from this source of revenue in fiscal 1977. The Comptroller collects the local sales tax and disburses those revenues to cities. Therefore, this tax is defined as a "piggy-back tax" rather than a shared revenue or some other form of state aid.

TABLE 14
 SUMMARY OF STATE AID TO COUNTIES AND CITIES
 Year Ended August 31, 1977

Program Category	1976 Expenditures	1977 Expenditures	Percent Change
General Government	\$ 19,007,542.38	\$ 22,611,790.37	19.0%
Highways/Transportation	15,261,180.30	8,362,555.96	- 45.2
Social Services	3,347,672.26	5,776,631.73	72.6
Public Safety/Law Enforcement	29,159,585.21	27,555,114.01	- 5.5
Natural Resources/Environmental Protection	<u>5,243,708.22</u>	<u>5,610,787.62</u>	<u>7.0</u>
TOTAL	<u>\$ 72,019,688.37</u>	<u>\$ 69,916,879.69</u>	- 2.9%
Type of Receiving Government			Percent of Total
Counties		\$ 35,259,827.77	50.4%
Cities		<u>34,657,051.92</u>	<u>49.6</u>
TOTAL		<u>\$ 69,916,879.69</u>	100.0%
Source of Grants			
State Funds		\$ 33,931,872.65	48.5%
Federal Funds		<u>35,985,007.04</u>	<u>51.5</u>
TOTAL		<u>\$ 69,916,879.69</u>	100.0%

TABLE 15
STATE AID TO LOCAL GOVERNMENTS BY PROGRAM CATEGORY
Year Ended August 31, 1977

Program Category	1977 Expenditures	Source	
		State	Federal
General Government			
Counties	\$ 11,004,642.14	\$ 10,834,761.67	\$ 169,880.47
Cities	<u>11,607,148.23</u>	<u>8,099,399.71</u>	<u>3,507,748.52</u>
TOTAL	22,611,790.37	18,934,161.38	3,677,628.99
Highways/Transportation			
Counties	7,761,065.87	7,720,343.22	40,722.65
Cities	<u>601,490.09</u>	<u>563,223.32</u>	<u>38,266.77</u>
TOTAL	8,362,555.96	8,283,566.54	78,989.42
Social Services			
Counties	2,167,682.36	1,504,962.42	662,719.94
Cities	<u>3,608,949.37</u>	<u>148,324.32</u>	<u>3,460,625.05</u>
TOTAL	5,776,631.73	1,653,286.74	4,123,344.99
Public Safety/Law Enforcement			
Counties	13,588,045.71	494,616.03	13,093,429.68
Cities	<u>13,967,068.30</u>	<u>4,246,535.79</u>	<u>9,720,532.51</u>
TOTAL	27,555,114.01	4,741,151.82	22,813,962.19
Natural Resources/Environmental Protection			
Counties	738,391.69	319,706.17	418,685.52
Cities	<u>4,872,395.93</u>		<u>4,872,395.93</u>
TOTAL	5,610,787.62	319,706.17	5,291,081.45
TOTAL – ALL CATEGORIES	<u>\$ 69,916,879.69</u>	<u>\$ 33,931,872.65</u>	<u>\$ 35,985,007.04</u>

Revenue & Expenditure Detail

TABLE 16
COMPARISON OF MAJOR FUNDS TRANSACTIONS
Year Ended August 31, 1977
(in thousands)

	General Revenue Fund 001	Available School Fund 002	Highway Motor Fuel Fund 060	Omnibus Tax Clearance Fund 120	Federal Revenue Sharing Fund 448	Major Fund Total	All Funds	Major Funds As a Percent of Total
Beginning Cash Balance Sept. 1, 1976	\$ 811,657	\$ 40,419	\$ 29,236	\$ 39,596	\$ 855	\$ 921,763	\$ 1,642,533	56.1%
Tax Collections	2,022,997	558	444,098	1,822,828		4,290,481	4,421,892	97.0
Licenses and Fees	51,064					51,064	372,136	13.7
Interest Income	62,781	85,487			456	148,724	279,201	53.3
Federal Funding	7,988				110,568	118,556	1,848,651	6.4
Land Income: Rents, Royalties, Sales	4,795	590				5,385	341,114	1.6
Other Revenue Sources	5,082	1,245	7		5	6,339	92,785	6.8
Total Net Revenues	2,154,707	87,880	444,105	1,822,828	111,029	4,620,549	7,355,779	62.8
Interfund Transfers and Investment Transactions	471,211	481,849	12,809	10,939	228,976	1,205,784	3,230,391	37.3
Receipts to Petty Cash Funds							130	
Total Revenues & Transfers In	2,625,918	569,729	456,914	1,833,767	340,005	5,826,333	10,586,300	55.0
Expenditures and Transfers Out								
Salaries and Wages	1,068,316					1,068,316	1,681,097	63.5
Other Personal Services	125,669			221,631	1,827	349,127	445,533	78.4
Consumable Supplies & Materials	57,819				4,190	62,009	151,527	40.9
Current & Recurring Operating Expense	132,630				46,313	178,943	321,275	55.7
Assistance & Medical Care for Needy							848,652	
Foundation School Program Grants	591,265	582,527				1,173,792	1,642,168	71.5
Other Public Education Grants	20,461					20,461	341,691	6.0
Grants to Higher Education	184,872					184,872	211,834	87.3
Other Grants	79,218				314	79,532	292,713	27.2
Payment of Principal on Indebtedness							59,643	
Payment of Interest and Other Claims	300					300	55,646	0.5
Capital Outlay for Highways	197					197	374,115	0.1
Capital Outlay for Land and Buildings	45,707				9,704	55,411	90,187	61.4
Other Capital Outlay	29,182				9,462	38,644	90,898	42.5
Total Net Expenditures	2,335,636	582,527		221,631	71,810	3,211,604	6,606,979	48.6
Interfund Transfers and Investment Transactions	156,815	1,984	456,375	1,583,249	264,432	2,462,855	3,642,916	67.6
Expenditures from Petty Cash Funds							50	
Total Expenditures & Transfers Out	2,492,451	584,511	456,375	1,804,880	336,242	5,674,459	10,249,945	55.4
Ending Cash Balance August 31, 1977	\$ 945,124	\$ 25,637	\$ 29,775	\$ 68,483	\$ 4,618	\$ 1,073,637	\$ 1,978,888	54.3%

TABLE 17
NET REVENUES BY SOURCE AND CLASS
Year Ended August 31

SOURCE/Class (with codes)			1976 Revenues	1977 Revenues	Percent Change
01	001	AD VALOREM TAX	\$ 36,667,504.15	\$ 42,755,264.57	16.6
02	005	INHERITANCE TAX	58,372,758.81	66,568,073.50	14.0
03	PRODUCTION & REGULATION – CRUDE OIL				
	020	Oil Production Tax	429,104,573.37	426,373,355.12	– 0.6
	026	Oil and Gas Regulation Tax	<u>2,210,010.84</u>	<u>2,110,175.85</u>	– 4.5
	TOTAL, PRODUCTION & REGULATION – CRUDE OIL		431,314,584.21	428,483,530.97	– 0.7
04	022	NATURAL & CASINGHEAD GAS TAX	364,587,897.12	474,317,960.02	30.1
05	024	SULPHUR TAX	4,789,660.39	4,479,734.12	– 6.5
06	100	GAS UTILITY ADMINISTRATION TAX	11,420,329.41	13,939,690.17	22.1
07	040	CEMENT TAX	3,622,861.73	4,030,941.04	11.3
08	RECEIPTS – UTILITIES				
	042	Utilities Tax	45,314,983.61	58,483,751.22	29.1
	043	Public Utilities Gross Receipts Tax ^a	<u>- -</u>	<u>9,546,799.19</u>	
	TOTAL, RECEIPTS – UTILITIES		45,314,983.61	68,030,550.41	50.1
09	044	TELEPHONE COMPANIES TAX	34,984,104.92	39,671,905.34	13.4
10	OTHER – PRODUCTION & GROSS RECEIPTS TAXES				
	046	Oil & Gas Well Servicing Tax	2,717,993.09	3,736,079.67	37.5
	050	Express Companies Tax	- 0 -	- 0 -	
	052	Carline Companies Tax	39,106.31	37,698.30	– 3.6
	077	Mixed Drinks Gross Receipts Tax	40,427,559.45	55,299,959.17	36.8
	087	Telegraph Tax	71,016.71	99,232.92	39.7
	153	Stock Share Transfer Tax	(1,416.04)	(10.03)	99.3
	178	Other Miscellaneous Taxes	- 0 -	- 0 -	
	180	Miscellaneous Occupation Taxes	<u>59,107.20</u>	<u>51,632.34</u>	– 12.7
	TOTAL, OTHER – PRODUCTION & GROSS RECEIPTS TAXES		43,313,366.72	59,224,592.37	36.7

^a The Public Utilities Gross Receipts Tax was first collected during fiscal 1977.

TABLE 17 (continued)
NET REVENUES BY SOURCE AND CLASS
Year Ended August 31

SOURCE/Class (with codes)		1976 Revenues	1977 Revenues	Percent Change
11	MOTOR VEHICLE SALES TAX			
095	Motor Vehicle Rental Tax	\$ 5,756,175.08	\$ 6,937,128.85	20.5
096	Motor Vehicle Tax	<u>264,775,813.28</u>	<u>321,154,656.50</u>	21.3
	TOTAL, MOTOR VEHICLE SALES TAX	270,531,988.36	328,091,785.35	21.3
12	HOTEL, MOTEL & MISCELLANEOUS EXCISE TAX			
072	Hotel and Motel Tax	14,378,094.02	17,019,897.72	18.4
102	Other Selective Sales Taxes	<u>64,167.52</u>	<u>69,109.62</u>	7.7
	TOTAL, HOTEL, MOTEL & MISCELLANEOUS EXCISE TAX	14,442,261.54	17,089,007.34	18.3
13	CIGARETTE & TOBACCO PRODUCTS TAXES & LICENSES			
074	Cigarette Tax	269,832,070.76	277,866,574.90	3.0
076	Tobacco Products Tax	9,396,065.66	9,682,109.99	3.0
207	Cigarette & Tobacco Tax Permit Fees	<u>499,882.09</u>	<u>510,206.81</u>	2.1
	TOTAL, CIGARETTE & TOBACCO PRODUCTS TAXES & LICENSES	279,728,018.51	288,058,891.70	3.0
14	ALCOHOLIC BEVERAGES TAXES & LICENSES			
080	Liquor Tax	35,804,293.24	38,025,999.55	6.2
082	Wine Tax	3,005,396.46	3,349,186.47	11.4
084	Ale Tax (Malt Liquor)	1,098,992.87	1,243,999.43	13.2
090	Beer Tax	50,620,367.64	53,100,326.04	4.9
208	Private Club Service Fee	126,030.20	412,713.32	227.5
210	Liquor Permit Fees	6,742,778.43	7,764,940.72	15.2
211	Wine and Beer Permit Fees	<u>1,110,280.77</u>	<u>1,164,486.71</u>	4.9
	TOTAL, ALCOHOLIC BEVERAGE TAXES & LICENSES	98,508,139.61	105,061,652.24	6.7
15	094 SPECIAL MOTOR FUELS TAX	51,012,347.41	55,874,141.12	9.5
16	110 MOTOR FUEL GASOLINE TAX	376,272,072.48	388,224,219.33	3.2
17	150 FRANCHISE TAX	213,581,935.66	236,611,833.54	10.8
18	INSURANCE COMPANIES OCCUPATION TAXES			
155	Insurance Companies Occupation Tax	101,045,299.53	118,302,327.35	17.1
160	Insurance Companies Workmen's Compensation Tax	<u>1,471,827.89</u>	<u>1,736,998.05</u>	18.0
	TOTAL, INSURANCE COMPANIES OCCUPATION TAXES	102,517,127.42	120,039,325.40	17.1

TABLE 17 (continued)
NET REVENUES BY SOURCE AND CLASS
Year Ended August 31

SOURCE/Class (with codes)		1976 Revenues	1977 Revenues	Percent Change
20	OTHER OCCUPATION TAXES			
056	Admissions Tax ^b	\$ (7,490,338.47)	\$ (9,081,122.32)	- 21.2
172	Coin-Operated Amusement Machine Tax	<u>1,305,639.27</u>	<u>1,376,969.90</u>	5.5
	TOTAL, OTHER OCCUPATION TAXES	(6,184,699.20)	(7,704,152.42)	- 24.6
22	STORE LICENSES & EXEMPTIONS			
200	Store and Exemption License Fees	15.03	- 0 -	
300	Store and Exemption License Service Fees	- 0 -	- 0 -	
301	Store and Exemption License Filing Fees	<u>2.00</u>	<u>- 0 -</u>	
	TOTAL, STORE LICENSES & EXEMPTIONS	17.03	- 0 -	
23	LIMITED SALES, EXCISE & USE TAX			
062	Limited Sales Tax	1,468,066,053.37	1,678,126,385.71	14.3
063	Motor Fuel Lubricants Sales Tax	7,539,642.00	7,960,560.00	5.6
066	Limited Sales & Use Tax (Collected by State Agencies)	<u>2,766,461.61</u>	<u>2,956,307.13</u>	6.9
	TOTAL, LIMITED SALES, EXCISE & USE TAX	1,478,372,156.98	1,689,043,252.84	14.3
24	OTHER LICENSES & FEES			
157	Insurance Companies Maintenance Tax	8,929,839.63	7,320,007.37	- 18.0
176	Bedding Tax	80,772.57	109,045.22	35.0
201	Coin-Operated Business License Fee	572,298.25	396,120.25	- 30.8
206	Gross Receipts Permit Fees	249.00	274.00	10.0
209	Controlled Substance Manufacture, Distribution & Dispensing Registration Fee	130,205.00	141,352.00	8.6
212	Operators and Chauffeurs License Fees	19,315,306.74	20,882,255.28	8.1
213	Agriculture Department License Fees	590,017.17	631,118.58	7.0
214	Health Department License Fees	337,539.11	670,911.66	98.8
215	Bedding Permit Fees	37,456.00	45,247.25	20.8
220	Securities Act License Registration Fees	1,366,439.84	1,621,398.56	18.7
221	Insurance Department License & Registration Fees	1,258,669.86	1,358,604.80	7.9
222	Motor Bus Permit and License Fees	102,251.64	101,362.35	- 0.9
223	Motor Carrier Permit License Fees & Fines	1,627,883.67	1,832,927.52	12.6
224	Professional Examination & Registration Fees	4,565,531.75	5,030,020.12	10.2
225	Higher Education Registration Fees	24,755,012.78	28,980,894.74	17.1
226	Other Licenses, Permits & Registration Fees	7,359,060.76	9,091,700.12	23.5
250	Certificate of Title Fees	1,818,270.75	2,244,347.72	23.4
251	Motor Vehicle Inspection & Certification Fees	4,237,471.00	4,480,577.00	5.7
252	Agriculture Department Inspection & Certification Fees	1,158,318.64	1,107,459.79	- 4.4

^b Admission Tax Refunds Due to Court Decision.

TABLE 17 (continued)
NET REVENUES BY SOURCE AND CLASS
Year Ended August 31

SOURCE/Class (with codes)		1976 Revenues	1977 Revenues	Percent Change
24	OTHER LICENSES & FEES (continued)			
253	Boiler Inspection Fees	\$ 214,399.05	\$ 205,632.36	- 4.1
254	Health Department Inspection Fees	156,710.70	152,150.66	- 2.9
255	Other Inspection and Certification Fees	697,849.17	671,335.90	- 3.8
256	Other Inspection and Certification Fees	- -	902.90	
304	Higher Education Student Fees	3,373,638.05	3,318,620.76	- 1.6
306	Examination and Audit Fees	3,205,682.88	3,834,722.84	19.6
307	City Sales Tax Service Fee	5,677,799.07	6,804,588.87	19.9
310	Other Filing, Office and Service Fees	<u>20,641,942.18</u>	<u>23,640,101.41</u>	14.5
	TOTAL, OTHER LICENSES & FEES	112,210,615.26	124,673,680.03	11.1
25	218 GAME AND FISH LICENSE FEES	11,324,426.90	13,297,990.95	17.4
26	MOTOR VEHICLE LICENSES, REGISTRATION & FEES			
204	Motor Vehicle Registration Fees	213,667,148.69	230,974,093.09	8.1
205	Personalized License Plates Fees	773,915.00	861,284.00	11.3
216	Truck and Automobile Permit Fees	<u>2,177,666.97</u>	<u>2,329,352.72</u>	7.0
	TOTAL, MOTOR VEHICLE LICENSES, REGISTRATION & FEES	216,618,730.66	234,164,729.81	8.1
27	400 PRINCIPAL ON LAND SALES	399,529.82	308,633.38	- 22.8
28	OIL, GAS & MINERAL ROYALTIES			
402	Oil and Gas Royalties	175,548,206.54	226,668,317.70	29.1
403	Other Royalties	<u>7,170,316.81</u>	<u>6,613,610.28</u>	- 7.8
	TOTAL, OIL, GAS & MINERAL ROYALTIES	182,718,523.35	233,281,927.98	27.7
29	404 SAND, SHELL AND GRAVEL SALES	796,646.06	607,486.47	- 23.7
30	REAL ESTATE, EQUIPMENT & COMMODITIES SALES			
405	Building Sales	137,849.00	918,188.04	566.1
420	Machinery and Equipment Sales	1,873,912.72	1,974,404.75	5.4
421	Farm, Dairy and Garden Product Sales	1,070,521.92	1,450,845.74	35.5
422	Processed Products Sales	3,848,839.92	4,443,969.27	15.5
423	Publication and Advertising Sales	2,440,174.96	2,235,860.85	- 8.4
424	Operating Supplies Sales	155,027.56	181,142.70	16.9
425	Dormitory, Cafeteria & Merchandise Sales	3,682,637.28	5,067,544.49	37.6
426	Other Sales	<u>5,102,334.46</u>	<u>6,222,009.86</u>	21.9
	TOTAL, REAL ESTATE, EQUIPMENT & COMMODITIES SALES	18,311,297.82	22,493,965.70	22.8
31	440 MINERAL LEASE, BONUS & PROSPECT RENTALS	42,109,999.66	81,946,893.46	94.6

TABLE 17 (continued)
NET REVENUES BY SOURCE AND CLASS
Year Ended August 31

SOURCE/Class (with codes)		1976 Revenues	1977 Revenues	Percent Change
32	SURFACE RENTALS, LEASES & EASEMENTS			
441	Rental Lands and Buildings	\$ 245,791.99	\$ 256,123.48	4.2
442	Rental Equipment	3,741.82	6,966.36	86.2
443	Other Rentals, Leases and Easements	<u>1,948,865.29</u>	<u>2,199,345.13</u>	<u>12.9</u>
	TOTAL, SURFACE RENTALS, LEASES & EASEMENTS	2,198,399.10	2,462,434.97	12.0
33	INTEREST ON DEPOSITS			
500	Interest on State Deposits	80,098,549.25	93,057,106.82	16.2
501	Interest on County Deposits	70.36	3,524.92	4,909.8
502	Interest on Local Deposits	<u>918,842.16</u>	<u>876,056.49</u>	- 4.7
	TOTAL, INTEREST ON DEPOSITS	81,017,461.77	93,936,688.23	16.0
34	INTEREST ON SECURITIES OWNED			
510	Interest on Investments	91,321,547.57	114,637,307.00	25.5
511	Dividends on Corporate Stock	40,103,936.56	44,621,662.80	11.3
516	Accrued Interest and Premiums on Sale of State Bonds Issued	<u>601,684.27</u>	<u>860,574.85</u>	43.0
	TOTAL, INTEREST ON SECURITIES OWNED	132,027,168.40	160,119,544.65	21.3
35	515 INTEREST ON LAND SALES	12,485,574.60	14,053,054.99	12.6
36	MISCELLANEOUS INTEREST			
517	Other Interest	1,740,254.47	1,745,704.32	0.3
518	Interest on Loans to College Students	<u>6,900,450.43</u>	<u>9,345,799.41</u>	35.4
	TOTAL, MISCELLANEOUS INTEREST	8,640,704.90	11,091,503.73	28.4
37	303 SUPPORT & MAINTENANCE OF PATIENTS FEES	18,795,832.90	21,616,297.31	15.0
38	OTHER MISCELLANEOUS REVENUE			
550	Court Cost	7,936,043.64	8,751,366.20	10.3
551	Other Penalties	2,039,928.13	2,507,186.85	22.9
555	Confiscations	48,327.50	102,924.10	113.0
560	Judgments	574,262.14	917,594.60	59.8
561	Interest on Judgments	2,492.89	3,760.68	50.9
562	Escheated Estates	4,569,207.42	2,506,600.37	- 45.1
563	Forfeitures	1,931.89	159,715.83	8,167.3
564	Insurance and Damages	1,195,646.72	1,357,152.46	13.5
565	Warrants Voided by Statute of Limitation	611,612.46	623,503.63	1.9
566	Judges' Retirement Contributions	593,566.93	607,808.52	2.4
567	Cost Reimbursement (Abandoned Motor Vehicles)	876.65	1,090.80	24.4
568	Unclaimed Sales Abandoned Motor Vehicles	1,237.33	360.05	- 70.9

TABLE 17 (continued)
NET REVENUES BY SOURCE AND CLASS
Year Ended August 31

SOURCE/Class (with codes)		1976 Revenues	1977 Revenues	Percent Change
38	OTHER MISCELLANEOUS REVENUE (continued)			
569	Unemployment Benefit Repaid	\$ 813,231.42	\$ 750,145.01	- 7.8
570	Other Miscellaneous Governmental Revenue	12,479,558.27	11,984,031.77	- 4.0
571	Departmental Transfer Tex-An Telecommunications Service	791,424.70	727,343.54	- 8.1
	TOTAL, OTHER MISCELLANEOUS REVENUE	31,659,343.09	31,000,584.41	- 2.1
39	FEDERAL GRANTS - HIGHWAYS ^C			
530	Federal Grants (Highways)	307,990,939.62	--	
533	Federal Receipts - Matched	--	265,572,862.31	
	TOTAL, FEDERAL GRANTS - HIGHWAYS	307,990,939.62	265,572,862.31	- 13.8
40	FEDERAL GRANTS - PUBLIC HEALTH ^C			
530	Federal Grants (Public Health)	39,851,713.06	--	
533	Federal Receipts - Matched	--	19,721,945.93	
534	Federal Receipts - Not Matched	--	25,911,499.12	
	TOTAL, FEDERAL GRANTS - PUBLIC HEALTH	39,851,713.06	45,633,445.05	14.5
41	FEDERAL GRANTS - PUBLIC WELFARE ^C			
530	Federal Grants (Public Welfare)	777,575,200.63	--	
533	Federal Receipts - Matched	--	795,218,784.86	
534	Federal Receipts - Not Matched	--	19,170,927.58	
	TOTAL, FEDERAL GRANTS - PUBLIC WELFARE	777,575,200.63	814,389,712.44	4.7
42	FEDERAL GRANTS - PUBLIC EDUCATION ^C			
530	Federal Grants (Public Education) ⁽¹⁾	327,874,527.09	--	
533	Federal Receipts - Matched	--	3,681,048.89	
534	Federal Receipts - Not Matched	--	354,753,717.49	
	TOTAL, FEDERAL GRANTS - PUBLIC EDUCATION	327,874,527.09	358,434,766.38	9.3
43	FEDERAL GRANTS - OTHERS ^C			
530	Federal Grants (Others)	218,892,430.39	--	
533	Federal Receipts - Matched	--	112,876,244.82	
534	Federal Receipts - Not Matched	--	126,997,705.67	
	TOTAL, FEDERAL GRANTS - OTHERS	218,892,430.39	239,873,950.49	9.6

^C Beginning with fiscal 1977, federal funds were broken down into "Matched" and "Not Matched" categories to provide greater detail.

TABLE 17 (continued)
NET REVENUES BY SOURCE AND CLASS
Year Ended August 31

SOURCE/Class (with codes)		1976 Revenues	1977 Revenues	Percent Change
44	GRANTS & DONATIONS — OTHER			
531	County and City Grants	\$ 23,786,137.53	\$ 28,090,665.50	18.1
532	Other Political Sub-Divisions Grants	672,892.12	1,557,570.53	131.5
540	Other Donations and Grants	<u>7,540,278.21</u>	<u>10,519,758.44</u>	39.5
	TOTAL, GRANTS & DONATIONS — OTHER	31,999,307.86	40,167,994.47	25.5
45	536 FEDERAL GRANTS (FEDERAL REVENUE SHARING)	103,016,812.00	110,568,223.00	7.3
46	410 Land Use Permit Fees and Lignite Coal Surface Mining Permits	200.00	13,102.04	6,451.0
47	535 Federal Receipts — Earned Credits	<u>- 0 -</u>	<u>14,177,492.99</u>	
	TOTAL NET REVENUES	6,591,684,806.81	7,355,779,164.19	11.6
99	INTERFUND TRANSFERS			
199	Revenue Refunds Applied	26,675,552.44	34,969,821.73	31.1
600	Sale of State Bonds Issued	103,000,000.00	106,000,000.00	2.9
601	Sale/Redemption of Investments; City, County & District Bonds	3,842,000.00	4,056,600.00	5.6
602	Sale/Redemption of Investments; State Bonds	80,000.00	83,000.00	3.8
603	Sale/Redemption of Investments; Corporate Securities	161,020,695.01	91,140,368.58	- 43.4
606	Sale of Corporate Stock	22,953,875.07	14,530,546.04	- 36.7
607	Sale/Redemption of Investments; U.S. Government Securities	402,164,000.00	463,625,000.00	15.3
608	Sale/Redemption of Investments; Notes & Others	6,280,560.52	9,042,041.31	44.0
610	Repayment of Loans to Political Sub-Divisions	4,234,000.00	2,950,500.00	- 30.3
612	Repayment of Water Storage Contracts	660,206.37	24,344.25	- 96.3
615	Petty Cash Advance Repayments	17,455.00	25,500.00	46.1
617	Repayment of Principal-Veterans Land Notes	19,681,842.43	17,865,112.58	- 9.2
618	Repayment of Principal College Student Loans	12,186,149.94	12,490,085.46	2.5
620	Unexpended Balances	1,168,242.07	1,317,910.42	12.8
621	Service Charge	13,855.74	20,420.24	47.4
622	Repayment of Travel Advances	5,490.00	24,345.00	343.4
624	Departmental Transfer-Centrex Telephone Service	2,430,296.70	4,064,217.72	67.2
625	Departmental Transfer-Sales of Supplies & Services	142,826,827.26	151,587,287.01	6.1
626	Departmental Transfer-Appropriation & Fund Transfers	<u>175,963,484.68</u>	<u>110,628,244.81</u>	- 37.1
627	Amortization Premium & Discount-Purchased	8,226,128.05	11,591,687.09	40.9
629	Departmental Transfer — Tex-An Telecommunications Service	4,894,102.36	4,254,041.33	- 13.1
630	Operation Fund Transfers	56,304,545.16	123,445,082.37	119.3

TABLE 17 (continued)
NET REVENUES BY SOURCE AND CLASS
Year Ended August 31

SOURCE/Class (with codes)		1976 Revenues	1977 Revenues	Percent Change
99	INTERFUND TRANSFERS (continued)			
640	Interfund Transfers	\$ 43,415,749.54	\$ 35,731,238.01	- 17.7
642	Department Transfer-Unemployment Benefit	812,123.90	770,748.46	- 5.1
643	Central Supply Store Receipts	785,549.26	780,832.65	- 0.6
650	Unappropriated from Fund 120	1,238,746,965.54	1,395,614,729.72	12.7
651	Crude Oil Enforcement from Fund 120	2,128,208.13	2,136,267.26	0.4
652	Natural Gas Enforcement fro Fund 120	1,657,188.31	2,331,157.93	40.7
654	Excess Priority Allocation from Fund 120	162,103,983.38	171,084,497.91	5.5
655	Unappropriated from Fund 060	421,621,540.98	439,771,190.54	4.3
656	Refund Filing Fees from Fund 060	24,099.00	21,940.00	- 9.0
660	Coin Machine Allocation from Fund 120	25,000.00	25,000.00	
661	Cigarette Tax Enforcement from Fund 120	1,081,940.86	1,118,656.29	3.4
662	Unclaimed Aircraft Fuel Refunds	751,888.30	779,696.25	3.7
663	Unclaimed Motorboat Fuel Refunds	2,745,318.29	2,994,492.54	9.1
664	Cash Advance for S.B. 1	110,361.44	100.24	- 99.9
665	Repay S.B. 1 Advance	(319,005.21)	- 0 -	
999	Expenditure Refunds Applied	<u>14,801,280.82</u>	<u>13,493,928.17</u>	- 8.8
	TOTAL, INTERFUND TRANSFERS	<u>3,045,121,501.34</u>	<u>3,230,390,631.91</u>	6.1
	TOTAL REVENUE AND INTERFUND TRANSFERS	<u>\$ 9,636,806,308.15</u>	<u>\$ 10,586,169,796.10</u>	9.9

TABLE 18
NET EXPENDITURES BY FUNCTION AND DEPARTMENT
Year Ended August 31

FUNCTION/Department (with codes)		1976 Expenditures	1977 Expenditures	Percent Change
01	LEGISLATIVE			
101	Senate	\$ 3,858,189.46	\$ 4,920,704.20	27.5%
102	House of Representatives	7,841,831.63	9,987,703.00	27.4
103	Legislative Council	1,350,908.46	2,058,032.98	52.3
104	Legislative Budget Board	894,954.64	1,001,029.94	11.8
105	Legislative Reference Library	162,431.20	208,135.68	28.1
107	Commission on Uniform State Laws	21,162.37	20,915.90	— 1.2
111	Legislative Property Tax Committee	- 0 -	- 0 -	
112	Texas Constitutional Revision Commission	- 0 -	- 0 -	
115	Texas Constitution Convention	55,232.00	- 0 -	— 100.0
308	Auditor	2,518,989.41	2,688,929.56	6.7
	TOTAL, LEGISLATIVE	16,703,699.71	20,885,451.26	25.0
02	JUDICIAL			
201	Supreme Court	817,881.17	879,893.97	7.6
211	Court of Criminal Appeals	936,567.83	1,051,012.64	12.2
212	Civil Judicial Council	255,068.78	259,133.46	1.6
213	State Attorney Before Court of Criminal Appeals	69,370.61	73,059.21	5.3
221	Court of Civil Appeals — First District	210,280.38	223,260.17	6.2
222	Court of Civil Appeals — Second District	178,064.71	201,308.57	13.0
223	Court of Civil Appeals — Third District	211,384.12	218,726.03	3.5
224	Court of Civil Appeals — Fourth District	207,647.08	216,137.97	4.1
225	Court of Civil Appeals — Fifth District	206,957.64	225,005.68	8.7
226	Court of Civil Appeals — Sixth District	185,640.56	196,068.97	5.6
227	Court of Civil Appeals — Seventh District	200,331.05	212,144.31	5.9
228	Court of Civil Appeals — Eighth District	183,126.85	197,033.45	7.6
229	Court of Civil Appeals — Ninth District	184,384.92	193,683.12	4.8
230	Court of Civil Appeals — Tenth District	167,791.66	175,847.19	4.8
231	Court of Civil Appeals — Eleventh District	172,992.28	178,410.24	3.1
232	Court of Civil Appeals — Twelfth District	205,000.05	215,992.97	5.4
233	Court of Civil Appeals — Thirteenth District	211,709.53	223,358.57	5.5
234	Court of Civil Appeals — Fourteenth District	210,982.99	222,899.16	5.6
241	District Courts (Comptroller's Judiciary Section)	11,329,435.83	12,124,065.00	7.0
242	Judicial Qualifications Commission	89,658.21	67,884.79	— 24.3
243	Law Library	144,999.28	161,914.13	11.7
	TOTAL, JUDICIAL	16,379,725.53	17,516,839.60	6.9
03	EXECUTIVE & ADMINISTRATIVE			
301	Governor Executive	11,103,672.13	7,081,893.53	— 36.2
302	Attorney General	6,905,712.58	8,328,527.29	20.6
303	Board of Control	17,269,254.42	21,324,385.27	23.5
304	Comptroller of Public Accounts	29,596,637.06	35,110,750.00	18.6
305	General Land Office	5,380,786.18	5,746,919.62	6.8
306	Library and Historical Commission	2,543,246.53	2,560,855.09	0.7

TABLE 18 (continued)
NET EXPENDITURES BY FUNCTION AND DEPARTMENT
Year Ended August 31

FUNCTION/Department (with codes)	1975 Expenditures	1976 Expenditures	Percent Change
03 EXECUTIVE & ADMINISTRATIVE (continued)			
307 Secretary of State	\$ 5,836,947.66	\$ 3,281,508.93	- 43.8%
309 Building Commission	5,720,975.70	1,207,934.67	- 78.9
310 Treasurer	1,495,367.72	1,695,267.71	13.4
312 Securities Board	971,590.27	1,040,589.61	7.1
314 Board of Managers State Railroad	- 0 -	125.19	
316 Board of County & District Road Indebtedness	322.56	- 0 -	- 100.0
318 Commission for the Blind	2,032,303.06	2,603,801.50	28.1
319 Governor's Coordinating Off/Vis Handicapped	22,049.39	338,478.75	1,435.1
326 Good Neighbor Commission	114,119.21	131,588.10	15.3
327 Employees' Retirement System	2,617,961.40	3,016,065.03	15.2
328 Veterans' Land Board	72,654.68	57,169.54	- 21.3
331 Mass Transportation Commission	- 0 -	- 0 -	
332 Community Affairs	6,002,438.19	6,606,102.24	10.1
333 Office of State - Federal Relations	518,940.41	596,140.86	14.9
334 Advisory Commission on Intergovernmental Relations	465,529.28	479,441.91	3.0
335 Commission for the Deaf	58,085.39	118,737.66	104.4
601 Dept. of Highways and Public Transportation	<u>435,899.48</u>	<u>1,416,238.00</u>	224.9
TOTAL, EXECUTIVE & ADMINISTRATIVE	99,164,493.30	102,742,520.50	3.6
04 PROTECTION OF PERSONS & PROPERTY			
401 Adjutant General	3,006,339.44	3,094,404.98	2.9
403 Veterans' Affairs Commission	947,816.43	1,012,206.73	6.8
405 Department of Public Safety	68,627,869.15	76,607,405.85	11.6
406 National Guard Armory Board	729,057.87	779,161.02	6.9
407 Law Enforcement Officer Standards & Education	1,269,485.77	1,384,607.87	9.1
408 Fire Protection Personnel Standards & Education	65,799.97	76,479.98	16.2
409 Commission on Jail Standards	<u>7,990.99</u>	<u>275,577.37</u>	3,348.6
TOTAL, PROTECTION OF PERSONS & PROPERTY	74,654,359.62	83,229,843.80	11.5
05 REGULATION OF BUSINESS & INDUSTRY			
329 Real Estate Commission	955,083.09	1,052,580.07	10.2
451 Banking-Finance Commission	43,390.00	38,978.69	- 10.2
452 Bureau of Labor and Standards	1,600,764.46	1,947,415.16	21.7
453 Industrial Accident Board	2,717,163.03	2,729,865.97	0.5
454 Board of Insurance	9,531,344.29	10,683,153.72	12.1
455 Railroad Commission	8,585,301.83	10,514,726.43	22.5
458 Alcoholic Beverage Commission	8,435,231.93	9,374,065.94	11.1
459 Board of Architectural Examiners	119,599.23	127,258.03	6.4
460 Board of Registration for Professional Engineers	402,141.78	386,822.08	- 3.8
461 Aeronautics Commission	605,585.86	736,194.94	21.6
463 Board of Registration for Public Surveyors	36,095.32	36,949.22	2.4
465 Industrial Commission	1,145,820.61	1,377,747.57	20.2
467 Board of Private Investigators & Private Security Agents	415,089.06	444,305.43	7.0
468 Board of Landscape Architects	46,466.85	42,368.53	- 8.8
470 Motor Vehicle Commission	121,026.12	124,913.01	3.2

TABLE 18 (continued)
NET EXPENDITURES BY FUNCTION AND DEPARTMENT
Year Ended August 31

FUNCTION/Department (with codes)		1976 Expenditures	1977 Expenditures	Percent Change
05	REGULATION OF BUSINESS & INDUSTRY (continued)			
471	Texas Amusement Machine Commission	\$ 409,182.42	\$ 421,778.00	3.1%
472	Texas Structural Pest Control Board	185,449.92	194,372.34	4.8
473	Public Utilities Commission	<u>689,834.86</u>	<u>1,781,922.25</u>	158.3
	TOTAL, REGULATION OF BUSINESS & INDUSTRY	36,044,570.66	42,015,417.38	16.6
06	CONSERVATION OF HEALTH & SANITATION			
501	Department of Health Resources	77,409,967.44	69,513,786.15	— 10.2
502	Board of Barber Examiners	282,758.08	290,548.79	2.8
503	Board of Medical Examiners	313,740.07	326,103.08	3.9
504	Board of Dental Examiners	283,647.81	298,439.03	5.2
505	Cosmetology Commission	922,506.37	849,390.07	— 7.9
506	University of Texas System Cancer Center	38,512,141.99	41,309,738.63	7.3
508	Board of Chiropractic Examiners	32,072.47	38,123.82	18.9
509	Board of Examiners for Hearing Aids	33,384.08	35,937.72	7.6
510	Board of Examiners in Basic Sciences	69,179.54	85,650.20	23.8
511	Board of Vocational Nurse Examiners	214,376.83	244,117.54	13.9
514	Optometry Board	53,831.51	46,484.73	— 13.6
517	Commission on Alcoholism	1,517,650.87	1,222,238.65	— 19.5
518	Water Quality Board	7,134,129.31	8,775,397.83	23.0
519	Air Control Board	6,667,349.46	7,243,263.35	8.6
520	Board of Examiners of Psychologists	62,002.07	62,825.64	1.3
521	Governor's Commission on Physical Fitness	62,140.59	73,463.84	18.2
522	Board of Physical Therapy Examiners	25,576.29	32,798.31	28.2
523	Board of Athletic Trainers	- 0 -	- 0 -	
524	Board of Nursing Home Administrators	71,884.25	74,248.39	3.3
525	Health Facilities Commission	<u>528,745.71</u>	<u>538,596.21</u>	1.9
	TOTAL, CONSERVATION OF HEALTH & SANITATION	134,197,084.74	131,061,151.98	— 2.3
07	DEVELOPMENT & CONSERVATION OF NATURAL RESOURCES			
550	Governors Energy Advisory Council	603,128.88	1,105,761.90	83.3
551	Department of Agriculture	10,589,529.81	11,810,749.53	11.5
552	Water Rights Commission	2,808,113.02	3,001,345.34	6.9
554	Texas Animal Health Commission	4,779,758.75	5,065,657.67	6.0
555	Agricultural Extension Service	14,052,338.18	15,240,090.47	8.5
556	Agricultural Experiment Station	13,964,907.17	15,386,964.19	10.2
557	Veterinary Medical Diagnostic Laboratory	925,771.19	887,846.54	— 4.1
576	Forest Service	3,412,767.00	3,722,576.21	9.2
577	Rodent & Predatory Animal Control Service	1,070,877.11	1,145,821.85	7.0
578	Board of Veterinary Medical Examiners	80,241.78	83,456.71	4.0
579	Rio Grande Compact Commission	58,804.79	61,363.21	4.4
580	Water Development Board	8,635,383.17	10,291,125.53	19.2

TABLE 18 (continued)
NET EXPENDITURES BY FUNCTION AND DEPARTMENT
Year Ended August 31

FUNCTION/Department (with codes)		1976 Expenditures	1977 Expenditures	Percent Change
07	DEVELOPMENT & CONSERVATION OF NATURAL RESOURCES (continued)			
581	Water Well Drillers Board	\$ 7,897.44	\$ 5,147.03	— 34.8%
583	Sabine River Compact Administration	11,237.17	11,003.92	— 2.1
584	Texas Offshore Terminal Commission	1,786.49	- 0 -	— 100.0
585	Texas Coastal and Marine Council	247,641.95	317,409.85	28.2
592	Soil & Water Conservation Board	1,126,417.11	1,171,658.17	4.0
596	Interstate Compact Commissioner (Red River)	14,562.07	11,552.23	— 20.7
598	Canadian River Commission	8,752.34	6,795.46	— 22.4
599	Pecos River Commission	68,924.72	31,850.35	— 53.8
904	Natural Fibers & Food Protein Committee	<u>1,037,900.72</u>	<u>1,250,062.62</u>	20.4
	TOTAL, DEVELOPMENT & CONSERVATION OF NATURAL RESOURCES	63,506,740.86	70,608,238.78	11.2
08	HIGHWAY MAINTENANCE & CONSTRUCTION			
601	Department of Highways and Public Transportation	<u>731,239,352.02</u>	<u>661,682,737.86</u>	— 9.5
	TOTAL, HIGHWAY MAINTENANCE & CONSTRUCTION	731,239,352.02	661,682,737.86	— 9.5
10	MENTAL HEALTH-MENTAL RETARDATION & CORRECTIONAL			
651	Corsicana State Home	1,617,711.86	1,776,481.75	9.8
652	Waco State Home	1,314,364.70	1,597,109.97	21.5
654	Brownwood State School for Girls	2,692,842.11	3,013,297.57	11.9
655	Department of Mental Health & Mental Retardation	25,170,762.93	38,033,653.78	51.1
656	Vernon Center	7,420,192.27	8,311,144.41	12.0
657	Amarillo State Center for Human Development	1,165,348.33	1,735,475.22	48.9
658	Beaumont State Center for Human Development	2,139,495.43	3,269,492.50	52.8
659	Rio Grande State Center MHMR	3,652,394.26	4,222,195.89	15.6
660	Denton State School	12,283,043.28	15,255,397.73	24.2
661	El Paso State Center for Human Development	1,288,381.11	1,761,863.58	36.8
662	Dallas State Mental Health Clinic	- 0 -	- 0 -	
663	Commission for Indian Affairs	450,076.49	444,935.98	— 1.1
664	Fort Worth State Mental Health Clinic	- 0 -	- 0 -	
666	East Texas Chest Hospital	6,600,935.16	7,879,004.36	19.4
667	Fort Worth State School	4,651,233.80	7,150,647.76	53.7
668	Richmond State School	8,102,546.77	9,091,326.02	12.2
669	Lufkin State School	6,074,239.95	7,032,311.80	15.8
670	Corpus Christi State School	5,279,852.90	6,094,089.77	15.4
671	San Angelo Center	5,927,880.62	6,842,110.07	15.4
672	Mexia State School	13,393,195.15	16,599,707.06	23.9
673	San Antonio State Chest Hospital	4,770,511.35	5,067,036.89	6.2
674	Kerrville State Hospital	6,667,751.15	7,599,009.83	14.0
675	Travis State School	11,773,425.56	14,438,098.45	22.6

TABLE 18 (continued)
NET EXPENDITURES BY FUNCTION AND DEPARTMENT
Year Ended August 31

	FUNCTION/Department (with codes)	1976 Expenditures	1977 Expenditures	Percent Change
10	MENTAL HEALTH-MENTAL RETARDATION & CORRECTIONAL (continued)			
	676 Abilene State School	\$ 12,860,219.17	\$ 15,426,721.37	20.0%
	677 Austin State Hospital	14,105,910.29	15,926,178.12	12.9
	678 Austin State School	13,388,607.69	15,244,624.89	13.9
	679 Rusk State Hospital	11,336,959.64	15,659,841.73	38.1
	681 San Antonio State Hospital	11,877,325.50	13,023,881.43	9.7
	682 Terrell State Hospital	13,384,671.81	16,073,498.12	20.1
	683 Wichita Falls State Hospital	8,836,759.62	9,938,233.36	12.5
	684 Harlingen State Chest Hospital	2,059,329.76	2,312,831.06	12.3
	685 Research Institute of Mental Sciences	6,574,353.39	8,068,522.33	22.7
	686 Big Spring State Hospital	7,160,875.42	8,079,526.86	12.8
	687 Lubbock State School	5,608,551.14	6,246,778.33	11.4
	688 Brenham State School	4,038,943.00	5,502,059.72	36.2
	689 Giddings State School for Boys	2,551,230.57	2,792,104.91	9.4
	690 West Texas Children's Home	1,470,953.11	1,470,433.10	
	691 Gatesville State School for Boys	4,005,682.94	4,502,716.01	12.4
	692 Gainesville State School for Girls	2,227,180.72	2,574,810.46	15.6
	693 Crockett State School for Girls	1,123,338.86	2,456,853.59	118.7
	694 Youth Council	6,452,189.56	6,356,780.07	- 1.5
	695 Mountain View School for Boys	11,603.85	- 0 -	- 100.0
	696 Department of Corrections	61,821,673.78	73,889,682.59	19.5
	697 Board of Pardons & Paroles	4,168,414.39	4,693,685.08	12.6
	TOTAL, MENTAL HEALTH-MENTAL RETARDATION & CORRECTIONAL	327,500,959.39	397,454,153.52	21.4
11	EDUCATIONAL			
	301 Governor-Executive	1,192,075.36	2,569,449.68	115.5
	318 Commission for the Blind	6,585,324.19	6,892,455.11	4.7
	330 Rehabilitation Commission	- 0 -	9,455.00	
	332 Department of Community Affairs	96,533.33	138,314.60	43.3
	405 Department of Public Safety	65,365.00	2,300,024.00	3,418.7
	514 Texas Optometry Board	20,700.00	- 0 -	- 100.0
	517 Commission on Alcoholism	119,607.06	- 0 -	- 100.0
	601 Department of Highways and Public Transportation	137,476.10	943,305.09	586.2
	663 Commission for Indian Affairs	710.90	27.30	- 96.2
	701 Texas Education Agency	2,074,112,672.98	2,118,018,909.50	2.1
	710 A & M University System Administration	8,314,401.04	6,562,354.56	- 21.1
	711 A & M University Main University	57,744,728.07	64,805,562.17	12.2
	712 Engineering Experiment Station	3,207,337.55	3,044,830.03	- 5.1
	713 Tarleton State University	4,600,616.82	5,587,541.57	21.5
	714 University of Texas at Arlington	21,071,050.74	23,829,913.41	13.1
	715 Prairie View A & M University	8,983,319.05	11,456,610.05	27.5
	716 Engineering Extension Service	1,066,778.98	1,041,331.16	- 2.4
	717 Texas Southern University	11,946,119.67	14,640,913.14	22.6
	718 Texas Maritime Academy	1,618,044.27	1,887,930.98	16.7
	719 Texas Maritime Academy	1,618,044.27	1,887,930.98	16.7

TABLE 18 (continued)
NET EXPENDITURES BY FUNCTION AND DEPARTMENT
Year Ended August 31

FUNCTION/Department (with codes)		1976 Expenditures	1977 Expenditures	Percent Change
11	EDUCATIONAL (continued)			
720	University of Texas Systems	\$ 16,626,667.84	\$ 19,981,872.86	20.2%
721	University of Texas at Austin	90,587,985.95	99,930,944.00	10.3
723	U of T Medical Branch at Galveston	48,548,509.77	53,791,206.45	10.8
724	University of Texas at El Paso	15,298,991.49	17,544,098.77	14.7
729	U of T Health Science Center at Dallas	21,920,175.05	27,780,028.92	26.7
730	University of Houston	50,120,376.84	58,296,793.83	16.3
731	Texas Woman's University	16,618,415.46	17,826,720.87	7.3
732	Texas A & I University at Kingsville	11,047,956.73	12,001,134.32	8.6
733	Texas Tech University	40,979,600.87	43,948,296.03	7.2
734	Lamar University	15,989,862.79	17,191,441.43	7.5
735	Midwestern University	5,709,701.94	5,994,188.66	5.0
736	Pan American University	10,830,960.47	12,428,155.47	14.7
737	Angelo State University	6,476,740.72	6,790,696.68	4.8
738	University of Texas at Dallas	10,121,836.44	12,620,264.55	24.7
739	Texas Tech University School of Medicine	13,080,114.25	17,352,173.38	32.7
740	U of T Dental School at San Antonio	- 0 -	- 0 -	
741	U of T Medical School at Houston	- 0 -	- 0 -	
742	U of T of the Permian Basin	4,809,115.80	4,790,019.48	- 0.4
743	U of T at San Antonio	10,857,922.69	15,244,606.08	40.4
744	U of T Health Science Center at Houston	23,515,058.92	29,827,372.31	26.8
745	U of T Health Science Center at San Antonio	23,104,674.42	32,811,226.05	42.0
746	U of T System School of Nursing	5,849,555.50	5,810,995.19	- 0.7
750	Texas Eastern University	7,413,390.15	4,793,031.14	- 35.3
751	East Texas State University	16,111,649.32	17,948,887.09	11.4
752	North Texas State University	29,803,382.93	32,365,608.83	8.6
753	Sam Houston State University	15,442,996.08	16,335,255.27	5.8
754	Southwest Texas State University	17,444,154.93	19,294,432.02	10.6
755	Stephen F. Austin State University	15,305,037.36	16,757,569.65	9.5
756	Sul Ross State University	4,595,359.98	4,865,770.70	5.9
757	West Texas State University	11,047,968.80	12,145,094.28	9.9
758	Board of Regents, Texas State University System	82,491.76	112,183.35	36.0
759	University of Houston at Clear Lake City	6,106,339.77	6,970,407.33	14.2
760	Texas A & I University at Corpus Christi	5,644,644.08	9,224,009.58	63.4
761	Texas A & I University at Laredo	1,394,573.41	1,573,108.65	12.8
762	Texas A & I University System	144,034.46	194,738.70	35.2
763	Texas College of Osteopathic Medicine	3,251,570.70	7,097,610.30	118.3
764	East Texas State University at Texarkana	1,828,252.60	2,974,565.61	62.7
765	University of Houston - Victoria Center	1,854,987.75	2,278,266.47	22.8
766	State Rural Medical Education Board	14,030.06	13,880.81	- 1.1
781	Coordinating Board College & University System	101,177,136.91	116,565,885.75	15.2
813	Arts and Humanities Commission	3,250.00	166,867.00	5,034.4
TOTAL, EDUCATIONAL		2,895,239,543.73	3,063,550,666.09	5.8

TABLE 18 (continued)
NET EXPENDITURES BY FUNCTION AND DEPARTMENT
Year Ended August 31

FUNCTION/Department (with codes)		1976 Expenditures	1977 Expenditures	Percent Change
12	PARKS & MONUMENTS			
802	Parks and Wildlife Department	\$ 59,464,813.57	\$ 47,642,459.09	- 19.9%
808	Texas Historical Commission	757,220.87	905,631.58	19.6
812	U of T Institute of Texas Cultures	- 0 -	- 0 -	
813	Arts and Humanities Commission	770,021.08	315,985.93	- 59.0
815	Texas Tourist Development Agency	702,464.79	781,746.27	11.3
816	Admiral Nimitz Museum	121,049.19	128,215.23	5.9
	TOTAL, PARKS & MONUMENTS	61,815,569.50	49,774,038.10	- 19.5
13	PUBLIC WELFARE			
304	Comptroller of Public Accounts	64,110.00	- 0 -	- 100.0
322	Employment Commission	62,049,873.75	71,635,321.53	15.4
324	Department of Public Welfare	949,803,706.33	1,060,616,124.03	11.7
325	Firemen's Pension Commission	65,478.99	66,141.73	1.0
330	Rehabilitation Commission	32,650,846.83	33,888,467.99	3.8
902	Miscellaneous	- 0 -	60,640.00	
	TOTAL, PUBLIC WELFARE	1,044,634,015.90	1,166,266,695.28	11.6
14	PAYMENT OF PUBLIC DEBT			
328	Veterans' Land Board	23,099,897.50	26,826,735.00	16.2
580	Water Development Board	18,382,871.75	22,426,211.25	22.0
710	A & M University System Administration	6,034,117.50	6,686,822.50	10.8
711	A & M University Main University	- 0 -	- 0 -	
714	University of Texas at Arlington	2,442,872.50	2,836,999.16	16.1
717	Texas Southern University	585,785.00	717,590.00	22.5
720	University of Texas Systems	15,707,410.00	17,052,150.00	8.6
721	University of Texas at Austin	- 0 -	- 0 -	
730	University of Houston	3,097,265.00	3,786,793.75	22.3
731	Texas Woman's University	484,270.00	592,702.50	22.4
732	Texas A & I University	793,630.00	972,180.00	22.5
733	Texas Tech University	2,522,805.00	3,080,303.75	22.1
734	Lamar University	1,706,040.00	2,086,945.00	22.3
735	Midwestern University	523,735.00	642,011.25	22.6
736	Pan American University	590,915.00	722,550.00	22.3
751	East Texas State University	838,825.00	1,022,520.00	21.9
752	North Texas State University	2,195,865.00	2,681,145.00	22.1
755	Stephen F. Austin State University	1,171,090.00	1,435,543.75	22.6
757	West Texas State University	659,140.00	810,246.25	22.9
758	Board of Regents, Texas State University System	2,971,565.00	3,658,105.00	23.1
781	Coordinating Board College & University System	13,121,772.47	15,437,187.50	17.6

TABLE 18 (continued)
NET EXPENDITURES BY FUNCTION AND DEPARTMENT
Year Ended August 31

FUNCTION/Department (with codes)		1976 Expenditures	1977 Expenditures	Percent Change
14	PAYMENT OF PUBLIC DEBT (continued)			
802	Parks and Wildlife Department	<u>\$ 1,550,750.00</u>	<u>\$ 1,515,750.00</u>	— 2.3%
	TOTAL, PAYMENT OF PUBLIC DEBT	98,480,621.72	114,990,491.66	16.8
15	EMPLOYEES' RETIREMENT			
327	Employees' Retirement System	<u>64,775,609.54</u>	<u>76,626,606.64</u>	18.3
	TOTAL, EMPLOYEES' RETIREMENT	64,775,609.54	76,626,606.64	18.3
16	O.A.S.I.			
327	Employees' Retirement System	77,439,196.72	86,820,078.91	12.1
723	U.T. Medical Branch at Galveston	<u>- 0 -</u>	<u>149,547.15</u>	
	TOTAL, O.A.S.I.	77,439,196.72	86,969,626.06	12.3
17	GRANTS			
301	Governor-Executive	48,498,277.53	54,290,793.01	11.9
304	Comptroller of Public Accounts	11,372,579.32	- 0 -	— 100.0
306	Library and Historical Commission	4,818,742.65	4,849,148.96	0.6
316	Board of County & District Road Indebtedness	14,600,000.00	7,299,999.99	— 50.0
318	Commission for the Blind	5,517,158.21	7,038,381.18	27.6
324	Department of Public Welfare	95,089.21	826,814.66	769.5
325	Firemen's Pension Commission	299,972.28	286,251.71	— 4.6
327	Employees' Retirement System	2,648,111.48	2,898,870.12	9.5
330	Rehabilitation Commission	32,546,365.19	29,656,516.32	— 8.9
332	Community Affairs	49,468,146.75	40,502,984.27	— 18.1
405	Department of Public Safety	1,856,754.27	2,838,172.57	52.9
461	Aeronautics Commission	661,180.30	1,062,555.97	60.7
501	Department of Health Resources	23,409,293.19	50,781,238.62	116.9
517	Commission on Alcoholism	2,511,929.68	2,969,945.88	18.2
518	Water Quality Board	203,766.99	- 0 -	— 100.0
519	Air Control Board	690.25	1,991.87	188.6
554	Texas Animal Health Commission	5,795.71	150.00	— 97.4
601	Department of Highways and Public Transportation	904,985.11	5,132,254.88	537.6
652	Waco State Home	- 0 -	4,444.99	
655	Department of Mental Health & Mental Retardation	26,635,246.85	37,917,368.93	42.4
658	Beaumont State Center for Human Development	11,897.25	5,135.00	— 56.8
659	Rio Grande State Center MHMR	265.25	44.40	— 83.3
660	Denton State School	1,291.45	2,259.50	75.0
662	Dallas State Mental Health Clinic	22,918.00	- 0 -	— 100.0
663	Commission for Indian Affairs	- 0 -	110.15	
664	Fort Worth State Mental Health Clinic	19,513.58	- 0 -	— 100.0
668	Richmond State School	- 0 -	- 0 -	
669	Lufkin State School	1,459.00	1,809.00	24.0
670	Corpus Christi State School	- 0 -	196.93	24.0

TABLE 18 (continued)
NET EXPENDITURES BY FUNCTION AND DEPARTMENT
Year Ended August 31

FUNCTION/Department (with codes)		1976 Expenditures	1977 Expenditures	Percent Change
17	GRANTS (continued)			
671	San Angelo Center	\$ 84.00	\$ 238.75	184.2%
672	Mexia State School	486.21	1,769.15	263.9
674	Kerrville State Hospital	153.35	210.00	37.0
675	Travis State School	5,019.10	12,301.19	145.1
676	Abilene State School	9,133.50	5,158.83	43.5
677	Austin State Hospital	2,793.15	4,626.80	65.7
678	Austin State School	1,897.15	5,942.95	213.3
679	Rusk State Hospital	100.71	936.88	830.3
681	San Antonio State Hospital	623.50	3,098.50	397.0
682	Terrell State Hospital	112.75	473.15	319.8
683	Wichita Falls State Hospital	410.00	386.85	— 5.7
684	Harlingen State Chest Hospital	171.50	- 0 -	— 100.0
686	Big Spring State Hospital	- 0 -	- 0 -	
687	Lubbock State Schools	376.00	145.00	— 61.4
688	Brenham State School	- 0 -	586.00	
689	Giddings State School for Boys	310.00	971.55	213.4
690	West Texas Children's Home	1,662.88	7,773.28	367.5
691	Gatesville State School for Boys	2,085.00	1,897.64	— 9.0
692	Gainesville State School for Girls	1,178.55	1,160.00	— 1.6
693	Crockett State School for Girls	363.00	736.00	102.8
694	Texas Youth Council	217,842.02	1,786,599.96	720.1
695	Mountain View School for Boys	- 0 -	- 0 -	
696	Department of Corrections	1,500,004.04	2,084,150.00	38.9
697	Board of Pardons and Paroles	715.00	537,289.74	75,045.4
701	Texas Education Agency	516,262.69	1,361,918.24	163.8
710	A & M University System Administration	15,624.75	29,503.78	88.8
711	A & M University Main University	146,700.05	50,422.90	— 65.6
713	Tarleton State University	4,525.00	4,175.00	— 7.7
714	University of Texas at Arlington	7,325.00	7,650.00	4.4
715	Prairie View A & M University	214,860.88	215,453.78	0.3
717	Texas Southern University	48,055.20	50,000.00	4.0
720	University of Texas Systems	68,004.23	729,605.34	972.9
721	University of Texas at Austin	- 0 -	- 0 -	
723	U of T Medical Branch at Galveston	- 0 -	- 0 -	
731	Texas Woman's University	24,900.00	52,449.94	110.6
732	Texas A & I University at Kingsville	7,142.00	- 0 -	— 100.0
733	Texas Tech University	- 0 -	375.00	
737	Angelo State University	2,411.60	3,359.00	39.3
739	Texas Tech University School of Medicine	- 0 -	6,000.00	
745	U of T Health Science Center at San Antonio	- 0 -	- 0 -	
746	U of T System School of Nursing	11,390.00	3,975.00	— 65.1
751	East Texas State University	- 0 -	- 0 -	
752	North Texas State University	22,511.00	30,500.00	— 35.5
753	Sam Houston State University	- 0 -	- 0 -	
757	West Texas State University	73,804.50	27,973.50	— 62.1

TABLE 18 (continued)
NET EXPENDITURES BY FUNCTION AND DEPARTMENT
Year Ended August 31

FUNCTION/Department (with codes)		1976 Expenditures	1977 Expenditures	Percent Change
17	GRANTS (continued)			
781	Coordinating Board College & University System	\$ 9,274,699.00	\$ 12,551,239.00	35.3%
802	Parks and Wildlife Department	5,243,708.22	5,610,787.62	7.0
808	Texas Historical Commission	188,491.94	298,918.14	58.6
813	Arts and Humanities Commission	49,218.00	440,846.11	795.7
902	Miscellaneous	2,437,903.44	16,768,224.92	587.8
906	American Revolution Bicentennial Commission	<u>50.00</u>	<u>- 0 -</u>	- 100.0
	TOTAL, GRANTS	246,114,538.41	291,067,268.40	18.3
18	STATE COST TEACHER RETIREMENT			
304	Comptroller of Public Accounts	204,512,809.76	17,483,719.00	- 91.5
323	Teachers' Retirement System	- 0 -	- 0 -	
902	Miscellaneous	<u>- 0 -</u>	<u>204,147,725.10</u>	
	TOTAL, STATE COST TEACHER RETIREMENT	204,512,809.76	221,631,444.10	8.4
19	MISCELLANEOUS			
302	Attorney General	618,114.56	1,852,454.97	199.7
304	Comptroller of Public Accounts	2,527,408.82	299,592.68	- 88.1
316	Board of County & District Road Indebtedness	- 0 -	- 0 -	
322	Employment Commission	4,156,638.09	4,059,578.77	- 2.3
405	Department of Public Safety	3,669,873.42	2,606,045.80	- 29.0
902	Miscellaneous	4,761.02	- 0 -	- 100.0
906	American Revolution Bicentennial Commission	<u>124,085.67</u>	<u>88,522.60</u>	- 28.7
	TOTAL, MISCELLANEOUS	<u>11,100,881.58</u>	<u>8,906,194.82</u>	- 19.8
	TOTAL EXPENDITURES	6,203,503,772.15	6,606,979,385.83	6.5
99	INTERFUND TRANSFERS (See Table 19 for detail)	<u>3,245,780,185.24</u>	<u>3,642,916,009.01</u>	12.2
	TOTAL, EXPENDITURES AND INTERFUND TRANSFERS	<u>\$ 9,449,283,957.39</u>	<u>\$10,249,895,394.84</u>	8.5%

TABLE 19
NET EXPENDITURES BY OBJECT
Year Ended August 31

OBJECT (with codes)	1976 Expenditures	1977 Expenditures	Percent Change
PERSONAL SERVICES:			
Salaries and Wages ^a :			
01 Salaries and Wages	\$ 1,508,034,433.47	\$ 1,667,474,172.51	
111 Per Diem of Board Members	--	941,191.75	
112 Termination Pay-Vacation	--	12,682,082.62	
Total, Salaries and Wages	<u>1,508,034,433.47</u>	<u>1,681,097,446.88</u>	11.5%
Professional Services and Fees ^a :			
02 Professional Services & Fees	37,291,344.14	--	
114 Professional Services — Accounting	--	1,114,802.94	
115 Professional Services — Architectural	--	2,478,849.80	
116 Professional Services — Engineering	--	3,637,286.80	
117 Professional Services — Legal	--	193,623.55	
118 Professional Services — Medical	--	8,138,562.84	
119 Professional Services — Veterinary	--	25,833.15	
120 Professional Services — State Employee	--	65,609.27	
121 Professional Services — Other	--	12,298,710.84	
Total, Professional Services and Fees	<u>37,291,344.14</u>	<u>27,953,279.19</u>	— 25.0
03 Employees Maintenance	81,408.50	130,345.97	60.1
04 Judicial Fees and Court Costs	1,806,620.03	2,493,070.90	38.0
05 Employees' Retirement Matching	64,775,609.54	76,626,606.64	18.3
06 Teachers' Retirement Matching	204,512,809.76	221,631,444.10	8.4
07 O.A.S.I. Matching	77,439,196.72	86,969,626.06	12.3
08 State Contribution Employee Insurance	20,304,682.75	23,755,509.57	17.0
09 Unemployment Compensation Benefits	<u>4,156,638.09</u>	<u>4,059,578.77</u>	— 2.3
TOTAL, PERSONAL SERVICES	1,918,402,743.00	2,124,716,908.08	10.8
CONSUMABLE SUPPLIES AND MATERIALS:			
Printing and Office Supplies ^a :			
10 Printing and Office Supplies	7,929,114.63	--	
103 Printing by Contract	--	4,371,684.71	
104 Office Supplies	--	4,855,781.88	
Total, Printing and Office Supplies	<u>7,929,114.63</u>	<u>9,227,466.59</u>	16.4
11 Gasoline, Oil, Lubricants, Wash and Grease	6,428,978.24	13,396,649.54	108.4
12 Food for Persons	11,868,547.85	12,261,893.50	3.3
13 Clothing and Dry Goods for Persons	1,534,690.96	2,157,958.26	40.6
14 Feed for Animals, Seed and Small Plants	1,655,497.18	1,738,214.52	5.0

^a 1976 Expenditure Codes 01, 02, 10, 21, 26, 61, and 68 were expanded in 1977 to provide further detail.

TABLE 19 (continued)
NET EXPENDITURES BY OBJECT
Year Ended August 31

OBJECT (with codes)	1976 Expenditures	1977 Expenditures	Percent Change
CONSUMABLE SUPPLIES AND MATERIALS (continued):			
15 Drugs and Chemicals for Medical and Laboratory	\$ 9,209,142.07	\$ 8,253,188.73	- 8.6%
16 Other Supplies and Materials (Except Highway Department)	46,977,738.38	71,807,299.36	52.9
17 Other Supplies, Materials and Operation Costs (Highway Department Only)	<u>69,775,712.18</u>	<u>32,684,154.82</u>	- 53.2
TOTAL, CONSUMABLE SUPPLIES AND MATERIALS	155,199,421.49	151,526,825.32	- 2.4
CURRENT AND RECURRING OPERATING EXPENSE:			
20 Postage	9,479,909.85	14,444,472.85	52.4
Utilities, Telephone, and Telegraph ^a :			
21 Utilities, Telephone and Telegraph	90,305,728.68	--	
211 Utilities — Electricity	--	56,304,761.07	
212 Utilities — Natural Gas	--	35,613,374.35	
213 Utilities — Telephone	--	24,009,470.55	
214 Utilities — Waste Disposal	--	1,083,903.07	
215 Utilities — Water	--	3,466,097.17	
216 Utilities — Other	--	<u>2,520,017.52</u>	
Total, Utilities, Telephone and Telegraph	<u>90,305,728.68</u>	<u>122,997,623.73</u>	36.2
22 Transportation of Things	1,090,508.12	1,475,156.01	35.3
23 Repairs to Buildings Contract (Written or Oral)	2,389,953.23	2,499,747.13	4.6
24 Repairs Other Contract	3,442,542.28	4,670,913.68	35.7
25 Travel Expense	35,537,235.70	40,522,314.96	14.0
Rentals ^a :			
26 Rentals	35,066,161.04	--	
261 Rental of Building	--	21,284,714.20	
262 Rental of Computer Equipment	--	14,495,004.55	
263 Rental of Telecommunication Equipment	--	610,940.52	
264 Rental of Motor Vehicles (Land)	--	3,951,702.77	
265 Rental of Other Vehicles	--	374,452.36	
266 Rental of Copying Machines	--	4,173,932.47	
267 Rental of Office Equipment	--	1,266,707.14	
268 Rental — Other	--	<u>1,530,946.53</u>	
Total, Rentals	<u>35,066,161.04</u>	<u>47,688,400.54</u>	36.0

^a 1976 Expenditure Codes 01, 02, 10, 21, 26, 61, and 68 were expanded in 1977 to provide further detail.

TABLE 19 (continued)
NET EXPENDITURES BY OBJECT
Year Ended August 31

OBJECT (with codes)	1976 Expenditures	1977 Expenditures	Percent Change
CURRENT AND RECURRING OPERATING EXPENSE (continued):			
27 Workmen's Compensation Transfers	\$ 1,358,648.94	\$ 2,336,998.47	72.0 %
28 Other Operating Expense	69,572,530.25	79,900,559.74	14.8
29 Telecommunication - Tex-An	<u>4,854,339.51</u>	<u>4,739,044.15</u>	-
TOTAL, CURRENT AND RECURRING OPERATING EXPENSE	253,097,557.60	321,275,231.26	26.9
ASSISTANCE AND PENSIONS:			
30 Old Age Assistance	- 0 -	- 0 -	
31 Purchased Social Services ^b	83,110,814.11	97,144,733.45	16.9
32 Blind Assistance	- 0 -	- 0 -	
34 Financial Services - Children	139,479,483.26	128,605,095.29	-
35 Medical Assistance - Nursing Homes	338,944,983.42	366,327,564.61	8.1
36 Medical Related Services	2,035,744.37	170,146.76	-
37 Medical Assistance	215,993,295.61	256,404,286.27	18.7
38 Confederate Pensions	4,350.00	3,600.00	-
39 Ranger Pensions	<u>59,760.00</u>	<u>57,040.00</u>	-
TOTAL, ASSISTANCE AND PENSIONS	779,628,430.77	848,712,466.38	8.9
GRANTS:			
40 School Apportionment	1,616,865,503.10	1,642,167,779.45	1.6
41 Grants Elementary and Secondary Schools	319,409,569.86	341,691,016.58	7.0
42 Grants Junior Colleges	149,576,979.28	182,098,327.59	21.7
43 Grants Senior Colleges and Universities	25,206,302.76	29,735,958.76	18.0
44 Grants-In-Aid Various	99,188,365.97	115,526,953.03	16.5
45 Grants to Counties	40,339,555.54	35,259,827.77	-
46 Grants to Cities	31,680,132.83	34,532,425.97	9.0
47 Grants to Other Political Sub-Divisions	43,424.75	74,594.18	71.8
48 Grants to Others	<u>76,460,255.78</u>	<u>107,318,787.84</u>	40.4
TOTAL, GRANTS	2,358,770,089.87	2,488,405,671.17	5.5
PAYMENTS OF INDEBTEDNESS AND INTEREST:			
50 Principal on State Bonds	53,785,000.00	59,643,255.00	10.9
51 Principal on Other Indebtedness	- 0 -	- 0 -	
55 Interest on State Bonds	44,695,621.72	55,347,236.66	23.8
58 Claims Workmen's Compensation	618,114.56	1,852,454.97	199.7
59 Miscellaneous Claims	<u>2,532,169.84</u>	<u>299,592.68</u>	-
TOTAL, PAYMENT OF INDEBTEDNESS AND INTEREST	101,630,906.12	117,142,539.31	15.3

TABLE 19 (continued)
NET EXPENDITURES BY OBJECT
Year Ended August 31

OBJECT (with codes)	1976 Expenditures	1977 Expenditures	Percent Change
CAPITAL OUTLAY:			
60 Equipment and Furniture Inventory (Controlled by the Comptroller)	\$ 48,425,815.74	\$ 57,537,530.67	18.8 %
Other Equipment and Furniture ^a :			
61 Other Equipment and Furniture	42,698.26	365,447.88	
160 Purchase of Computer Equipment	--	3,441,307.23	
161 Purchase of Telecommunication Equipment	--	1,712,581.60	
Total, Other Equipment and Furniture	<u>42,698.26</u>	<u>5,519,336.71</u>	12,826.4
62 Library Books	11,356,083.91	13,962,651.70	23.0
63 Textbooks	37,052,040.20	13,693,312.66	-- 63.0
64 Livestock and Poultry	67,640.90	184,969.93	173.5
65 Highway Department Construction, Improvements & Right of Way Purchases	466,314,301.52	374,114,784.82	-- 19.8
66 Land Purchased	12,294,638.28	13,975,665.35	13.7
67 Land Improvements	8,101,108.60	4,546,193.88	-- 43.9
Buildings Purchased, Constructed and Remodeled ^c :			
68 Buildings Purchased, Constructed and Remodeled	53,120,295.89	--	
168 Buildings Purchased	--	2,418,512.30	
169 Buildings Constructed or Remodeled	--	69,246,786.29	
Total, Buildings Purchased, Constructed and Remodeled	<u>53,120,295.89</u>	<u>71,665,298.59</u>	34.9
TOTAL, CAPITAL OUTLAY	<u>636,774,623.30</u>	<u>555,199,744.31</u>	-- 12.8
TOTAL EXPENDITURES	<u>6,203,503,772.15</u>	<u>6,606,979,385.83</u>	6.5
INTERFUND TRANSFERS:			
71 Purchase of State Bonds	202,000.00	- 0 -	
72 Purchase of U.S. Government Securities	441,396,000.00	572,453,000.00	29.7
74 Purchase of Notes and Other Evidence of Indebtedness	22,310,693.54	24,990,564.43	12.0
75 Purchase of Corporate Bonds	292,591,250.00	256,245,060.80	-- 12.4
76 Purchase of Corporate Stock	83,694,132.70	153,466,109.00	83.4
77 Loans to Political Sub-Divisions	38,411,000.00	24,699,000.00	-- 35.7
78 Petty Cash Advances	404,201.00	74,350.00	-- 81.6
79 Purchase of Water Rights	4,518,546.91	4,977,537.51	10.2
80 Accrued Interest on Investments	2,328,420.05	4,094,909.54	75.9

^c 1976 Expenditures Codes 01, 02, 10, 21, 26, 61, and 68 were expanded in 1977 to provide further detail.

TABLE 19 (continued)
NET EXPENDITURES BY OBJECT
Year Ended August 31

OBJECT (with codes)	1976 Expenditures	1977 Expenditures	Percent Change
INTERFUND TRANSFERS (continued)			
83 Discounts on Investments	\$ (1,459,265.05)	\$ 2,685,038.54	184.0%
85 Premiums on Investments	560,430.97	430,269.43	— 23.2
90 Allocations Fund 120	1,405,743,286.22	1,572,310,309.11	11.8
92 Land Purchased for Resale	52,656,346.62	26,242,776.34	— 50.2
93 Miscellaneous Non-Governmental Expenditures	36,306,682.44	35,434,142.98	— 2.4
95 Departmental Transfers	140,228,006.41	151,913,135.30	8.3
96 Operating Fund Transfers	56,280,614.43	123,445,082.37	119.3
97 Merchandise Purchased for Resale	1,148,339.63	1,127,391.42	— 1.8
98 Allocations Fund 60	425,142,846.57	443,567,319.33	4.3
99 Departmental Transfers-Appropriation	175,650,509.23	173,493,185.91	— 1.2
101 Loans to College Students	18,589,276.26	14,203,172.15	— 23.6
102 Board of Control Resale Stores	755,725.09	771,676.90	2.1
125 Travel Cash Advance	182,790.00	55,983.00	— 69.4
164 Advance for S.B. 1	110,361.44	100.24	— 99.9
199 Refunds of Revenue	26,675,552.44	34,969,821.73	31.1
221 Departmental Transfers-Centrex Phone	2,295,542.44	3,602,820.54	56.9
229 Departmental Transfers — Tex-An Phone	4,255,615.08	4,169,324.27	— 2.0
999 Refund of Expenditures	14,801,280.82	13,493,928.17	— 8.8
TOTAL INTERFUND TRANSFERS	<u>3,245,780,185.24</u>	<u>3,642,916,009.01</u>	12.2
TOTAL EXPENDITURES AND INTERFUND TRANSFERS	<u>\$ 9,449,283,957.39</u>	<u>\$ 10,249,895,394.84</u>	8.5%

TABLE 20
NET REVENUES AND EXPENDITURES BY DEPARTMENT^a
Year Ended August 31

Department	1976		1977	
	Revenues	Expenditures	Revenues	Expenditures
<u>Legislative</u>				
101 Senate	\$ 64,030.70	\$ 4,087,644.06	\$ 77,088.71	\$ 5,151,611.47
102 House of Representatives	110,935.74	8,222,373.79	211,587.27	10,469,643.95
103 Legislative Council	23,379.85	1,501,081.24	27,164.34	2,453,016.55
104 Legislative Budget Board	107.02	927,700.99	351.74	1,042,855.25
105 Legislative Reference Library	781.34	165,447.32	56,543.36	237,686.61
107 Commission on Uniform State Laws	- 0 -	21,162.37	- 0 -	20,915.90
111 Legislative Property Tax Committee	(27,741.92)	- 0 -	- 0 -	- 0 -
115 Texas Constitution Convention	- 0 -	55,232.00	- 0 -	- 0 -
<u>Judicial</u>				
201 Supreme Court	13,899.47	825,941.29	23,405.65	886,995.06
202 State Bar of Texas	- 0 -	- 0 -	2,692.05	- 0 -
211 Court of Criminal Appeals	358,878.71	960,904.56	453,242.50	1,070,155.18
212 Civil Judicial Council	238,472.13	275,833.15	290,060.85	277,020.57
213 State Attorney Before Court of Criminal Appeals	- 0 -	70,041.31	- 0 -	73,866.94
221 Court of Civil Appeals — First District	4,677.20	210,280.38	4,758.50	223,260.17
222 Court of Civil Appeals — Second District	3,707.00	178,064.71	3,664.50	201,308.57
223 Court of Civil Appeals — Third District	3,068.00	212,950.52	4,761.80	220,072.84
224 Court of Civil Appeals — Fourth District	3,987.37	207,652.14	5,211.50	216,138.97
225 Court of Civil Appeals — Fifth District	7,963.52	206,957.64	8,164.60	225,225.62
226 Court of Civil Appeals — Sixth District	1,095.87	185,640.56	1,793.43	196,068.97
227 Court of Civil Appeals — Seventh District	3,007.71	200,335.02	3,160.35	212,144.31
228 Court of Civil Appeals — Eighth District	2,041.80	183,126.85	2,196.50	197,033.45
229 Court of Civil Appeals — Ninth District	2,044.30	184,834.92	1,845.00	193,683.12
230 Court of Civil Appeals — Tenth District	2,075.20	167,791.66	1,603.00	175,847.19
231 Court of Civil Appeals — Eleventh District	1,499.91	172,993.28	1,091.00	178,410.24
232 Court of Civil Appeals — Twelfth District	1,477.00	205,061.20	1,417.95	216,064.79
233 Court of Civil Appeals — Thirteenth District	2,660.00	211,709.53	2,735.00	223,359.57
234 Court of Civil Appeals — Fourteenth District	5,605.35	210,982.99	5,377.65	222,899.16
241 District Courts (Comptroller's Judiciary Section)	5,135.46	11,330,376.11	147,786.79	12,271,751.55
242 Judicial Qualifications Commission	107.68	91,924.43	- 0 -	69,747.16
243 Law Library	4,445.01	145,761.96	15,341.22	163,596.00
<u>Executive and Administrative</u>				
301 Governor — Executive	67,183,518.88	79,097,630.33	73,726,974.30	77,886,876.88
302 Attorney General	3,113,962.42	7,710,550.54	3,673,750.90	10,486,132.18
303 Board of Control	36,446,862.72	45,886,305.23	27,326,794.23	38,684,156.16

^a Both revenue and expenditure categories include interfund transfers.

TABLE 20 (continued)
NET REVENUES AND EXPENDITURES BY DEPARTMENT
Year Ended August 31

Department	1976		1977	
	Revenues	Expenditures	Revenues	Expenditures
Executive and Administrative (continued)				
304 Comptroller of Public Accounts ^b	\$ 4,124,517,970.61	\$ 2,128,815,645.40	\$ 39,391,439.41	\$ 134,215,651.61
305 General Land Office	1,962,183.32	5,583,538.05	2,023,307.65	5,891,316.63
306 Library and Historical Commission	3,976,522.94	7,406,464.57	3,059,565.50	7,499,975.12
307 Secretary of State	6,878,717.02	5,940,715.99	8,152,307.33	3,381,032.16
308 Auditor	248,412.99	2,534,239.78	211,647.38	2,698,264.43
309 Building Commission	8,544,998.52	5,898,645.05	8,749,766.84	6,706,969.68
310 Treasurer	58,600,862.30	1,988,456.38	64,258,822.36	1,790,077.97
312 Securities Board	1,381,993.09	1,003,721.10	1,632,933.54	1,067,729.59
314 Board of Managers State Railroad	705.50	- 0 -	555.00	125.19
316 Board of County and District Road Indebtedness	17,386,052.94	17,174,074.69	17,143,144.62	16,891,020.77
318 Commission for the Blind	12,265,242.30	14,310,591.38	14,266,578.19	16,700,825.70
319 Governor's Coordinating Off/Vis Handicapped	- 0 -	23,969.48	139,438.53	363,765.90
322 Employment Commission	70,702,039.45	66,463,472.24	81,630,833.58	75,947,124.60
323 Teachers Retirement System	1,320.09	- 0 -	(60,850,882.08)	- 0 -
324 Department of Public Welfare	1,006,122,233.87	1,057,055,132.70	1,141,406,409.67	1,251,270,160.75
325 Firemen's Pension Commission	139.65	366,424.93	- 0 -	353,164.59
326 Good Neighbor Commission	470.42	118,817.02	14,420.11	138,091.20
327 Employees' Retirement System	747,112.77	147,613,381.84	700,705.78	169,464,451.91
328 Veterans' Land Board	144,046,008.77	130,221,594.56	152,460,407.74	154,237,257.60
329 Real Estate Commission	2,375,218.40	993,511.93	2,725,855.16	1,089,273.94
330 Rehabilitation Commission	56,035,591.18	65,901,198.14	64,907,034.19	64,331,974.29
332 Community Affairs	59,478,491.00	59,166,434.39	48,505,634.27	54,684,845.48
333 Office of State - Federal Relations	210,718.67	526,621.51	305,480.42	603,159.93
334 Advisory Commission on Intergovernmental Relations	25,458.80	479,162.83	6,728.71	493,972.21
335 Commission for the Deaf	4,378.77	59,775.84	30,290.16	122,137.13
Protection of Persons and Property				
401 Adjutant General	543,422.23	3,097,220.66	542,245.63	3,216,784.06
403 Veterans' Affairs Commission	(73.01)	951,016.01	478.19	1,015,178.40
405 Department of Public Safety	31,928,798.12	75,537,908.59	36,647,968.42	85,301,467.23
406 National Guard Armory Board	123.10	734,410.66	814,595.80	783,934.26
407 Law Enforcement Officer Standards and Education	1,213,328.57	1,311,450.43	1,312,909.15	1,437,758.46
408 Fire Protection Personnel Standards and Education	7,203.00	68,822.86	6,319.06	80,056.95
409 Commission on Jail Standards	11,000.00	8,015.99	337,547.51	286,194.48

^b Various revenue and expenditure items administered by Department 304 were reassigned to Department 902 in 1977 to more accurately reflect operating revenues and expenditures of Department 304.

TABLE 20 (continued)
NET REVENUES AND EXPENDITURES BY DEPARTMENT
Year Ended August 31

Department	1976		1977	
	Revenues	Expenditures	Revenues	Expenditures
<u>Protection of Persons and Property (continued)</u>				
450 Savings and Loan Department	\$ 338.88	\$ - 0 -	\$ 221.95	\$ - 0 -
451 Banking — Finance Commission	56,075.28	43,390.00	60,206.72	38,978.69
452 Bureau of Labor and Standards	975,581.47	1,625,503.75	1,829,687.32	1,987,037.48
453 Industrial Accident Board	2,813,007.04	2,826,940.45	3,182,652.54	2,924,583.66
454 Board of Insurance	126,805,805.02	22,964,534.95	144,474,437.90	24,483,015.84
455 Railroad Commission	15,818,275.83	8,722,090.57	18,485,481.17	10,640,957.78
457 Board of Public Accountancy	1,235.13	- 0 -	- 0 -	- 0 -
458 Alcoholic Beverage Commission	99,311,101.05	9,422,330.31	106,070,961.40	10,350,483.67
459 Board of Architectural Examiners	132,001.14	122,132.06	162,979.61	129,818.73
460 Board of Registration for Professional Engineers	727,692.66	433,796.57	1,000,727.77	418,269.55
461 Aeronautic Commission	624,054.71	1,276,814.97	626,206.05	1,812,184.32
463 Board of Registration for Public Surveyors	37,144.50	37,895.79	39,110.64	38,450.88
465 Industrial Commission	581,730.63	1,480,813.10	522,665.10	1,501,005.03
466 State Finance Commission	490.64	- 0 -	237.08	- 0 -
467 Board of Private Investigators & Private Security Agencies	276,426.94	435,355.18	288,901.48	476,474.84
468 Board of Landscape Architects	49,058.33	52,150.10	54,024.63	47,016.39
469 Credit Union Commission	1,020.99	- 0 -	1,034.04	- 0 -
470 Motor Vehicle Commission	129,875.92	121,081.12	141,243.34	125,211.53
471 Texas Amusement Machine Commission	1,879,616.30	422,324.89	1,773,354.90	434,400.76
472 Texas Structural Pest Control Board	198,059.00	188,449.92	295,984.74	198,372.34
473 Public Utilities Commission	19,181.44	706,320.32	9,722,269.67	1,871,871.62
<u>Conservation of Health and Sanitation</u>				
501 Department of Health Resources	64,938,183.02	102,648,304.84	71,743,801.46	122,529,864.87
502 Board of Barber Examiners	583,685.07	289,184.86	233,489.66	295,321.95
503 Board of Medical Examiners	671,975.25	344,450.00	721,712.70	356,502.32
504 Board of Dental Examiners	332,663.71	321,464.02	513,966.65	342,206.04
505 Cosmetology Commission	1,144,104.55	971,842.39	1,240,640.34	922,749.22
506 U of T System Cancer Center	78,572.15	38,560,272.88	78,042.03	41,366,730.01
507 Board of Nurse Examiners	265.45	- 0 -	73.96	- 0 -
508 Board of Chiropractic Examiners	48,300.00	32,072.47	46,601.28	38,124.82
509 Board of Examiners for Hearing Aids	38,456.73	35,564.29	34,335.99	37,623.68
510 Board of Examiners in Basic Sciences	83,489.25	80,423.22	120,192.00	97,622.35
511 Board of Vocational Nurse Examiners	277,446.16	224,707.03	336,531.75	259,752.84
513 Board of Morticians	17.30	- 0 -	16.81	- 0 -
514 Optometry Board	53,382.59	75,715.28	56,210.00	49,397.33
517 Commission on Alcoholism	3,309,854.96	4,472,794.07	4,107,373.55	4,520,209.67
518 Water Quality Board	1,970,478.37	7,720,261.49	2,717,116.34	9,108,226.65

TABLE 20 (continued)
NET REVENUES AND EXPENDITURES BY DEPARTMENT
Year Ended August 31

Department	1976		1977		
	Revenues	Expenditures	Revenues	Expenditures	
<u>Conservation of Health and Sanitation (continued)</u>					
519	Air Control Board	\$ 1,734,313.50	\$ 6,907,534.55	\$ 1,867,783.70	\$ 7,426,185.86
520	Board of Examiners of Psychologists	103,515.96	66,407.89	116,114.40	65,968.21
521	Governor's Commission on Physical Fitness	4,060.60	64,124.03	6,074.65	75,328.80
522	Board of Physical Therapy Examiners	45,938.15	27,865.24	51,754.00	34,272.94
523	Board of Athletic Trainers	380.00	- 0 -	- 0 -	- 0 -
524	Board of Nursing Home Administrators	179,690.00	72,212.19	10,940.00	75,080.96
525	Health Facilities Commission	141,539.69	567,524.20	449,289.30	554,939.92
550	Governors Energy Advisory Council	5,677.99	695,634.64	65,809.43	1,443,604.99
551	Department of Agriculture	2,235,212.86	10,701,969.49	2,647,925.68	11,961,254.06
552	Water Rights Commission	262,327.29	2,877,206.26	367,087.63	3,088,321.78
554	Texas Animal Health Commission	751,914.41	4,894,438.15	844,578.44	5,192,352.81
555	Texas Agricultural Extension Service	37,764.73	14,055,352.47	45,824.26	15,245,250.65
556	Texas Agricultural Experiment Station	799,901.91	13,980,414.65	696,479.56	15,413,723.21
557	Texas Veterinary Medical Diagnostic Laboratory	1,611.08	927,412.25	5.40	888,150.74
576	Texas Forest Service	5,892.36	3,416,545.12	13,573.47	3,722,837.57
577	Rodent and Predatory Animal Control Service	426.00	1,071,170.30	416.40	1,146,173.21
578	Board of Veterinary Medical Examiners	91,519.63	81,405.46	96,926.86	85,054.46
579	Rio Grande Compact Commission	- 0 -	58,843.04	- 0 -	61,370.89
580	Water Development Board	172,461,819.46	179,771,463.27	211,564,301.00	220,186,668.76
581	Water Well Drillers' Board	- 0 -	7,897.44	- 0 -	5,147.03
583	Sabine River Compact Administration	- 0 -	11,237.17	- 0 -	11,003.92
584	Texas Offshore Terminal Commission	15.16	3,007.80	- 0 -	- 0 -
585	Texas Coastal and Marine Council	252,739.47	270,504.46	145,463.49	335,941.27
592	Soil and Water Conservation Board	- 0 -	1,127,724.78	14,188.69	1,172,778.92
596	Interstate Compact Commissioner (Red River)	- 0 -	14,562.07	- 0 -	11,552.23
598	Canadian River Commission	- 0 -	8,752.34	- 0 -	6,795.46
599	Pecos River Commission	- 0 -	68,924.72	- 0 -	31,850.35
<u>Highways Maintenance and Construction</u>					
601	Department of Highways and Public Transportation	914,062,638.77	755,771,632.87	886,800,511.11	677,571,807.14
602	Turnpike Authority	31,957.14	- 0 -	10,538.50	- 0 -
<u>Eleemosynary and Correctional</u>					
651	Corsicana State Home	32,486.35	1,628,315.25	25,745.41	1,798,852.22
652	Waco State Home	23,174.24	1,319,660.55	25,257.46	1,611,135.06
654	Brownwood State School for Girls	17,292.59	2,722,537.53	24,507.40	3,040,019.72
655	Department of Mental Health and Mental Retardation	6,527,014.57	57,955,773.11	1,865,490.52	85,690,036.59

TABLE 20 (continued)
NET REVENUES AND EXPENDITURES BY DEPARTMENT
Year Ended August 31

Department	1976		1977		
	Revenues	Expenditures	Revenues	Expenditures	
Eleemosynary and Correctional (continued)					
656	Vernon Center	\$ 994,729.98	\$ 7,573,115.73	\$ 951,951.47	\$ 8,499,628.31
657	Amarillo State Center for Human Development	102,676.75	1,172,896.29	202,329.00	1,759,850.70
658	Beaumont State Center for Human Development	314,641.09	2,179,921.32	382,446.59	3,309,984.07
659	Rio Grande State Center MHMR	1,202,987.69	3,784,792.62	2,400,662.99	4,371,307.96
660	Denton State School	8,093,731.73	12,486,346.96	9,013,273.08	15,580,302.97
661	El Paso Center for Human Development	40,189.23	1,296,565.54	165,559.98	1,771,217.19
662	Dallas State Mental Health Clinic	- 0 -	22,918.00	- 0 -	- 0 -
663	Commission for Indian Affairs	3,883.76	450,959.98	(2,933.67)	445,545.18
664	Fort Worth State Mental Health Clinic	- 0 -	19,513.58	- 0 -	- 0 -
666	East Texas Chest Hospital	2,304,151.88	6,636,827.77	3,276,956.15	7,901,005.06
667	Fort Worth State School	72,855.83	4,757,015.33	3,013,931.12	7,254,494.34
668	Richmond State School	9,208,156.07	8,217,207.19	10,028,326.91	9,240,902.59
669	Lufkin State School	7,710,906.20	6,163,855.47	7,073,247.16	7,126,480.78
670	Corpus Christi State School	5,123,783.12	5,361,867.23	5,289,703.84	6,224,875.23
671	San Angelo Center	6,955,645.19	6,079,755.84	7,572,691.99	7,009,071.75
672	Mexia State School	6,270,676.78	13,608,614.44	8,743,729.30	16,934,834.06
673	San Antonio State Chest Hospital	1,139,787.82	4,796,470.17	1,475,189.60	5,092,914.86
674	Kerrville State School	1,461,360.32	6,843,744.23	1,161,495.19	7,794,098.68
675	Travis State School	11,453,674.91	12,040,499.90	11,380,952.93	14,873,576.40
676	Abilene State School	9,349,847.32	13,062,215.30	9,693,814.42	15,694,354.59
677	Austin State Hospital	1,499,839.01	14,357,552.27	1,739,146.55	16,301,385.73
678	Austin State School	4,460,645.66	13,580,532.76	3,662,636.28	15,573,477.00
679	Rusk State Hospital	1,947,800.63	11,645,544.56	2,198,726.58	16,400,520.85
681	San Antonio State Hospital	1,557,744.90	12,420,431.31	1,784,010.41	13,758,274.24
682	Terrell State Hospital	1,645,656.59	13,643,379.76	1,718,565.01	16,698,628.07
683	Wichita Falls State Hospital	1,238,539.63	9,023,933.13	978,435.92	10,183,678.70
684	Harlingen State Chest Hospital	671,953.09	2,071,368.14	702,602.15	2,320,913.71
685	Texas Research Institute of Mental Sciences	597,058.34	6,633,801.58	674,001.87	8,170,785.44
686	Big Spring State Hospital	1,290,332.73	7,362,037.34	1,320,145.29	8,263,899.00
687	Lubbock State School	3,978,032.75	5,702,061.68	4,150,309.21	6,376,905.09
688	Brenham State School	3,477,339.45	4,101,296.14	3,490,222.36	5,594,885.19
689	Giddings State School for Boys	29,211.01	2,580,328.94	34,570.01	2,833,037.48
690	West Texas Children's Home	27,032.90	1,482,714.11	23,142.64	1,490,608.56
691	Gatesville State School for Boys	42,860.55	4,056,831.76	37,930.66	4,554,683.53
692	Gainesville State School for Girls	24,525.81	2,257,314.74	25,557.37	2,618,065.44
693	Crockett State School for Girls	60,596.21	1,129,487.21	84,932.45	2,479,774.43
694	Youth Council	526,772.04	6,777,414.02	483,770.88	8,306,079.62
695	Mountain View School for Boys	554.95	11,688.90	- 0 -	- 0 -
696	Department of Corrections	13,649,387.66	63,878,430.82	15,395,496.29	76,458,898.76
697	Board of Pardons and Paroles	358,152.74	4,258,706.71	908,733.71	5,340,341.39

TABLE 20 (continued)
NET REVENUES AND EXPENDITURES BY DEPARTMENT
Year Ended August 31

Department	1976		1977		
	Revenues	Expenditures	Revenues	Expenditures	
<u>Educational</u>					
701	Texas Education Agency	\$ 1,540,045,794.22	\$ 2,386,741,760.72	\$ 1,829,571,070.34	\$ 2,518,698,192.24
710	Texas A & M University System Administration	16,859,020.88	14,876,006.96	20,777,966.03	15,296,732.61
711	Texas A & M University — Main University	4,405,175.78	58,268,793.73	4,594,122.70	65,259,922.93
712	Texas Engineering Experiment Station	30,429.08	3,233,773.79	42,928.62	3,083,234.91
713	Tarleton State University	733,229.77	4,610,897.34	826,561.01	5,595,435.89
714	University of Texas at Arlington	4,199,899.98	23,654,275.34	5,692,953.18	26,824,002.27
715	Prairie View A & M University	911,790.08	9,209,159.10	868,985.90	11,681,335.33
716	Texas Engineering Extension Service	- 0 -	1,066,778.98	326.61	1,041,410.81
717	Texas Southern University	2,764,287.14	12,623,944.10	3,009,399.11	15,510,901.89
718	Moody College of Marine Sciences and Maritime Resources	169,818.13	1,627,333.86	214,931.82	1,896,703.65
719	Texas State Technical Institute	2,546,748.07	13,928,863.14	2,977,640.84	16,439,899.70
720	University of Texas System	298,313,546.09	297,034,338.98	238,899,526.51	238,164,886.43
721	University of Texas at Austin	2,039,138.63	90,719,152.65	1,912,578.11	100,075,151.45
723	U of T Medical Branch at Galveston	47,620.10	48,714,250.50	119.84	54,049,233.31
724	U of T at El Paso	254,522.10	15,316,610.78	296,063.27	17,571,316.83
729	U of T Health Science Center at Dallas	70,099.97	21,960,853.52	55,224.96	27,852,708.76
730	University of Houston	7,933,831.31	53,341,321.23	10,675,534.21	62,191,230.45
731	Texas Woman's University	2,408,197.27	17,146,857.52	3,703,853.43	18,595,890.93
732	Texas A & I University at Kingsville	2,809,953.41	11,935,439.73	3,420,817.21	13,056,526.55
733	Texas Tech University	5,965,916.40	43,553,744.79	7,168,371.92	47,109,621.29
734	Lamar University	4,893,355.48	17,755,128.08	5,521,592.67	19,385,145.88
735	Midwestern University	1,743,506.37	6,265,600.18	2,088,406.75	6,663,584.04
736	Pan American University	1,679,839.98	11,427,875.87	1,641,251.44	13,157,104.62
737	Angelo State University	1,163,949.42	6,519,481.62	891,748.06	6,831,602.01
738	U of T at Dallas	38,164.32	10,123,535.13	81,290.62	12,645,417.54
739	Texas Tech University School of Medicine	5,772.64	13,727,534.61	7,916.28	17,440,456.66
742	U of T of the Permian Basin	33,700.52	4,843,412.47	45,438.29	4,830,245.20
743	U of T at San Antonio	77,588.76	10,899,612.23	136,444.85	15,270,996.43
744	U of T Health Science Center at Houston	17,073.20	23,542,238.53	15,317.55	29,854,478.78
745	U of T Health Science Center at San Antonio	45,319.24	23,132,521.18	44,394.22	32,851,824.84
746	U of T System School of Nursing	104.06	5,862,377.53	14,341.74	5,847,372.32
750	Texas Eastern University	206,820.87	7,431,914.51	272,425.22	4,810,395.44
751	East Texas State University	3,577,525.21	17,037,904.64	3,927,218.96	19,031,258.85
752	North Texas State University	8,119,429.40	32,071,177.88	7,634,453.81	35,107,477.33
753	Sam Houston State University	2,509,084.91	15,518,008.16	2,047,102.16	16,367,763.65
754	Southwest Texas State University	3,366,423.30	17,507,544.76	2,923,015.67	19,358,685.48
755	Stephen F. Austin State University	3,325,206.20	16,506,282.97	4,134,005.60	18,237,620.17

TABLE 20 (continued)
NET REVENUES AND EXPENDITURES BY DEPARTMENT
Year Ended August 31

Department	1976		1977		
	Revenues	Expenditures	Revenues	Expenditures	
<u>Educational (continued)</u>					
756	\$ 580,214.76	\$ 4,623,702.90	\$ 460,325.70	\$ 4,889,804.53	
757	3,165,654.88	12,043,203.98	3,274,081.49	13,016,408.79	
758	Board of Regents Texas State University System	2,971,616.94	3,060,173.24	5,212,406.90	3,775,360.43
759	University of Houston at Clear Lake City	123,227.28	6,115,093.08	188,538.70	6,976,594.18
760	Texas A & I University at Corpus Christi	340,208.29	5,720,408.10	425,110.61	9,306,612.91
761	Texas A & I University at Laredo	124,145.31	1,400,682.83	199,561.31	1,587,580.06
762	Texas A & I University System Administration	41.83	151,676.50	- 0 -	204,000.78
763	Texas College of Osteopathic Medicine	25.84	3,255,266.90	- 0 -	7,250,474.16
764	East Texas State University at Texarkana	152,370.06	1,837,981.51	143,800.95	2,981,539.68
765	University of Houston - Victoria Center	9,684.68	1,858,517.67	10,395.19	2,284,648.47
766	State Rural Medical Education Board	- 0 -	105,630.06	- 0 -	183,980.81
781	Coordinating Board, Texas College and University System	71,224,336.24	184,852,934.33	75,834,807.32	201,354,262.87
<u>Parks and Monuments</u>					
802	Parks and Wildlife Department	69,689,277.13	82,568,519.37	64,750,407.72	74,665,895.06
805	Battleship Texas Commission	1,813.76	- 0 -	2,850.84	- 0 -
808	Texas Historical Commission	388,845.03	972,712.86	583,894.35	1,239,281.96
813	Arts and Humanities Commission	459,551.89	834,230.63	667,691.20	941,923.88
815	Texas Tourist Development Agency	37,238.15	709,327.15	25,674.86	788,348.28
816	Admiral Nimitz Museum	240.00	122,700.49	619.35	129,107.28
<u>Miscellaneous</u>					
902	Miscellaneous ^b	314,533,342.86	231,338,300.14	4,931,805,251.20	2,493,115,944.39
904	Natural Fibers and Food Protein Committee	120.19	1,038,020.91	390.94	1,250,457.06
905	Surplus Property Agency	3,988.35	- 0 -	6,626.60	- 0 -
906	American Revolution Bicentennial Commission	31,583.88	132,847.60	498.83	90,903.65
951	Alvin Junior College	464.00	- 0 -	1,479.00	- 0 -
952	Amarillo Junior College	1,882.00	- 0 -	6,095.00	- 0 -
953	Bee County Junior College	9,565.00	- 0 -	3,280.00	- 0 -
954	Blinn Junior College Brenham	1,530.00	- 0 -	10,475.00	- 0 -
955	Central Texas College	8,564.00	- 0 -	3,909.00	- 0 -
958	Cooke County Junior College, Gainesville	6,616.00	- 0 -	4,549.00	- 0 -
959	Dallas County Junior College	24,799.00	- 0 -	7,613.00	- 0 -

^b Various revenue and expenditure items administered by Department 304 were reassigned to Department 902 in 1977 to more accurately reflect operating revenues and expenditures of Department 304.

TABLE 20 (continued)
NET REVENUES AND EXPENDITURES BY DEPARTMENT
Year Ended August 31

Department	1976		1977	
	Revenues	Expenditures	Revenues	Expenditures
Miscellaneous (continued)				
960 Del Mar Junior College Corpus Christi	\$ 30,447.00	\$ - 0 -	\$ 3,000.00	\$ - 0 -
961 Frank Phillips Junior College, Borger	49.00	- 0 -	- 0 -	- 0 -
964 Henderson County Junior College, Athens	4,160.00	- 0 -	10,844.00	- 0 -
968 Laredo Junior College	10,415.00	- 0 -	21,250.00	- 0 -
969 Lee Junior College, Baytown	4,120.00	- 0 -	- 0 -	- 0 -
970 McLennan Community College	- 0 -	- 0 -	5,200.00	- 0 -
971 College of the Mainland	2,082.00	- 0 -	8,830.00	- 0 -
973 Odessa Junior College	2,798.00	- 0 -	9,403.00	- 0 -
977 San Antonio Junior College	26,638.00	- 0 -	- 0 -	- 0 -
979 South Plains Junior College, Levelland	3,500.00	- 0 -	- 0 -	- 0 -
980 Southwest Texas Joint Counties Junior College, Uvalde	9,584.00	- 0 -	5,492.00	- 0 -
981 Tarrant County Junior College	- 0 -	- 0 -	16,700.00	- 0 -
982 Temple Junior College	645.00	- 0 -	3,858.00	- 0 -
984 Texas Southmost College, Brownsville	9,000.00	- 0 -	9,000.00	- 0 -
988 Wharton County Junior College, Wharton	8,601.00	- 0 -	5,750.00	- 0 -
989 Angelina Junior College	3,248.00	- 0 -	6,700.00	- 0 -
991 Vernon Regional Junior College	4,068.00	- 0 -	1,000.00	- 0 -
992 Western Texas College, Snyder	2,450.00	- 0 -	2,700.00	- 0 -
993 El Paso Community College	14,455.00	- 0 -	- 0 -	- 0 -
995 Midland College	- 0 -	- 0 -	4,000.00	- 0 -
997 Austin Community College	1,694.00	- 0 -	- 0 -	- 0 -
TOTALS	<u>\$ 9,636,806,308.15</u>	<u>\$ 9,449,283,957.39</u>	<u>\$ 10,586,169,796.10</u>	<u>\$ 10,249,895,394.84</u>

TABLE 21
CASH BALANCES, REVENUES, AND EXPENDITURES
BY GROUP AND FUND

	Net Cash Balance 9-1-76	Revenues ^a	Expenditures ^a	Net Cash Balance 8-31-77	
GROUP 1: GENERAL STATE OPERATING AND DISBURSING FUNDS					
1	General Revenue Fund	\$ 811,657,021.46	\$ 2,625,917,759.05	\$ 2,492,451,021.88	\$ 945,123,758.63
9	Special Game & Fish Fund	2,578,621.39	18,755,652.92	18,955,368.14	2,378,906.17
10	Motor Vehicle Insurance Fund	464,961.09	666,041.11	458,000.00	673,002.20
12	Building Construction Planning Fund	58,875.76	- 0 -	27,053.33	31,822.43
13	Fire Insurance Fund	5,952,591.19	5,088,073.04	4,925,000.00	6,115,664.23
14	Compensation Insurance Fund	1,860,403.64	2,718,150.36	2,038,000.00	2,540,554.00
19	Vital Statistics Fund	71,073.12	663,518.01	567,338.52	167,252.61
20	Motor Vehicle Commission Fund	1,969.64	141,169.48	135,375.83	7,763.29
23	Department of Agriculture Fund	988,428.33	1,420,517.90	1,683,571.87	725,374.36
24	Psychologists Licensing Fund	57,093.88	116,114.84	69,863.16	103,345.56
25	Social Psychotherapists Licensure Fund	57,203.96	108,580.00	80,614.29	85,169.67
29	Traffic Safety Fund	4,118,581.37	9,183,507.58	8,675,730.37	4,626,358.58
30	Education Agency Driver Education Fund	423,091.01	393,677.81	461,359.63	355,409.19
31	Texas Park Fund	15,000,575.33	15,092,597.52	12,012,115.59	18,081,057.26
32	Youth Council Mineral Fund	18,329.66	184.17	- 0 -	18,513.83
33	Sanitarians Registration and License Fund	660.68	6,556.24	7,137.34	79.58
34	Optometry Fund	46,870.82	56,210.44	51,498.97	51,582.29
35	Veterinary Fund	48,707.98	96,913.30	91,332.47	54,288.81
36	Insurance Board Operating Fund	2,744,945.75	11,133,206.21	11,984,917.67	1,893,234.29
38	Central Education Agency Program Fund	2,617,016.03	141,047,634.29	143,460,212.53	204,437.79
39	Commodity Distribution Fund	3,915,296.32	49,995,840.23	49,976,235.66	3,934,900.89
40	Barber Examiners Fund	320,049.27	233,076.50	318,156.13	234,969.64
41	Water Development Board Fund	932,952.20	1,255,120.29	1,570,649.98	617,422.51
52	General Land Office Fund	60,631.08	297,141.22	288,531.39	69,240.91
54	Insurance Examination Fund	120,101.22	2,990,542.44	3,019,000.00	91,643.66
55	Medical Registration Fund	379,111.08	719,650.48	432,568.22	666,193.34
56	Professional Engineers Funds	416,180.36	1,000,941.63	450,392.72	966,729.27
58	Feed Control Fund	55,446.29	669,127.85	694,339.97	30,234.17
59	Special Boat Fund	1,251,819.88	4,903,176.74	4,911,788.53	1,243,208.09
61	Rehabilitation Commission Fund	675,904.26	54,666,519.26	54,473,931.80	868,491.72
62	Comptroller's Operating Fund	4,780,622.29	41,328,921.49	39,171,309.77	6,938,234.01
64	State Parks Fund	1,055,176.89	3,122,407.76	1,517,107.88	2,660,476.77
65	Land Office Sale Fee Fund	371,391.20	1,379,136.98	1,149,133.05	601,395.13
67	Confiscated Liquor Fund	40,396.61	8,800.71	88.24	49,109.08
69	Board of Landscape Architects & Irrigators Fund	95,915.35	54,022.80	50,622.55	99,315.60
70	Bicentennial Fund	19,771.99	486.33	20,258.32	- 0 -
71	Texas Highway Beautification Fund	6,881,005.60	4,435,231.00	4,434,504.94	6,881,731.66
72	Attorney General Operating Fund	279,410.73	2,588,581.10	2,499,670.72	368,321.11
75	Registered Public Surveyors Fund	9,832.79	39,111.08	41,744.04	7,199.83
76	Prepaid Funeral Contract Fund	24,625.84	53,383.39	43,291.17	34,718.06

^a Includes Interfund Transfers

TABLE 21 (continued)
CASH BALANCES, REVENUES AND EXPENDITURES
BY GROUP AND FUND

	Net Cash Balance 9-1-76	Revenues	Expenditures	Net Cash Balance 8-31-77	
GROUP 1: GENERAL STATE OPERATING AND DISBURSING FUNDS (continued)					
80	\$ 105,890.76	\$ 125,343.76	\$ 99,683.48	\$ 131,551.04	
81	3,426,878.53	3,110,271.25	3,157,529.52	3,379,620.26	
82	17,675.21	50.00	- 0 -	17,725.21	
83	12,421.05	1,045.18	- 0 -	13,466.23	
85	58,730.80	771,409.30	777,000.00	53,140.10	
86	262,484.38	513,931.65	361,035.11	415,380.92	
87	38,702.02	34,445.57	40,675.67	32,471.92	
89	579.06	- 0 -	- 0 -	579.06	
93	1,150.04	6,312.00	7,000.00	462.04	
94	688,418.84	3,114,722.54	2,845,801.51	957,339.87	
95	4,753.45	745,478.05	732,532.00	17,699.50	
96	10,462.97	145,177.40	131,017.57	24,622.80	
97	1,498,843.72	11,084,908.30	11,348,152.56	1,235,599.46	
99	5,419,399.80	12,139,391.83	12,063,159.07	5,495,632.56	
100	4,114.30	13,472.48	7,981.18	9,605.60	
102	139,236.52	1,861,490.95	1,910,281.84	90,445.63	
103	555.18	181,005.00	125,000.00	56,560.18	
109	133,445.91	162,970.61	137,343.62	159,072.90	
110	24,619.26	103,325.00	75,000.00	52,944.26	
112	54,934.62	19,478,004.65	19,081,390.48	451,548.79	
113	130.92	5,475.93	5,000.00	606.85	
114	1,003,029.55	1,623,779.29	1,193,597.22	1,433,211.62	
115	164,154.02	984,758.08	1,094,000.00	54,912.10	
119	10,253.50	34,911.00	43,000.00	2,164.50	
123	267,239.81	516,086.88	503,566.15	279,760.54	
124					
	License Fund	269,197.24	518,052.00	411,000.00	376,249.24
126	Industrial Commission Fund	625.04	184,050.93	182,366.92	2,309.05
129	Hospital Licensing Fund	45,676.31	64,976.93	100,397.61	10,255.63
137	Nursing Home Administration Fund	234,372.21	10,940.43	81,238.65	164,073.99
140	Chiropractic Examiners Fund	17,684.61	46,602.28	41,222.50	23,064.39
150	Aircraft Fuel Tax Fund	735,029.63	629,760.06	580,699.68	784,090.01
152	Escheat Expense & Reimbursement Fund	103,098.77	143,728.03	124,070.96	122,755.84
153	Water Quality Fund	2,404,989.45	2,705,731.06	1,665,141.83	3,445,578.68
154	Texas A & I University at Kingsville Special Mineral Fund	4,003.43	268.14	- 0 -	4,271.57
155	Railroad Commission Operating Fund	4,450,037.03	8,491,152.70	8,101,715.24	4,839,474.49
156	Industrial Revolving Fund	1,177,610.92	13,418,228.03	13,669,439.56	926,399.39
157	Alabama-Coushatta Mineral Fund	3,763.98	(3,759.76)	4.22	- 0 -
158	Water Rights Administration Fund	126,551.24	195,399.61	178,790.05	143,160.80
161	Casualty Insurance Fund	546,982.51	536,262.91	529,000.00	554,245.42

TABLE 21 (continued)
CASH BALANCES, REVENUES AND EXPENDITURES
BY GROUP AND FUND

	Net Cash Balance 9-1-76	Revenues	Expenditures	Net Cash Balance 8-31-77
GROUP 1: GENERAL STATE OPERATING AND DISBURSING FUNDS (continued)				
162	\$ 67,833.23	\$ 193,758.60	\$ 105,000.00	\$ 156,591.83
164	21,572.37	68,971.36	68,122.87	22,420.86
165	6,137,880.51	2,140,823.86	543,248.54	7,735,455.83
166	54,350,131.07	1,045,749,465.53	1,020,435,150.53	79,664,446.07
167	6,847,969.43	124,261,823.70	121,440,249.00	9,669,544.13
180	13,063.11	996.35	3,000.00	11,059.46
181	26,882.60	66,340.00	25,000.00	68,222.60
184	76,205.00	147,247.00	- 0 -	223,452.00
193	- 0 -	473,586,399.83	473,202,867.79	383,532.04
210	548,604.50	2,320,736.75	2,131,290.00	738,051.25
220	70,015.92	120,142.00	105,625.61	84,532.31
225	2,503,334.52	4,573,828.40	3,904,803.79	3,172,359.13
226	823,528.86	488,616.33	605,568.48	706,576.71
227	274,089.31	863,598.87	863,932.97	273,755.21
228	330,030.39	263,449.60	19,215.08	574,264.91
229				
	15,532.37	54,946.22	38,558.33	31,920.26
230				
	342,875.62	339,980.50	7,332.80	675,523.32
231	264,288.17	187,016.24	44,209.27	407,095.14
232	102,723.97	142,829.13	54,808.14	190,744.96
233				
	6,349.44	7,741.00	- 0 -	14,090.44
237	1,434,294.82	2,871,655.53	2,111,530.41	2,194,419.94
238	11,261.27	21,249.70	- 0 -	32,510.97
240	185,077.95	- 0 -	134,304.25	50,773.70
242	942,283.38	3,913,922.42	4,662,194.00	194,011.80
243	670,285.32	754,541.48	714,420.37	710,406.43
244	116,054.15	89,582.23	103,414.59	102,221.79
245	912,519.26	678,059.13	427,206.44	1,163,371.95
247	537,747.21	1,913,111.22	2,207,993.88	242,864.55
248	4,181.47	1,317,109.83	1,182,715.54	138,575.76
249	18,545.07	64,000.00	35,274.91	47,270.16
250	289,294.87	111,811.71	193,544.23	207,562.35
251	9,600.44	2,281.00	748.14	11,133.30
253	738,096.13	2,646,841.51	2,560,009.71	824,927.93
254				
	1,368,000.28	1,837,879.33	1,662,985.48	1,542,894.13
255	701,773.42	2,096,672.15	1,918,322.39	880,123.18
256	813,313.84	2,233,084.01	2,134,346.17	912,051.68
257	2,202,142.97	2,274,466.96	2,369,350.57	2,107,259.36
258	537,768.37	3,367,405.97	3,901,361.66	3,812.68
259	1,958,689.62	1,699,727.94	1,883,277.65	1,775,139.91

TABLE 21 (continued)
CASH BALANCES, REVENUES AND EXPENDITURES
BY GROUP AND FUND

	Net Cash Balance 9-1-76	Revenues	Expenditures	Net Cash Balance 8-31-77	
GROUP 1: GENERAL STATE OPERATING AND DISBURSING FUNDS (continued)					
261	Stephen F. Austin State University Current Fund	\$ 247,652.56	\$ 1,711,954.48	\$ 1,677,796.93	\$ 281,810.11
262	Sul Ross State University Current Fund	96,402.98	452,199.42	436,331.08	112,271.32
263	West Texas State University Current Fund	919,864.80	1,895,671.16	1,924,091.59	891,444.37
264	Midwestern University Current Fund	634,791.54	1,079,230.65	797,393.33	916,628.86
265	National Guard Armory Board Mineral Fund	- 0 -	- 0 -	- 0 -	- 0 -
266	Vocational Nurse Examiners Fund	230,655.21	336,497.54	278,492.10	288,660.65
267	Parks Board Mineral Fund	- 0 -	- 0 -	- 0 -	- 0 -
270	Hospitals & Special Schools Mineral Fund	87,645.67	7,902.80	- 0 -	95,548.47
272	Board of Corrections Mineral Fund	2,049,633.15	796,479.72	308,267.35	2,537,845.52
274	Motor Vehicle Inspection Fund	4,916,729.23	6,845,287.43	5,614,534.07	6,147,482.59
275	Moody College of Marine Sciences and Maritime Resources Current Fund	291,167.39	213,368.18	121,138.94	383,396.63
412	Midwestern University Special Mineral Fund	5,056.85	(2,767.43)	- 0 -	2,289.42
420	Parks & Wildlife Operating Fund	2,187,760.68	13,208,800.98	13,844,026.67	1,552,534.99
421	Criminal Justice Planning Fund	12,538,861.63	43,640,658.63	40,620,212.50	15,559,307.76
423	Law Library Fund	- 0 -	- 0 -	- 0 -	- 0 -
424	Structural Pest Control Fund	99,345.47	295,984.74	215,989.74	179,340.47
425	Rural Industrial Development Fund	50,985.04	58,930.68	60,000.00	49,915.72
450	Coastal Public Lands Management Fee Fund	77,940.86	36,131.49	78,720.87	35,351.48
451	Public Transportation Fund	15,245,231.42	15,343,416.00	980,628.47	29,608,018.95
453	Disaster Contingency Fund	1,850,000.00	- 0 -	69,497.00	1,780,503.00
454	Land Reclamation Fund	200.00	13,102.04	- 0 -	13,302.04
TOTALS FOR GROUP 1		1,023,101,996.97	4,858,091,966.36	4,665,482,759.93	1,215,711,203.40
GROUP 2: CONSTITUTIONAL FUNDS EXPENDABLE FOR SPECIFIC PURPOSES					
2	Available School Fund	40,419,065.34	569,729,269.84	584,510,962.86	25,637,372.32
3	State Textbook Fund	1,566,842.97	24,245,711.63	14,849,760.23	10,962,794.37
5	Confederate Pension Fund	4,984,816.98	659,062.63	60,640.00	5,583,239.61
6	State Highway Fund	210,138,407.73	871,670,155.32	749,657,042.93	332,151,520.12
7	State Building Fund	4,185,947.21	8,749,117.09	7,254,953.10	5,680,111.20
11	Available University Fund	15,596,972.88	22,055,643.32	19,779,528.18	17,873,088.02
15	Available Lunatic Asylum Fund	- 0 -	62.91	62.91	- 0 -
16	Available Deaf & Dumb Institute Fund	- 0 -	33.04	33.04	- 0 -
17	Available Blind Institute Fund	- 0 -	43.70	43.70	- 0 -
18	Available Orphans Home Fund	- 0 -	29.38	29.38	- 0 -
47	A & M University Available Fund	16,707,847.68	13,190,948.17	6,971,182.20	22,927,613.65
57	County & Road District Highway Fund	7,954,264.35	17,143,144.62	16,893,781.46	8,203,627.51

TABLE 21 (continued)
CASH BALANCES, REVENUES AND EXPENDITURES
BY GROUP AND FUND

	Net Cash Balance 9-1-76	Revenues	Expenditures	Net Cash Balance 8-31-77
GROUP 2: CONSTITUTIONAL FUNDS EXPENDABLE				
FOR SPECIFIC PURPOSES (continued)				
	\$ 24,246.23	\$ 1,262,875.94	\$ 1,260,866.98	\$ 26,255.19
190 Veterans Land Bond Fund	618.38	130.84	- 0 -	749.22
194 Tarleton State University Building Fund	366.88	115.73	371.68	110.93
195 UT at Arlington Building Fund	691.22	233.69	727.78	197.13
196 Texas Woman's University Building Fund	107.82	83.10	107.82	83.10
197 Texas A & I University Building Fund	300.28	96.58	- 0 -	396.86
198 UT at El Paso Building Fund	369.28	296.15	369.28	296.15
199 Texas Tech University Building Fund	481.83	164.11	- 0 -	645.94
200 East Texas University Building Fund	281.44	230.58	.27	511.75
201 North Texas State University Building Fund	10,197.55	645.54	- 0 -	10,843.09
202 Sam Houston State University Building Fund	151.46	124.43	158.56	117.33
203 Southwest Texas State University Building Fund	504.87	104.85	- 0 -	609.72
204 Stephen F. Austin State University Building Fund	281.01	51.86	- 0 -	332.87
205 Sul Ross State University Building Fund	574.26	102.00	574.26	102.00
206 West Texas State University Building Fund	118.57	91.65	118.57	91.65
207 Prairie View A & M University Building Fund	461.02	12,815,905.85	12,802,650.00	13,716.87
211 University of Texas Interest & Sinking Fund	2,171.66	6,687,084.43	6,687,046.60	2,209.49
212 A & M Main University Interest & Sinking Fund	407,562.72	13,455,654.46	6,665,722.50	7,197,494.68
276 Veterans Land Fund Division B	- 0 -	32,664.84	32,664.84	- 0 -
278 Veterans Bond Fund Division A Reserve	- 0 -	81,188.16	81,188.16	- 0 -
281 Veterans Bond Fund Division B Reserve	17,490.54	1,526.33	- 0 -	19,016.87
301 Texas Southern University Allocation Fund 1958-67	1,388.57	479.70	1,461.97	406.30
306 Texas Woman's University Allocation Fund 1958-67	667.55	499.76	667.55	499.76
309 A & I University Allocation Fund 1958-67	2,096.38	1,636.89	2,096.38	1,636.89
312 Texas Tech University Allocation Fund 1958-67	12,657.72	1,100.42	12,771.30	986.84
315 Lamar University Allocation Fund 1958-67	1,679.49	1,277.89	1,679.49	1,277.89
320 North Texas State University Allocation Fund 1958-67	1,625.23	565.37	- 0 -	2,190.60
323 East Texas State University Allocation Fund 1958-67	25,981.04	1,950.84	- 0 -	27,931.88
324 Sam Houston University Allocation Fund 1958-67	567.84	454.33	594.24	427.93
325 Southwest Texas State University Allocation Fund 1958-67	1,155.34	385.81	- 0 -	1,541.15
326 Stephen F. Austin State University Allocation Fund 1958-67	8,101.24	609.09	- 0 -	8,710.33
327 Sul Ross State University Allocation Fund 1958-67	2,414.63	445.47	2,414.63	445.47
328 West Texas State University Allocation Fund 1958-67	- 0 -	- 0 -	- 0 -	- 0 -
350 Water Development Clearance Fund	6,930.18	131,307,961.36	131,276,722.40	38,169.14
351 Water Development Fund	45,320.51	73,471,854.05	73,437,243.91	79,930.65
352 Water Development Bonds Interest & Sinking Fund	- 0 -	4,977,537.51	4,977,537.51	- 0 -
355 Storage Facilities Operation and Maintenance Fund				

TABLE 21 (continued)
CASH BALANCES, REVENUES AND EXPENDITURES
BY GROUP AND FUND

	Net Cash Balance 9-1-76	Revenues	Expenditures	Net Cash Balance 8-31-77	
GROUP 2: CONSTITUTIONAL FUNDS EXPENDABLE FOR SPECIFIC PURPOSES (continued)					
375	Veterans Land Bond Fund Division C	\$ 376,961.58	\$ 18,715,643.21	\$ 16,359,107.91	\$ 2,733,496.88
376	Veterans Land Bond Fund Division C Reserve	- 0 -	153,698.52	153,698.52	- 0 -
387	Texas Opportunity Plan Fund	1,682,378.84	29,173,446.58	28,096,848.28	2,758,977.14
388	College Student Loan Bond Interest & Sinking Fund	1,198,983.33	43,201,917.67	43,904,442.12	496,458.88
390	UT Arlington 1966-1977 Bond Sinking Fund	4,118,362.44	4,554,681.03	2,836,999.16	5,836,044.31
391	Texas Tech University 1966-1977 Building Bond Sinking Fund	4,557,926.47	4,656,544.10	3,080,303.75	6,134,166.82
392	North Texas State University 1966-1977 Building Bond Sinking Fund	3,932,082.09	4,052,947.42	2,681,145.00	5,303,884.51
393	Lamar University 1966-1977 Building Bond Sinking Fund	3,001,691.43	3,144,190.84	2,086,945.00	4,058,937.27
394	A & I University 1966-1977 Building Bond Sinking Fund	1,415,711.97	1,469,382.46	972,180.00	1,912,914.43
395	Texas Woman's University 1966-1977 Building Bond Sinking Fund	859,206.38	900,940.19	592,702.50	1,167,444.07
396	Texas Southern University 1966-1977 Building Bond Sinking Fund	1,031,763.78	1,087,761.56	717,590.00	1,401,935.34
397	Midwestern University 1966-1977 Building Bond Sinking Fund	987,611.67	977,121.76	642,011.25	1,322,722.18
398	University of Houston 1966-1977 Building Bond Sinking Fund	5,427,960.88	5,712,084.51	3,786,793.75	7,353,251.64
399	Pan American University 1966-1977 Building Bond Sinking Fund	1,029,771.97	1,090,502.06	722,550.00	1,397,724.03
400	East Texas State University 1966-1977 Building Bond Sinking Fund	1,557,332.06	1,552,962.94	1,022,520.00	2,087,775.00
401	Sam Houston State University 1966-1977 Building Bond Sinking Fund	1,738,483.82	174,732.66	- 0 -	1,913,216.48
402	Southwest Texas State University 1966-1977 Building Bond Sinking Fund	2,023,211.18	106,506.64	- 0 -	2,129,717.82
403	West Texas State University 1966-1977 Building Bond Sinking Fund	1,213,631.50	1,225,625.51	810,246.25	1,629,010.76
404	Stephen F. Austin University 1966-1977 Building Bond Sinking Fund	2,005,281.28	2,170,448.07	1,435,543.75	2,740,185.60
405	Sul Ross State University 1966-1977 Building Bond Sinking Fund	351,933.77	(7,531.42)	- 0 -	344,402.35
406	Angelo State University 1966-1977 Building Bond Sinking Fund	839,416.25	(33,711.06)	- 0 -	805,705.19
407	State Senior Colleges 1966-1977 Building Bond Sinking Fund	57.71	5,211,728.90	3,658,698.13	1,553,088.48
408	Texas Park Development Fund	4,105,580.01	145,305.11	4,198,642.68	52,242.44
409	Texas Park Development Bond Interest & Sinking Fund	3,408,846.43	1,846,036.32	4,499,009.14	755,873.61

TABLE 21 (continued)
CASH BALANCES, REVENUES AND EXPENDITURES
BY GROUP AND FUND

	Net Cash Balance 9-1-76	Revenues	Expenditures	Net Cash Balance 8-31-77
GROUP 2: CONSTITUTIONAL FUNDS EXPENDABLE FOR SPECIFIC PURPOSES (continued)				
410 Veterans Land Bond Fund Division D Series 1968	80,101.59	12,764,379.43	12,719,369.52	125,111.50
411 Veterans Land Bond Fund Division D Reserve	- 0 -	2,358,177.94	2,358,177.94	- 0 -
413 Veterans Land Bond Fund Division D Series 1968A	- 0 -	(3,352.74)	(3,352.74)	- 0 -
415 Veterans Land Bond Fund Division D Series 1971	69,341.83	4,208,680.33	4,216,680.39	61,341.77
417 Veterans Land Bond Fund Division D Series 1971A	28,231.45	7,118,632.34	7,093,507.81	53,355.98
426 Veterans Land Bond Fund Division D Series 1971B	38,006.95	2,876,370.56	2,883,715.03	30,662.48
428 Veterans Land Bond Fund Division D Series 1972	57,165.63	5,580,987.66	5,545,399.71	92,753.58
429 UT Arlington 72-77 Building Bond Sinking Fund	- 0 -	- 0 -	- 0 -	- 0 -
430 Texas Southern University 72-77 Building Bond Sinking Fund	- 0 -	- 0 -	- 0 -	- 0 -
431 University of Houston 72-77 Building Bond Sinking Fund	- 0 -	- 0 -	- 0 -	- 0 -
432 Texas Woman's University 72-77 Building Bond Sinking Fund	- 0 -	- 0 -	- 0 -	- 0 -
433 A & I University 72-77 Building Bond Sinking Fund	- 0 -	- 0 -	- 0 -	- 0 -
434 Texas Tech University 72-77 Building Bond Sinking Fund	- 0 -	- 0 -	- 0 -	- 0 -
435 Lamar University 72-77 Building Bond Sinking Fund	- 0 -	- 0 -	- 0 -	- 0 -
436 Midwestern University 72-77 Building Bond Sinking Fund	- 0 -	- 0 -	- 0 -	- 0 -
437 Pan Am University 72-77 Building Bond Sinking Fund	- 0 -	- 0 -	- 0 -	- 0 -
438 East Texas State University 72-77 Building Bond Sinking Fund	- 0 -	- 0 -	- 0 -	- 0 -
439 North Texas State University 72-77 Building Bond Sinking Fund	- 0 -	- 0 -	- 0 -	- 0 -
440 Stephen F. Austin State University 72-77 Building Bond Sinking Fund	- 0 -	- 0 -	- 0 -	- 0 -
441 West Texas State University 72-77 Building Bond Sinking Fund	- 0 -	- 0 -	- 0 -	- 0 -
442 Angelo State University 72-77 Building Bond Sinking Fund	- 0 -	- 0 -	- 0 -	- 0 -
443 Sam Houston State University 72-77 Building Bond Sinking Fund	- 0 -	- 0 -	- 0 -	- 0 -
444 Southwest Texas State University 72-77 Building Bond Sinking Fund	- 0 -	- 0 -	- 0 -	- 0 -
445 Sul Ross State University 72-77 Building Bond Sinking Fund	- 0 -	- 0 -	- 0 -	- 0 -

TABLE 21 (continued)
CASH BALANCES, REVENUES AND EXPENDITURES
BY GROUP AND FUND

	Net Cash Balance 9-1-76	Revenues	Expenditures	Net Cash Balance 8-31-77
GROUP 2: CONSTITUTIONAL FUNDS EXPENDABLE FOR SPECIFIC PURPOSES (continued)				
446 State Senior Colleges 72-77 Building Bond Sinking Fund	\$ - 0 -	\$ - 0 -	\$ - 0 -	\$ - 0 -
447 Veterans Land Bond Fund Division D Series 1972A	49,463.38	4,604,359.95	4,610,539.46	43,283.87
455 Veterans Land Bond Fund Division E Series 1976	13,165,824.77	35,499,313.93	46,509,614.95	2,155,523.75
456 Veterans Land Bond Fund Division E Reserve	- 0 -	646,262.63	646,262.63	- 0 -
457 Veterans Land Board Fund Division E Series 197	- 0 -	43,104,578.28	43,103,800.69	777.59
458 Antirecession Fiscal Assistance Program Fund	- 0 -	8,869,465.24	- 0 -	8,869,465.24
TOTALS FOR GROUP 2	362,484,050.32	2,030,460,172.39	1,889,165,469.25	503,778,753.46
GROUP 3: FEDERAL FUNDS				
21 Trust Account-Federal Aid-Highway Act Fund	- 0 -	- 0 -	- 0 -	- 0 -
26 Unemployment Compensation Administration Fund	223,833.25	79,212,990.46	78,878,720.25	558,103.46
37 Federal Child Welfare Service Fund	2,057,332.58	3,250,340.38	- 0 -	5,307,672.96
92 Federal Disaster Fund	2,036.01	4,613,330.68	4,610,460.82	4,905.87
117 Federal Public Welfare Administration Fund	143,214,527.33	(47,552,456.02)	141,942.00	95,520,129.31
118 Federal Public Library Service Fund	112,459.11	2,912,764.84	2,850,279.33	174,944.62
127 Community Affairs Federal Fund	4,890,234.35	48,322,444.10	51,476,608.65	1,736,069.80
134 Federal Older Americans Fund	433,405.47	16,695,448.01	17,020,150.12	108,703.36
136 Federal Alcoholism Fund	237,164.06	4,093,754.13	3,963,110.29	367,807.90
141 Federal Adult Blind Fund	219,305.03	13,897,818.96	13,723,853.85	393,270.14
148 Federal Health Education & Welfare Fund	3,063,283.19	224,835,512.23	223,348,765.83	4,550,029.59
169 Federal Veterans Education Fund	56,622.31	737,162.23	660,585.04	133,199.50
171 Federal School Lunch Fund	212,221.86	133,819,062.71	131,391,220.86	2,640,063.71
208 Federal Student Loan Fund	1,398,279.21	401,134.83	- 0 -	1,799,414.04
219 Federal Higher Education Fund	765,171.23	528,217.44	520,471.76	772,916.91
221 Federal Civil Defense & Disaster Relief Fund	16,924.15	830,223.50	812,404.78	34,742.87
222 Department Public Safety Federal Fund	233,191.00	3,096,504.98	2,892,118.45	437,577.53
223 Land and Water Conservation Fund	5,807,318.79	7,655,732.81	8,145,958.98	5,317,092.62
224 Governor's Office Federal Projects Fund	1,899,871.38	13,338,413.20	14,154,670.53	1,083,614.05
273 Federal Health Fund	4,001,218.49	69,119,661.40	72,207,726.29	913,153.60
422 Rehabilitation Commission Federal Fund	- 0 -	8,761,154.41	- 0 -	8,761,154.41
448 Federal Revenue Sharing Trust	854,514.80	340,005,296.55	336,241,700.05	4,618,111.30
449 Adjutant General Federal Fund	109,481.17	384,549.81	294,997.61	199,033.37
TOTALS FOR GROUP 3	169,808,394.77	928,959,061.64	963,335,745.49	135,431,710.92
GROUP 4: TRUST OR PLEDGED FUNDS				
22 University of Texas Revenue Bond Fund	2,124,750.00	4,248,575.00	4,249,500.00	2,123,825.00
53 School Bus Revolving Fund	137,877.00	16,357,052.75	16,264,933.75	229,996.00
TOTALS FOR GROUP 4	2,262,627.00	20,605,627.75	20,514,433.75	2,353,821.00

TABLE 21 (continued)
CASH BALANCES, REVENUES AND EXPENDITURES
BY GROUP AND FUND

	Net Cash Balance 9-1-76	Revenues	Expenditures	Net Cash Balance 8-31-77
GROUP 5: CONSTITUTIONAL NON-EXPENDABLE FUNDS				
44 Permanent School Fund	\$ 7,645,204.54	\$ 240,186,167.16	\$ 234,619,279.00	\$ 13,212,092.70
45 Permanent University Fund	318,860.04	199,779,402.34	199,995,793.83	102,468.55
48 Permanent Blind Institute Fund	2,368.77	8,417.50	10,517.07	269.20
49 Permanent Deaf & Dumb Institute Fund	1,430.82	1,805.00	2,908.38	327.44
50 Permanent Lunatic Asylum Fund	1,756.41	2,093.75	3,645.34	204.82
51 Permanent Orphans Home Fund	<u>652.30</u>	<u>858.75</u>	<u>1,481.44</u>	<u>29.61</u>
TOTALS FOR GROUP 5	7,970,272.88	439,978,744.50	434,633,625.06	13,315,392.32
GROUP 6: TAX CLEARANCE FUNDS				
60 Highway Motor Fuel Tax Fund	29,236,475.58	456,914,053.41	456,375,866.94	29,774,662.05
68 Mixed Beverage Tax Clearance Fund	7,096,169.28	17,392,578.51	15,507,079.07	8,981,668.72
120 Omnibus Tax Clearance Fund	<u>39,595,793.88</u>	<u>1,833,767,591.54</u>	<u>1,804,880,415.35</u>	<u>68,482,970.07</u>
TOTALS FOR GROUP 6	75,928,438.74	2,308,074,223.46	2,276,763,361.36	107,239,300.84
Petty Cash Funds	<u>977,595.00</u>	<u>130,333.00</u>	<u>49,845.00</u>	<u>1,058,083.00</u>
TOTAL CASH, ALL GROUPS	<u>\$ 1,642,533,375.68</u>	<u>\$ 10,586,300,129.10</u>	<u>\$ 10,249,945,239.84</u>	<u>\$ 1,978,888,264.94</u>

Other Financial Information

PROGRAM APPROPRIATION ACCOUNTABILITY

The concept of Program Accountability, introduced into the State's financial system by the 64th Legislature in 1975, is a method of identifying the costs of functional categories of governmental expenditures and program areas within each category. Functional categories are broad classifications of state agency operations including general government, health and welfare, economic development, natural and recreational, public safety, and education. Each functional category includes several program areas, each of which has an identifiable goal different from any other program area and serves a specific purpose or segment of the population. Further breakdowns identify specific agency programs and activities within each program. For example, the sales tax division (activity) of the Comptroller's Office is part of tax administration (program) of state financial administration (program area) of general government (functional category). Use of Program Accountability aids in measuring the costs and benefits of state programs and activities.

In fulfilling its responsibility to maintain the appropriations records of all state agencies, the Comptroller's Office has applied the concept of Program Accountability to the appropriations control system. The resulting data can be used for comparison and evaluation of program costs, thereby aiding the Legislature in the appropriations process.

Table 22 summarizes Program Accountability by functional categories as applied to appropriations for state government for the 1977 fiscal year. The appropriations controls consist of the following elements:

- (1) Authorized — appropriated amount for the year;
- (2) Transferred — increases or decreases during the year resulting from collection of appropriated revenue or appropriation transfer;
- (3) Lapsed — appropriation amount lost due to expiration of statutory authority;
- (4) Spent — amount expended during the year;
- (5) Unexpended Balance — unspent and unexpired portion of the authorized amount plus transfers in.

Table 23 presents Program Appropriation Accountability for 1977 by program area within each functional category.

TABLE 22
SUMMARY OF PROGRAM APPROPRIATION ACCOUNTABILITY BY FUNCTIONAL CATEGORY
Year Ended August 31, 1977

FUNCTIONAL CATEGORY	AUTHORIZED	TRANSFERRED	LAPSED	SPENT	UNEXP. BALANCE
0 GENERAL GOVERNMENT	\$ 587,149,506.00	\$ 3,972,315,419.44	\$ 23,071.56	\$ 3,911,295,545.40	\$ 648,146,308.48
1 HEALTH AND WELFARE	1,577,353,550.00	455,472,960.59	64,719,677.00	1,749,730,814.19	218,376,019.40
2 ECONOMIC DEVELOPMENT	839,746,792.00	32,558,646.27	- 0 -	648,111,507.22	224,193,931.05
3 NATURAL AND RECREATIONAL	92,659,781.00	27,510,037.30	7,624,728.82	83,565,548.60	28,979,540.88
4 PUBLIC SAFETY	183,538,186.00	90,854,459.42	- 0 -	249,522,142.04	24,870,503.38
5 EDUCATION	2,688,175,810.00	641,543,005.57	2,207,141.93	3,176,233,450.41	151,278,223.23
6 OTHER	<u>10,000.00</u>	<u>3,000.00</u>	<u>- 0 -</u>	<u>270.92</u>	<u>12,729.08</u>
GRAND TOTAL	<u>\$5,968,633,625.00</u>	<u>\$ 5,220,267,528.59</u>	<u>\$74,574,619.31</u>	<u>\$ 9,818,459,278.78</u>	<u>\$ 1,295,857,255.50</u>

TABLE 23
PROGRAM APPROPRIATION ACCOUNTABILITY BY FUNCTIONAL CATEGORY – PROGRAM AREA
Year Ended August 31, 1977

FUNCTIONAL CATEGORY PROGRAM AREA	AUTHORIZED	TRANSFERRED	LAPSED	SPENT	UNEXP. BALANCE
0 GENERAL GOVERNMENT					
0 Legislative	\$ 24,609,983.00	\$ 1,817,755.08	\$ - 0 -	\$ 18,665,144.22	\$ 7,762,593.86
1 Judicial	20,934,126.00	1,588,966.03	301.93	21,304,425.92	1,218,364.18
2 Executive	6,989,556.00	19,093,254.14	- 0 -	18,801,400.07	7,281,410.07
3 General Administration	29,948,365.00	26,481,260.23	10,677.10	48,466,551.75	7,952,396.38
4 Financial Administration	209,270,858.00	337,532,755.19	- 0 -	416,475,615.44	130,327,997.75
5 Intergovernmental Partnerships	2,430,268.00	1,949,012.81	- 0 -	3,967,600.27	411,680.54
6 Construction	15,715,048.00	103,388,722.09	12,092.53	36,550,335.10	82,541,342.46
7 Interagency Transfers	<u>277,251,302.00</u>	<u>3,480,463,693.87</u>	<u>- 0 -</u>	<u>3,347,064,472.63</u>	<u>410,650,523.24</u>
GENERAL GOVERNMENT TOTALS	587,149,506.00	3,972,315,419.44	23,071.56	3,911,295,545.40	648,146,308.48
1 HEALTH AND WELFARE					
0 Alcohol and Drug Abuse	5,002,789.00	8,768,604.02	- 0 -	12,215,926.04	1,555,466.98
1 Youth Services	43,033,298.00	34,533,756.88	36,180.00	55,300,031.81	22,230,843.07
2 Economically Disadvantaged	1,095,227,842.00	322,642,566.47	62,553,750.00	1,214,635,417.41	140,681,241.06
3 Dependent Aged	87,646.00	250.00	- 0 -	71,336.90	16,559.10
4 Blind	3,644,248.00	11,999,573.52	- 0 -	15,227,665.01	416,156.51
5 Physically Disabled	75,961,282.00	3,114,899.86	6,000.00	63,057,787.58	16,012,394.28
6 Mental Retardation	118,882,069.00	8,462,058.22	2,071,217.00	116,470,574.13	8,802,336.09
7 Mental Health	109,665,941.00	8,849,797.95	- 0 -	108,837,197.66	9,678,541.29
8 Community Services	60,089,280.00	2,543,416.61	- 0 -	60,584,778.77	2,047,917.84
9 Preventative Health	<u>65,759,155.00</u>	<u>54,558,037.06</u>	<u>52,530.00</u>	<u>103,330,098.88</u>	<u>16,934,563.18</u>
HEALTH AND WELFARE TOTALS	1,577,353,550.00	455,472,960.59	64,719,677.00	1,749,730,814.19	218,376,019.40
2 ECONOMIC DEVELOPMENT					
0 Industrial and Tourist Development	4,493,427.00	595,280.05	- 0 -	4,403,501.49	685,205.56
1 Agricultural Development	10,653,881.00	1,060,237.90	- 0 -	9,636,593.92	2,077,524.98
2 Highways and Roads	821,423,867.00	14,680,069.27	- 0 -	630,680,350.82	205,423,585.45
3 Air Facilities	1,703,251.00	495,237.16	- 0 -	1,123,147.58	1,075,340.58
4 Public Transportation	235,696.00	15,346,286.00	- 0 -	1,041,959.57	14,540,022.43
5 Waterways	- 0 -	338,689.20	- 0 -	22,516.46	316,172.74
6 Commercial Carrier Regulation	<u>1,236,670.00</u>	<u>42,846.69</u>	<u>- 0 -</u>	<u>1,203,437.38</u>	<u>76,079.31</u>
ECONOMIC DEVELOPMENT TOTALS	839,746,792.00	32,558,646.27	- 0 -	648,111,507.22	224,193,931.05
3 NATURAL AND RECREATIONAL RESOURCES					
0 Environmental Quality Management	17,492,259.00	3,821,223.62	- 0 -	16,636,851.50	4,676,631.12
1 Recreation	31,369,034.00	14,247,522.04	7,620,078.12	22,509,145.70	15,487,332.22
2 Cultural Environment	1,546,203.00	1,920,483.48	4,650.70	3,046,583.25	415,452.53
3 Resource Development and Management	<u>42,252,285.00</u>	<u>7,520,808.16</u>	<u>- 0 -</u>	<u>41,372,968.15</u>	<u>8,400,125.01</u>
NATURAL AND RECREATIONAL RESOURCES TOTALS	92,659,781.00	27,510,037.30	7,624,728.82	83,565,548.60	28,979,540.88

TABLE 23 (continued)
PROGRAM APPROPRIATION ACCOUNTABILITY BY FUNCTIONAL CATEGORY – PROGRAM AREA
Year Ended August 31, 1977

FUNCTIONAL CATEGORY PROGRAM AREA	AUTHORIZED	TRANSFERRED	LAPSED	SPENT	UNEXP. BALANCE
4 PUBLIC SAFETY					
0 Traffic Safety and Supervision	\$ 65,254,753.00	\$ 4,652,152.43	\$ - 0 -	\$ 64,132,941.00	\$ 5,773,964.43
1 Crime Prevention and Control	75,394,037.00	71,387,798.20	- 0 -	137,055,548.97	9,726,286.23
2 Rehabilitation of Offenders	6,276,424.00	946,025.77	- 0 -	6,828,858.34	393,591.43
3 Disasters and Emergency Control	3,910,371.00	8,654,281.23	- 0 -	9,428,545.15	3,136,107.08
4 Consumer Protection	<u>32,702,601.00</u>	<u>5,214,201.79</u>	<u>- 0 -</u>	<u>32,076,248.58</u>	<u>5,840,554.21</u>
PUBLIC SAFETY TOTALS	183,538,186.00	90,854,459.42	- 0 -	249,522,142.04	24,870,503.38
5 EDUCATION					
0 Higher Education	741,264,811.00	43,260,497.25	1,081,141.93	715,911,361.49	67,532,804.83
1 Elementary and Secondary Education	1,682,251,393.00	591,301,741.94	206,000.00	2,203,919,181.32	69,427,953.62
2 Research and Extension Services	41,702,211.00	263,297.85	- 0 -	40,736,245.12	1,229,263.73
3 Medical Education and Medical Services	<u>222,957,395.00</u>	<u>6,717,468.53</u>	<u>920,000.00</u>	<u>215,666,662.48</u>	<u>13,088,201.05</u>
EDUCATION TOTALS	2,688,175,810.00	641,543,005.57	2,207,141.93	3,176,233,450.41	151,278,223.23
6 OTHER	<u>10,000.00</u>	<u>3,000.00</u>	<u>- 0 -</u>	<u>270.92</u>	<u>12,729.08</u>
GRAND TOTAL	<u>\$5,968,633,625.00</u>	<u>\$ 5,220,257,528.59</u>	<u>\$ 74,574,619.31</u>	<u>\$ 9,818,459,278.78</u>	<u>\$ 1,295,857,255.50</u>

INVESTMENT ACCOUNTS

Several state funds have investment accounts which are created by statute or are constitutionally authorized. No part of an investment account is available for appropriation for state expenditures, but authority for disposition of investment income is provided. For example, income of the Permanent School Fund 044 accrues to the Available School Fund 002 for support of public education. Income of the Permanent University Fund 045 accrues to the Available University Fund 011 for the benefit of the University of Texas System and the Texas A & M University System.

State fund investment accounts are composed of several types of assets:

Cash and Receivables — cash funds held by the State Treasurer in approved Texas depository banks and receivables.

City, County, and District Bonds — investments in bonds issued by political subdivisions of the State.

State Bonds — investments in bonds issued by the State of Texas.

U.S. Government Securities — investments in any of the various types of interest-bearing paper issued by the U.S. Treasury.

Notes and Other Evidences of Indebtedness — investments in mortgages, FNMA or GNMA paper, savings and loan accounts or certificates of deposit.

Corporate Obligations — investments in corporate bonds, short-term credit, or equipment trust certificates.

Corporate Stock — investment in corporate equities.

Loans to Political Subdivisions — principal of both secured and unsecured loans made to political subdivisions of the State.

Discount on Investments — the difference between par value of bond investments and principal cost where par value exceeds principal cost.

Premium on Investments — the difference between par value of bond investments and principal cost where principal cost exceeds par value.

It should be noted that corporate stock value is recorded at cost while other securities are recorded at par or face value. Adjustments for discounts and premiums are recorded separately.

Table 24 is a summary of the investment account balance by type of asset of all funds at September 1, 1976, the net increase or decrease during the year, and the resulting balance as of August 31, 1977. The net investment balance increased \$1,020 million or 15.3 percent during fiscal 1977.

Table 25 presents the asset distribution of the five major investment funds and the investment funds of the Veterans' Land Program. These funds had year-end balances totaling \$7,475 million, or 97.5 percent of the balance of all investment funds. Corporate obligations and corporate stocks comprise 76 percent of the total balance of the retirement and school investment funds. The Water Development Fund 351 assets are principally loans to political subdivisions for water resource projects. Assets of the Veterans' Land Program investment funds, which are used to purchase land and service bond debt, are invested in U.S. Government Securities.

TABLE 24
SUMMARY OF INVESTMENTS, ALL FUNDS
Year Ended August 31, 1977

	Balance 9-1-76	Increase (Decrease)	Balance 8-31-77
Cash and Receivables	\$ 25,384,228.00	\$ (228,529.25)	\$ 25,155,698.75
City, County & District Bonds	36,995,588.61	(4,095,800.00)	32,899,788.61
State Bonds	5,944,000.00	(83,000.00)	5,861,000.00
U.S. Government Securities	795,221,500.00	220,547,000.00	1,015,768,500.00
Notes & Other Evidences of Indebtedness	951,205,514.77	118,980,731.62	1,070,186,246.39
Corporate Obligations	2,834,324,963.01	395,482,494.85	3,229,807,457.86
Corporate Stock	1,861,229,718.09	264,028,539.26	2,125,258,257.35
Loans to Political Subdivisions	170,098,500.00	21,748,500.00	191,847,000.00
Discount on Investments	(32,331,384.86)	3,134,596.81	(29,196,788.05)
Premium on Investments	<u>2,304,604.10</u>	<u>430,269.43</u>	<u>2,734,873.53</u>
TOTAL NET INVESTMENTS	\$ <u>6,650,377,231.72</u>	\$ <u>1,019,944,802.72</u>	\$ <u>7,670,322,034.44</u>

TABLE 25
ASSET DISTRIBUTION OF MAJOR INVESTMENT FUNDS
Year Ended August 31, 1977

	Teacher Retirement System (Fund 960)	State Employee Retirement (Fund 955)	Permanent School Fund (Fund 044)	Permanent University Fund (Fund 045)	Water Development Fund (Fund 351)	Veterans Land Program
Cash and Receivables	0.6%	0.1%				1.8%
City, County and District Bonds			2.1%			
State Bonds						3.4
U.S. Government Securities	4.1	8.6	14.6	13.1%	31.2%	98.6
Notes & Other Evidences of Indebtedness	20.8	17.2		15.2		
Corporate Obligations	45.3	55.9	46.3	37.9		
Corporate Stock	29.2	18.2	37.3	35.1		
Loans to Political Subdivisions					69.4	
Discount on Investments			(0.3)	(1.3)	(0.8)	(4.3)
Premium on Investments					<u>0.2</u>	<u>0.5</u>
TOTAL	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
TOTAL (Thousands)	\$ 3,574,209	\$ 963,607	\$ 1,528,037	\$ 959,280	\$ 276,419	\$ 173,261

TABLE 26
 FUND INVESTMENTS BY TYPE AND ACCOUNT BALANCES
 Year Ended August 31, 1977
 (Thousands)

	Cash and Receivables	City, County & District Bonds	State Bonds	U.S. Government Securities	Notes & Other Evidences of Indebtedness
ADMINISTRATIVE:					
State Building Fund 007				\$ 5,000	
Federal Revenue Sharing Trust Fund 448				102,000	
Real Estate Recovery Fund 971				920	\$ 288
Veterans Land Program	\$ 3,175		\$ 5,861	170,845	
TOTAL, ADMINISTRATIVE	3,175		5,861	278,765	288
SERVICES:					
Permanent Blind Institute Fund 048		\$ 5		170	10
Permanent Deaf & Dumb Institute Fund 049		32		153	
Permanent Lunatic Asylum Fund 050				164	
Permanent Orphans Home Fund 051		7		74	
TOTAL, SERVICES		44		561	10
IMPROVEMENTS:					
Water Development Fund 351				86,175	
Water Development Bond Interest & Sinking Fund 352				14,790	
Park Development Fund 408				3,772	
Park Development Bonds Interest & Sinking Fund 409				3,366	
TOTAL, IMPROVEMENTS				108,103	
EDUCATION:					
Available School Fund 002		581			
Permanent School Fund 044	498	32,275		222,838	
Permanent University Fund 045				125,263	146,100
Endowment Fund Medical Branch, University of Texas Fund 046					
A&M University Mineral Investment Fund 095	354			100	1,787
A&M University Mineral Income Fund 096	82			90	462
Texas Opportunity Plan Fund 387				13,705	
College Student Loan Bond Interest & Sinking Fund 388				34,605	7,743
Teacher Retirement System Trust Fund 960	20,122			148,200	742,301
TOTAL, EDUCATION	21,056	32,856		544,801	898,393
OTHER:					
State Conservator Trust Account Fund 948				900	
S.E.R.S. Investment Account Fund 955	925			82,639	165,833
Deferred Compensation Fund 970 ^a					5,662
TOTAL, OTHER	925			83,539	171,495
GRAND TOTAL	\$ 25,156	\$ 32,900	\$ 5,861	\$ 1,015,769	\$ 1,070,186

^a As of 12-31-76.

TABLE 26 (continued)
 FUND INVESTMENTS BY TYPE AND ACCOUNT BALANCES
 Year Ended August 31, 1977
 (Thousands)

Corporate Obligations	Corporate Stock	Loans to Political Subdivisions	Discount on Investments	Premium on Investments	Net Total
			\$ (1,404)	\$ 33	\$ 5,033
			(7,495)	875	100,596
			(8,899)	908	1,208
			(2)		173,261
			(2)		183
			(2)		183
			(1)		162
			(7)		80
		\$ 191,847	(2,200)	597	608
			(355)		276,419
			(19)	147	14,435
		191,847	(2,574)	108	3,919
			(5,025)	85	3,455
\$ 707,796	\$ 569,570		(12,137)	161	298,228
363,244	336,649		(1)		581
10			(78)	124	1,528,037
			(476)	605	959,280
1,620,360	1,043,226		(17,717)	975	9
2,691,410	1,949,445				2,241
					634
538,397	175,813				13,751
					42,477
538,397	175,813				3,574,209
					6,121,219
\$ 3,229,807	\$ 2,125,258	\$ 191,847	\$ (29,197)	\$ 2,735	\$ 7,670,322

ADMINISTRATIVE:

State Building Fund 007
 Federal Revenue Sharing Trust Fund 448
 Real Estate Recovery Fund 971
 Veterans Land Program

TOTAL, ADMINISTRATIVE

SERVICES:

Permanent Blind Institute Fund 048
 Permanent Deaf & Dumb Institute Fund 049
 Permanent Lunatic Asylum Fund 050
 Permanent Orphans Home Fund 051

TOTAL, SERVICES

IMPROVEMENTS:

Water Development Fund 351
 Water Development Bond Interest &
 Sinking Fund 352
 Park Development Fund 408
 Park Development Bonds Interest
 & Sinking Fund 409

TOTAL, IMPROVEMENTS

EDUCATION:

Available School Fund 002
 Permanent School Fund 044
 Permanent University Fund 045
 Endowment Fund Medical Branch,
 University of Texas Fund 046
 A&M University Mineral Investment Fund 095
 A&M University Mineral Income Fund 096
 Texas Opportunity Plan Fund 387
 College Student Loan Bond Interest
 & Sinking Fund 388
 Teacher Retirement System Trust Fund 960

TOTAL, EDUCATION

OTHER:

State Conservator Trust Account Fund 948
 S.E.R.S. Investment Account Fund 955
 Deferred Compensation Fund 970

TOTAL, OTHER

GRAND TOTAL

BONDED INDEBTEDNESS

General Obligation Bonds

The Constitution authorizes the issuance of the following bonds which pledge the full faith and credit of the State:

(1) Veterans' Land Bonds (Constitution, Article 3, Section 49B): Bond proceeds are used to purchase land for resale to qualified Texas Veterans under the Veterans' Land Program. Receipts from land sales are pledged to the payment of principal and interest on the outstanding bonds and have been sufficient to meet all debt service requirements.

(2) Water Development Bonds (Constitution, Article 3, Sections 49C and 49D): Bond proceeds provide capital for loans to various Texas governmental subdivisions for approved water and sewer projects and to purchase interests in water storage facilities. Repayment of loan principal and interest is pledged to payment of outstanding bonds and interest.

(3) Park Development Bonds (Constitution, Article 3, Section 49E): Bond proceeds are used to acquire land for state park sites and to develop such sites. Park entrance fees and investment income are used to retire outstanding bonds and make interest payments.

(4) College Student Loan Bonds (Constitution, Article 3, Section 50B): Bond proceeds are used to make educational loans to eligible Texas college students. Repayments of student loans are pledged to payment of outstanding debt and have been sufficient to meet debt service requirements.

A constitutional amendment is required to increase the amount of issuance authorization for the above bonds. As of August 31, 1977, the following bonds were authorized and unissued:

Veterans' Land Bonds	\$ 25,000,000
Water Development Bonds	243,670,000
College Student Loan Bonds	79,500,000
Park Development Bonds	<u>59,250,000</u>
Total	<u>\$407,420,000</u>

These bonds are general obligations of the State of Texas. Should income from the various programs for which these bonds are issued be insufficient to pay bond principal and interest, the Legislature is required by the Constitution to appropriate the necessary amounts to meet outstanding debt service

requirements from the net revenues of the State not otherwise appropriated by the Constitution. Table 29 shows the amount of state revenue which was available for this purpose for the year ended August 31, 1977. Out of the total of \$3.9 billion, only \$9,578,188 or 0.25 percent was transferred to the Water Development Bond Interest and Sinking Fund 352 in 1977 for debt service requirements.

Permanent University Fund Bonds

The Constitution, Article 7, Section 18, authorizes the issuance of bonds to be used for constructing, equipping or acquiring buildings and other permanent improvements for the University of Texas System and the Texas A & M University System. Debt service requirements are payable from income of the Permanent University Fund, in which the University of Texas System has a two-thirds interest and the Texas A & M University System has a one-third interest. The total amount of such bonds outstanding may not exceed 20 percent of the value of the Permanent University Fund exclusive of real estate.

Ad Valorem Tax College Building Bonds

The Constitution, Article 7, Section 17, levies an ad valorem tax of 10¢ per \$100 valuation of property for the purpose of acquiring, constructing and initially equipping buildings and other permanent improvements at the seventeen state-supported universities listed in Table 27. (The Texas State University System, formerly State Senior Colleges, includes Sam Houston State University, Southwest Texas State University, Sul Ross State University, and Angelo State University.)

Interest on Old Manuscript Bonds

This represents uncashed coupons from Texas Relief Bonds public works projects.

Table 27 presents the amount of each category of state bond outstanding at August 31, 1977, and the new issues and retirements which occurred during fiscal 1977. Total bonded indebtedness of the State at the end of fiscal 1977 was \$1,071 million. This does not include revenue bonds issued by the state institutions of higher education or the Water Development Board contract with the U.S. Bureau of Reclamation in the amount of \$31,230,000. During 1977 bond retirements totaled \$57.9 million while \$136 million in new debt was floated. This net increase in bonded debt of \$78.1 million is 6.0 percent less than the net bonded debt increase of \$83.5 million in 1976.

TABLE 27
STATEMENT OF BONDED INDEBTEDNESS
Year Ended August 31, 1977

	Outstanding 9-1-76	Retired	New Issues	Outstanding 8-31-77	Increase (Decrease)
GENERAL OBLIGATION BONDS:					
Veterans' Land Bonds	\$ 341,210,000	\$ 8,540,000	\$ 40,000,000	\$ 372,670,000	\$ 31,460,000
Water Development Bonds	227,710,000	11,245,000	50,000,000	266,465,000	38,755,000
Park Development Bonds	13,000,000	1,000,000	- 0 -	12,000,000	(1,000,000)
College Student Loan Bonds	<u>170,470,000</u>	<u>5,530,000</u>	<u>16,000,000</u>	<u>180,940,000</u>	<u>10,470,000</u>
TOTAL, GENERAL OBLIGATION BONDS	752,390,000	26,315,000	106,000,000	832,075,000	79,685,000
PERMANENT UNIVERSITY FUND BONDS:					
Texas A&M University	55,355,000	3,940,000	10,000,000	61,415,000	6,060,000
University of Texas	<u>111,080,000</u>	<u>7,425,000</u>	<u>20,000,000</u>	<u>123,655,000</u>	<u>12,575,000</u>
TOTAL, PERMANENT UNIVERSITY FUND BONDS	166,435,000	11,365,000	30,000,000	185,070,000^a	18,635,000
AD VALOREM TAX COLLEGE BUILDING BONDS					
University of Texas at Arlington	9,790,000	2,395,000	- 0 -	7,395,000	(2,395,000)
Texas Southern University	2,070,000	575,000	- 0 -	1,495,000	(575,000)
Texas Woman's University	1,710,000	475,000	- 0 -	1,235,000	(475,000)
Texas A&I University	2,795,000	780,000	- 0 -	2,015,000	(780,000)
Texas Tech University	8,860,000	2,470,000	- 0 -	6,390,000	(2,470,000)
Lamar University	5,990,000	1,675,000	- 0 -	4,315,000	(1,675,000)
University of Houston	10,880,000	3,030,000	- 0 -	7,850,000	(3,030,000)
Midwestern University	1,845,000	515,000	- 0 -	1,330,000	(515,000)
Pan American University	2,075,000	580,000	- 0 -	1,495,000	(580,000)
East Texas State University	2,945,000	820,000	- 0 -	2,125,000	(820,000)
North Texas State University	7,715,000	2,150,000	- 0 -	5,565,000	(2,150,000)
Stephen F. Austin State University	4,140,000	1,155,000	- 0 -	2,985,000	(1,155,000)
West Texas State University	2,330,000	650,000	- 0 -	1,680,000	(650,000)
Texas State University System	<u>10,860,000</u>	<u>2,910,000</u>	<u>- 0 -</u>	<u>7,950,000</u>	<u>(2,910,000)</u>
TOTAL, AD VALOREM TAX COLLEGE BUILDING BONDS	74,005,000	20,180,000^b	- 0 -	53,825,000^b	(20,180,000)
INTEREST ON OLD MANUSCRIPT BONDS					
Texas Relief Bonds 1st Series	20	- 0 -	- 0 -	20	- 0 -
Texas Relief Bonds 2nd Series	<u>23</u>	<u>- 0 -</u>	<u>- 0 -</u>	<u>23</u>	<u>- 0 -</u>
TOTAL, INTEREST ON OLD MANUSCRIPT BONDS	43	- 0 -	- 0 -	43	- 0 -
TOTAL, ALL BONDS	<u>\$ 992,830,043</u>	<u>\$ 57,860,000</u>	<u>\$ 136,000,000</u>	<u>\$ 1,070,970,043</u>	<u>\$ 78,140,000</u>

^a Includes \$30,000,000 Permanent University Fund bonds issued August 30, 1977 not recorded to the State's General Ledger until October, 1977.

^b Amount retired represents 9-1-77 payment; thus amount outstanding is exclusive of 9-1-77 maturities.

TABLE 28
BOND DEBT SERVICE REQUIREMENTS

Fiscal Year Ending 8-31	Veterans' Land Bonds	Water Development Bonds ^a	Park Development Bonds	College Student Loan Bonds	Total Payable From Net Unappropriated Revenues
1978	\$ 26,916,712	\$ 23,289,470	\$ 1,480,250	\$ 16,233,152	\$ 67,919,584
1979	31,927,788	23,883,643	1,444,250	16,132,127	73,387,808
1980	31,981,900	23,415,756	1,401,250	15,960,851	72,759,757
1981	35,323,537	22,960,028	1,356,750	15,703,326	75,343,641
1982	34,287,037	23,506,918	1,317,750	15,640,102	74,751,807
1983	33,159,640	23,175,005	1,327,250	15,487,337	73,149,232
1984	35,560,168	22,708,030	1,333,700	15,334,536	74,936,434
1985	37,358,470	22,131,805	1,337,000	15,170,191	75,997,466
1986	35,781,687	20,595,905	1,337,050	14,939,907	72,654,549
1987	30,596,200	18,200,455	1,333,750	14,770,220	64,900,625
1988	30,401,613	18,619,405	1,278,125	14,547,884	64,847,027
1989	25,585,257	18,176,425		14,419,026	58,180,708
1990	18,086,556	17,677,525		14,203,468	49,967,549
1991	18,590,865	16,273,505		14,043,068	48,907,438
1992	12,797,115	15,609,065		13,856,706	42,262,886
1993	10,428,438	16,228,955		13,692,693	40,350,086
1994	10,019,813	15,792,225		13,574,648	39,386,686
1995	3,524,563	15,258,450		13,436,656	32,219,669
1996	3,438,938	14,546,750		9,506,104	27,491,792
1997	2,841,125	10,729,000		8,781,801	22,351,926
1998	40,616,750	8,800,000		7,603,794	57,020,544
1999	112,100	8,400,000			8,512,100
2000	112,100				112,100
2001	112,100				112,100
2002	112,100				112,100
2003	112,100				112,100
2004	112,100				112,100
2005	112,100				112,100
2006	112,100				112,100
2007	112,100				112,100
2008	112,100				112,100
2009	112,100				112,100
2010	112,100				112,100
2011	19,312,100				19,312,100
2012	102,500				102,500
2013	102,500				102,500
2014	5,102,500				5,102,500
2015	5,002,500				5,002,500
Totals	<u>\$ 540,191,472</u>	<u>\$ 399,978,320</u>	<u>\$ 14,947,125</u>	<u>\$ 293,037,597</u>	<u>\$ 1,248,154,514</u>

^a Exclusive of payments on Water Development Board contract with U.S. Bureau of Reclamation.

TABLE 28 (continued)
BOND DEBT SERVICE REQUIREMENTS

Permanent University Fund Bonds - A&M System	Permanent University Fund Bonds - UT System	Total Permanent University Fund Bonds	College Building Ad Valorem Tax Bonds	Grand Total Requirements - All Bonds	Fiscal Year Ending 8-31
\$ 7,454,208	\$ 14,359,290	\$ 21,813,498	\$ 25,371,238 ^b	\$ 115,104,320	1978
7,032,917	14,154,400	21,187,317	54,975,344	149,550,469	1979
6,589,635	13,730,047	20,319,682		93,079,439	1980
6,490,677	13,171,510	19,662,187		95,005,828	1981
6,099,773	12,822,340	18,922,113		93,673,920	1982
5,668,592	12,194,188	17,862,780		91,012,012	1983
5,603,963	11,753,798	17,357,761		92,294,195	1984
5,510,550	11,328,845	16,839,395		92,836,861	1985
5,420,950	10,768,315	16,189,265		88,843,814	1986
5,285,425	9,817,740	15,103,165		80,003,790	1987
4,554,925	8,729,960	13,284,885		78,131,912	1988
4,146,350	7,624,845	11,771,195		69,951,903	1989
3,755,965	7,053,564	10,809,529		60,777,078	1990
3,331,625	6,368,210	9,699,835		58,607,273	1991
2,931,575	5,630,710	8,562,285		50,825,171	1992
2,543,975	4,925,680	7,469,655		47,819,741	1993
2,175,540	4,136,580	6,312,120		45,698,806	1994
1,713,000	3,290,400	5,003,400		37,223,069	1995
1,821,000	2,308,200	4,129,200		31,620,992	1996
840,000	1,248,000	2,088,000		24,439,926	1997
				57,020,544	1998
				8,512,100	1999
				112,100	2000
				112,100	2001
				112,100	2002
				112,100	2003
				112,100	2004
				112,100	2005
				112,100	2006
				112,100	2007
				112,100	2008
				112,100	2009
				112,100	2010
				19,312,100	2011
				102,500	2012
				102,500	2013
				5,102,500	2014
				5,002,500	2015
<u>\$ 88,970,645</u>	<u>\$ 175,416,622</u>	<u>\$ 264,387,267</u>	<u>\$ 80,346,582</u>	<u>\$ 1,592,888,363</u>	Totals

^b Includes 9-1-77 maturities in the amount of \$20,180,000 shown as retired in Table 29.

TABLE 29
SUMMARY OF NET REVENUES
AVAILABLE FOR GENERAL OBLIGATION DEBT SERVICE
Year Ended August 31, 1977

Revenue Source	Total Revenues	Revenues of Constitutional and Federal Funds	Balance Available for Debt Service
Ad Valorem Tax	\$ 42,755,265	\$ 42,753,202	\$ 2,063
Inheritance Tax	66,568,074	- 0 -	66,568,074
Production and Regulation Tax — Crude Oil	428,483,531	106,585,278	321,898,253
Production and Regulation Tax — Natural & Casinghead Gas	474,317,960	118,579,490	355,738,470
Production Tax — Sulphur	4,479,734	1,114,334	3,365,400
Gas Utilities Administration Tax	13,939,690	- 0 -	13,939,690
Gross Receipts Tax — Cement	4,030,941	1,007,735	3,023,206
Gross Receipts Tax — Utilities	68,030,550	14,620,938	53,409,612
Gross Receipts Tax — Telephone	39,671,906	9,917,976	29,753,930
Other Production and Gross Receipts Taxes	59,224,592	980,711	58,243,881
Motor Vehicle Sales Tax	328,091,785	82,022,946	246,068,839
Hotel, Motel and Miscellaneous Excise Tax	17,089,007	- 0 -	17,089,007
Cigarette and Tobacco — Tax and Licenses	288,058,892	11,073,828	276,985,064
Alcoholic Beverage — Tax and License	105,061,652	21,404,606	83,657,046
Special Motor Fuel Tax	55,874,141	55,874,141	- 0 -
Motor Fuel Tax	388,224,219	388,224,219	- 0 -
Franchise Tax	236,611,834	- 0 -	236,611,834
Insurance Companies Occupation Tax	120,039,325	30,009,831	90,029,494
Other Occupations Tax	(7,704,152)	(1,926,038)	(5,778,114)
Limited Sales, Excise and Use Tax	1,689,043,253	7,960,560	1,681,082,693
Other Licenses and Fees	124,673,680	9,497,453	115,176,227
Game and Fish — Licenses and Fees	13,297,991	- 0 -	13,297,991
Motor Vehicle Licenses, Registration & Fees	234,164,730	233,346,514	818,216
Land Sales	308,633	308,633	- 0 -
Oil, Gas and Mineral Royalties	233,281,928	232,494,432	787,496
Sand, Shell and Gravel Sales	607,486	78,484	529,002
Real Estate, Equipment and Commodities Sales	22,493,966	2,224,443	20,269,523
Mineral Leases, Rentals and Bonuses	81,946,893	81,084,078	862,815
Surface Rentals, Leases and Easements	2,462,435	2,061,178	401,257
Interest on State Deposits	93,936,688	31,922,859	62,013,829
Interest on Securities Owned	160,119,545	160,119,545	- 0 -
Interest on Land Sales	14,053,055	14,053,055	- 0 -
Miscellaneous Interest	11,091,504	11,091,504	- 0 -
Pay Patient Collections	21,616,297	- 0 -	21,616,297
Other Miscellaneous Revenue	31,000,584	7,681,473	23,319,111
Federal Grants — Highway	265,572,862	265,572,862	- 0 -
Federal Grants — Public Health	45,633,445	45,633,445	- 0 -
Federal Grants — Public Welfare	814,389,713	814,389,713	- 0 -
Federal Grants — Public Education	358,434,766	358,434,766	- 0 -
Federal Grants — Other	239,873,951	239,873,951	- 0 -
Grants and Donations — Other	40,167,995	40,167,995	- 0 -
Federal Revenue Share	110,568,223	- 0 -	110,568,223
Land Reclamation Revenue	13,102	- 0 -	13,102
Federal Receipts Earned Credits	14,177,493	14,177,493	- 0 -
Interfund Transfers	3,230,390,632	3,230,390,632	- 0 -
TOTAL NET REVENUES AND INTERFUND TRANSFERS	\$ 10,586,169,796	\$ 6,684,808,265	\$ 3,901,361,531

SECURITIES DEPOSITED IN TRUST WITH THE STATE TREASURER

Bank deposits of Texas state funds are secured by pledged collateral held by the State Treasurer. The securities pledged as collateral must be approved by the State Depository Board, consisting of the State Treasurer, the State Banking Commissioner, and a citizen member appointed by the Governor.

Title 122A, Art. 2529, R.C.S. requires that the amount of collateral securities relative to state deposits be 105%. At August 31, 1977, actual state time deposits of \$2.17 billion were secured by collateral valued at \$2.38 billion, or 110% of actual deposits.

TABLE 30
SECURITIES DEPOSITED IN TRUST WITH THE STATE TREASURER
Year Ended August 31, 1977

Trust Account	Balance 9-1-76	Increase (Decrease)	Balance 8-31-77
904 Motor Fuel Distributors Trust	\$ 53,500.00	\$ 210,820.41	\$ 264,320.41
907 Settlement of Estates Account	- 0 -	41,494.63	41,494.63
908 Bond Investment Companies Trust	230,000.00	(15,000.00)	215,000.00
910 Time Deposits	1,809,196,400.00	567,239,500.00	2,376,435,900.00
911 Demand Deposits	566,857,500.00	(70,742,000.00)	496,115,500.00
912 Educational Depository Trust	32,361,000.00	2,150,000.00	34,511,000.00
915 Agencies and Boards Guaranty Trust	- 0 -	250,000.00	250,000.00
916 Building and Loan Association Trust	100,000.00	- 0 -	100,000.00
917 Fiduciary Guaranty Trust	1,405,000.00	23,500.00	1,428,500.00
919 Burial Society and Mutual Insurance Trust	268,537.00	(10,837.00)	257,700.00
920 Loan and Brokerage Guaranty Trust	200.00	(100.00)	100.00
921 Life, Health, Accident, and Casualty Guaranty Trust	155,315,039.40	2,899,431.13	158,214,470.53
924 County Mutual Insurance Guaranty Trust	916,000.00	15,000.00	931,000.00
925 Texas Employment	4,585,000.00	135,000.00	4,720,000.00
933 Insurance Recording Agent Trust	25,000.00	25,000.00	50,000.00
941 Varner-Hogg State Park Trust	11,535.00	- 0 -	11,535.00
948 State Conservator Trust	200,000.00	(200,000.00)	- 0 -
949 Automobile Service Clubs Account	106,522.25	- 0 -	106,522.25
956 Cigarette and Tobacco Products Bond Account	7,000.00	- 0 -	7,000.00
958 Escheated Personal Property with State Treasurer	300,059.74	45,717.52	345,777.26
962 Sales Tax Guaranty Account	157,151.61	(121,567.61)	35,584.00
TOTAL SECURITIES	\$ 2,572,095,445.00	\$ 501,945,959.08	\$ 3,074,041,404.08

SUSPENSE AND TRUST FUNDS

Suspense Funds provide a temporary depository for money held by the State pending final disposition. An example is the receipt of a check or other form of money without a tax return or any identification to indicate the purpose of the payment and therefore the state fund to which the money should be deposited. Another function of suspense funds is to hold tax payments made under protest until the courts or other actions determine whether the money should be deposited in a state fund or returned to the taxpayer.

Each Trust Fund is created by statute for a specific purpose. Generally, the funds are to hold money for later distribution, or hold money or securities deposited with the State in lieu of surety bonds. Other trust funds are created to

protect certain shareholders, to secure obligations of insurance companies and loan and brokerage companies, and to record receipts of the State Employees Retirement System (SERS) and the Teacher Retirement System.

Suspense and Trust Funds are not available for appropriation.

The account with the Federal Treasury is to hold money collected under the Old Age and Survivors Insurance Act. The fund is maintained on the books of the Comptroller, but the actual money is on deposit with the Treasurer of the United States to the credit of this State.

TABLE 31
TRANSACTIONS OF SUSPENSE & TRUST FUNDS
Year Ended August 31, 1977

FUND/Department	Cash Balance 9-1-76	Increases ^a	Decreases ^b	Cash Balance 8-31-77
900 SUSPENSE FUNDS (Departmental):				
102 House of Representatives	\$ 350.88	\$ 1,349.69	\$ 1,700.57	\$ - 0 -
233 Court of Civil Appeals — Thirteenth District	- 0 -	25.00	25.00	- 0 -
243 Law Library	52.00	- 0 -	52.00	- 0 -
301 Executive Office — Governor	3,000.00	- 0 -	- 0 -	3,000.00
302 Attorney General	15,652.48	1,114.00	16,390.12	376.36
303 Board of Control	511,888.65	2,346,304.35	2,027,830.62	830,362.38
304 Comptroller of Public Accounts	43,532,598.30	4,196,257,836.41	4,197,807,870.32	41,982,564.39
305 General Land Office	7,807,564.74	391,273,638.44	390,567,838.10	8,513,365.08
306 Library and Historical Commission	- 0 -	373.21	373.21	- 0 -
307 Secretary of State	771,467.69	7,994,494.07	8,358,570.33	407,391.43
309 Building Commission	- 0 -	34,532.81	- 0 -	34,532.81
310 State Treasury	13,291,572.84	89,861,818.54	98,516,557.21	4,636,834.17
312 Securities Board	196,406.80	1,706,098.81	1,655,395.35	247,110.26
318 Commission for the Blind	10,653.46	665.70	278.26	11,040.90
322 Texas Employment Commission	1,397,234.95	6,852,972.93	6,153,989.53	2,096,218.35
324 Department of Public Welfare	668,652.29	3,258,446.00	1,847,812.42	2,079,285.87
327 Employees' Retirement System	2,942.94	28,786.44	26,983.08	4,746.30
329 Real Estate Commission	347,150.88	4,275,323.63	3,885,712.70	736,761.81
330 Rehabilitation Commission	9,476.99	17,849.18	18,360.73	8,965.44
332 Community Affairs	52,732.07	17,749.04	52,769.07	17,712.04
334 Advisory Commission Intergovernmental Relations	- 0 -	37.20	37.20	- 0 -
452 Bureau of Labor and Standards	251,834.36	113,895.82	336,709.55	29,020.63
454 Board of Insurance	3,339,635.32	139,806,571.91	134,761,819.76	8,384,387.47
455 Railroad Commission	796,942.13	3,406,629.59	3,011,202.64	1,192,369.08
458 Alcoholic Beverage Commission	6,477,954.88	7,490,322.30	12,887,444.83	1,080,832.35
459 Board of Architectural Examiners	- 0 -	34,170.00	34,130.00	40.00
460 Board of Registration for Professional Engineers	43.00	1,945.43	1,603.93	384.50
467 Board of Private Investigators, and Private Security Agencies	1,656.38	5,789.39	7,445.77	- 0 -
468 Board of Landscape Architects	100.00	13,406.00	12,586.00	920.00
470 Motor Vehicle Commission	97,525.00	141,950.00	143,825.00	95,650.00
471 Texas Amusement Machine Commission	60,179.50	1,814,756.75	1,770,179.15	104,757.10
472 Structural Pest Control Board	22,820.00	69,500.00	70,320.00	22,000.00
473 Public Utilities Commission	4,023,059.68	2,865,580.82	6,282,215.03	606,425.47
501 Department of Health	282,525.56	1,860,365.25	1,963,403.26	179,487.55
503 Board of Medical Examiners	- 0 -	3,050.00	500.00	2,550.00
505 Cosmetology Commission	2,367.81	634.28	2,319.97	682.12
508 Board of Chiropractic Examiners	1,620.00	8,250.00	5,125.00	4,745.00

^a Deposits to funds

^b Cleared to a State fund or refunded by warrant issue

TABLE 31 (continued)
 TRANSACTIONS OF SUSPENSE & TRUST FUNDS
 Year Ended August 31, 1977

FUND/Department	Cash Balance 9-1-76	Increases	Decreases	Cash Balance 8-31-77
900 SUSPENSE FUNDS (Departmental) (continued):				
510 Board of Examiners in Basic Sciences	\$ 8,495.00	\$ 136,315.00	\$ 133,155.00	\$ 11,655.00
511 Board of Vocational Nurse Examiners	27,325.00	131,875.00	134,030.00	25,170.00
514 Optometry Board	40.00	11,497.50	11,537.50	- 0 -
518 Water Quality Board	- 0 -	105.35	75.35	30.00
519 Air Control Board	160.00	45.60	25.60	180.00
520 Board of Examiners of Psychologists	- 0 -	105.00	105.00	- 0 -
522 Board of Physical Therapy Examiners	- 0 -	225.00	175.00	50.00
524 Board of Nursing Home Administrators	30.00	175.00	185.00	20.00
525 Health Facilities Commission	- 0 -	165.00	- 0 -	165.00
551 Department of Agriculture	267,123.21	1,688,996.74	1,744,665.11	211,454.84
552 Water Rights Commission	80,680.84	154,598.35	176,924.84	58,354.35
554 Texas Animal Health Commission	- 0 -	4,907.03	- 0 -	4,907.03
580 Water Development Board	450.00	18,395.00	18,295.00	550.00
601 Department of Highways and Public Transportation	- 0 -	156,014.11	156,014.11	- 0 -
670 Corpus Christi State School	- 0 -	11.92	- 0 -	11.92
678 Austin State School	- 0 -	70.45	70.45	- 0 -
684 Harlingen State Chest Hospital	19,686.32	- 0 -	19,686.32	- 0 -
701 Texas Education Agency	100,851.47	137,214.86	138,402.51	99,663.82
721 University of Texas at Austin	8.25	- 0 -	- 0 -	8.25
734 Lamar University	11,740.24	- 0 -	11,740.24	- 0 -
781 Coordinating Board, College and University System	83,322.35	16,951,594.47	16,826,150.97	208,765.85
802 Parks and Wildlife Department	3,244,813.71	28,197,528.99	30,862,259.23	580,083.47
808 Texas Historical Commission	- 0 -	40,000.00	11,029.77	28,970.23
902 Miscellaneous	- 0 -	173,375.27	64,731.01	108,644.26
TOTAL SUSPENSE FUNDS (Departmental)	87,822,387.97	4,909,369,448.63	4,922,538,633.72	74,653,202.88
TRUST FUNDS:				
901 U.S. Savings Bond	177,305.60	6,954,023.92	6,887,775.89	243,553.63
902 County Tax Collectors	2,071,600.02	42,982,407.99	42,942,664.31	2,111,343.70
903 Flood Area School and Road	55,234.34	332,102.05	379,331.25	8,005.14
904 Motor Fuel Distributors Bond Guaranty	71,274.81	187,358.36	15,939.81	242,693.36
905 Foreign Corporation Franchise Guaranty	3,046,000.00	992,000.00	153,500.00	3,884,500.00
906 Dissolution of Solvent Corporation	80,020.28	20,549.64	31,940.18	68,629.74
907 Settlement of Estates	426,826.48	137,808.28	84,853.88	479,780.88
909 Fiscal Agency Receiving	175,458.56	21,717,226.94	21,514,442.87	378,242.63
913 Social Security	15,291,411.04	409,718,511.21	407,896,261.91	17,113,660.34
914 Motor Vehicle Responsibility	338,964.27	365,440.34	129,328.59	575,076.02
918 Second Injury	219,916.96	152,248.86	118,294.78	253,871.04

TABLE 31 (continued)
 TRANSACTIONS OF SUSPENSE & TRUST FUNDS
 Year Ended August 31, 1977

FUND/Department	Cash Balance 9-1-76	Increases	Decreases	Cash Balance 8-31-77
TRUST FUNDS (continued):				
919 Mutual Assessment Insurance Company	\$ 35,038.00	\$ - 0 -	\$ 4,025.00	\$ 31,013.00
921 Board of Insurance	- 0 -	500,000.00	500,000.00	- 0 -
922 Group Hospital Insurance Companies	2,000.00	- 0 -	- 0 -	2,000.00
923 Insurance Companies Unclaimed Dividends	37,947.69	206,749.71	237.61	244,459.79
924 County Mutual Insurance Companies	5,500.00	- 0 -	- 0 -	5,500.00
927 County or Political Subdivision Road Participation	18,267,565.85	24,986,699.73	11,992,978.92	31,261,286.66
928 State Hospital Inmates Estates	58,053.10	13,781.45	2,915.08	68,919.47
929 Social Security Administration	426,973.88	374,611.62	278,885.53	522,699.97
930 Road Bond Coupon Paying	495,470.73	23,812,606.66	23,751,638.75	556,438.64
931 Delinquent Tax Sales Excess	291,613.19	84,235.86	45,718.55	330,130.50
932 Escheated Estates	58.43	61.23	- 0 -	119.66
936 Unemployment Compensation Clearance	7,364.00	167,437,001.68	167,436,117.34	8,248.34
937 Unemployment Compensation Benefit	258,881.78	167,917,602.62	166,817,467.56	1,359,016.84
939 Prison System Escheated Estates	23,087.09	1,435.84	10.50	24,512.43
941 Varner-Hogg State Park	19,417.94	7,567.07	- 0 -	26,985.01
948 State Conservator	788,804.98	2,537,471.77	3,194,133.21	132,143.54
950 SERS Expense	13,824.29	2,512,936.13	2,384,940.83	141,819.59
951 SERS Employees' Saving	261,405.52	38,631,239.25	38,108,544.10	784,100.67
952 SERS State Accumulation	517,895.21	40,008,025.70	40,161,773.55	364,147.36
953 SERS Retirement Annuity Reserve	45,651.93	69,648,226.96	69,673,539.87	20,339.02
954 SERS Interest	314,608.20	37,458,422.75	37,773,030.95	- 0 -
955 SERS Investment	7,948,246.23	415,008,511.29	422,060,439.53	896,317.99
957 Veterans Land Group Insurance	67,521.55	946,156.01	828,625.44	185,052.12
959 Unclaimed Funds from Life Insurance Companies	98,768.24	31,521.60	4,147.22	126,142.62
960 Teacher Retirement System	4,370,176.82	1,701,513,360.38	1,695,189,006.70	10,694,530.50
961 City Sales Tax	86,883,439.97	353,756,459.27	343,662,876.97	96,977,022.27
962 Sales Tax Guaranty	1,315,884.89	1,076,345.56	708,038.48	1,684,191.97
963 Optional Teacher Retirement Program	2,563,121.34	22,503,943.85	21,646,524.77	3,420,540.42
965 Parks Fee	149,077.92	1,705,176.98	1,570,966.08	283,288.82
966 Model Cities Services Projects	76,996.71	622,168.51	632,677.22	66,488.00
968 Abandoned Motor Vehicles	- 0 -	7,291.23	7,290.23	1.00
969 Real Estate Fee	1,992.50	924,137.50	917,000.00	9,130.00
971 Real Estate Recovery Fund	10,890.00	388,497.10	379,227.67	20,159.43
972 Improved Mobility of Elderly and Handicapped	859,396.16	152,163.39	987,783.59	23,775.96
973 Employee's Retirement System Insurance Benefit Fund	- 0 -	44,104,353.68	42,876,532.13	1,227,821.55
TOTAL TRUST FUNDS	148,170,686.50	3,602,438,439.97	3,573,751,426.85	176,857,699.62
TOTAL SUSPENSE AND TRUST	235,993,074.47	8,511,807,888.60	8,496,290,060.57	251,510,902.50
938 Unemployment (In Federal Treasury)	218,183,037.18	27,778,584.00	(309,099.63)	246,270,720.81
TOTAL	\$ 454,176,111.65	\$ 8,539,586,472.60	\$ 8,495,980,960.94	\$ 497,781,623.31

PETTY CASH FUNDS

A petty cash fund is a sub-account of the fund from which an expenditure would be paid through the state voucher payment process and is reimbursed from the respective appropriation for which the expenditure is made. A petty cash fund may be held in cash or in an account at a local bank.

The Legislature may authorize a state agency to establish a petty cash or revolving fund when the need exists to have cash or local funds for payment of certain expenses. Such authorizations are contained in the appropriations bill and detail the maximum amount of each fund as well as the purposes for which expenditures may be made from the fund. For example, the Alcoholic Beverage Commission was authorized to establish a \$3,000 petty cash fund out of the

Liquor Enforcement Fund 097 for use at International Bridges in making change for liquor tax payments. Various agencies of higher education are authorized to establish revolving funds for payment of nominal expenses, to pay bills within cash discount periods, and for payrolls. These petty cash funds have no limit, but voucher claims for reimbursement of petty cash expenditures must be made at least monthly to prevent these revolving funds from becoming too large.

Table 32 presents the transactions of the State's miscellaneous petty cash funds for the year ended August 31, 1977. These transactions are interfund transfers: an increase in a petty cash fund represents an expenditure from the State Treasury, while a decrease in a petty cash fund represents a receipt.

TRAVEL CASH ADVANCE PETTY CASH FUNDS

In 1975 the Legislature authorized all state agencies to establish revolving petty cash funds for the purpose of advancing travel expenses to employees. Cash is transferred from the appropriate account in the State Treasury to a separate local bank account for use by the state agency.

Reimbursements to a travel cash advance petty cash fund is accomplished by submission of travel vouchers payable to the account, rather than to the employee. Table 33 presents the transactions and balances of the State's travel cash advance petty cash funds for the year ended August 31, 1977.

TABLE 32
MISCELLANEOUS
PETTY CASH FUNDS
Year Ended August 31, 1977

	BALANCE 9-1-76	INCREASE (DECREASE)	BALANCE 8-31-77
GENERAL REVENUE FUND 001:			
101 Senate	\$ 500.00	\$ (500.00)	\$ - 0 -
103 Legislative Council	100.00	- 0 -	100.00
302 Attorney General	1,000.00	- 0 -	1,000.00
303 State Board of Control	500.00	- 0 -	500.00
306 Library and Historical Commission	250.00	250.00	500.00
307 Secretary of State	150.00	- 0 -	150.00
333 Office of State — Federal Relations	400.00	- 0 -	400.00
473 Public Utilities Commission	- 0 -	50.00	50.00
518 Water Quality Board	200.00	- 0 -	200.00
550 Governors Energy Advisory Council	500.00	- 0 -	500.00
580 Water Development Board	100.00	- 0 -	100.00
651 Corsicana State Home	3,000.00	- 0 -	3,000.00
652 Waco State Home	1,000.00	- 0 -	1,000.00
654 Brownwood State School for Girls	1,500.00	- 0 -	1,500.00
656 Vernon Center	500.00	500.00	1,000.00
657 Amarillo State Center for Human Development	50.00	150.00	200.00
658 Beaumont State Center for Human Development	500.00	- 0 -	500.00
659 Rio Grande State Center MHMR	1,000.00	- 0 -	1,000.00
660 Denton State School	800.00	- 0 -	800.00
661 Texas Confederate Homes	350.00	- 0 -	350.00
663 Commission for Indian Affairs	100.00	- 0 -	100.00
666 East Texas State Chest Hospital	250.00	250.00	500.00
667 Fort Worth State School	500.00	- 0 -	500.00
668 Richmond State School	1,000.00	- 0 -	1,000.00
669 Lufkin State School	1,000.00	- 0 -	1,000.00
670 Corpus Christi State School	600.00	- 0 -	600.00
671 San Angelo Center	800.00	- 0 -	800.00
672 Mexia State School	500.00	- 0 -	500.00
673 San Antonio State Chest Hospital	600.00	- 0 -	600.00
674 Kerrville State Hospital	500.00	- 0 -	500.00
675 Travis State School	500.00	- 0 -	500.00
676 Abilene State School	500.00	- 0 -	500.00
677 Austin State Hospital	835.00	- 0 -	835.00
678 Austin State School	1,000.00	- 0 -	1,000.00
679 Rusk State Hospital	1,000.00	- 0 -	1,000.00
681 San Antonio State Hospital	1,000.00	- 0 -	1,000.00
682 Terrell State Hospital	1,000.00	- 0 -	1,000.00
683 Wichita Falls State Hospital	900.00	- 0 -	900.00
684 Harlingen State Chest Hospital	150.00	- 0 -	150.00
685 Texas Research Institute of Mental Sciences	500.00	- 0 -	500.00
686 Big Spring State Hospital	1,000.00	- 0 -	1,000.00
687 Lubbock State School	1,000.00	- 0 -	1,000.00
688 Brenham State School	500.00	- 0 -	500.00

TABLE 32 (continued)
 MISCELLANEOUS
 PETTY CASH FUNDS
 Year Ended August 31, 1977

	BALANCE 9-1-76	INCREASE (DECREASE)	BALANCE 8-31-77
GENERAL REVENUE FUND 001 (continued):			
689 Giddings State School for Boys	\$ 1,000.00	\$ - 0 -	\$ 1,000.00
690 West Texas Childrens Home	800.00	700.00	1,500.00
691 Gatesville State School for Boys	3,000.00	- 0 -	3,000.00
692 Gainesville State School for Girls	1,000.00	- 0 -	1,000.00
693 Crockett State School for Girls	1,500.00	- 0 -	1,500.00
696 Department of Corrections	107,500.00	(25,000.00)	82,500.00
739 Texas Tech Univ. School of Medicine	40,000.00	- 0 -	40,000.00
750 Tyler State College	10,225.00	5,000.00	15,225.00
764 East Texas State University at Texarkana	5,000.00	- 0 -	5,000.00
781 Coordinating Board, College and University System	<u>60.00</u>	<u>- 0 -</u>	<u>60.00</u>
TOTAL, GENERAL REVENUE FUND	\$ 198,220.00	\$ (18,600.00)	\$ 179,620.00
TEXAS PARKS FUND 031:			
802 Parks and Wildlife Department	- 0 -	500.00	500.00
OPTOMETRY FUND 034:			
514 Optometry Board	- 0 -	450.00	450.00
INSURANCE BOARD OPERATING FUND 036:			
454 Board of Insurance	250.00	- 0 -	250.00
SPECIAL BOAT FUND 059:			
802 Parks and Wildlife Department	1,000.00	- 0 -	1,000.00
REHABILITATION COMMISSION FUND 061:			
330 Rehabilitation Commission	4,000.00	- 0 -	4,000.00
COMPTROLLER'S OPERATING FUND 062:			
304 Comptroller of Public Accounts	2,400.00	- 0 -	2,400.00
WORKMEN'S COMPENSATION FUND 094:			
453 Industrial Accident Board	300.00	- 0 -	300.00
LIQUOR ACT ENFORCEMENT FUND 097:			
458 Alcoholic Beverage Commission	3,000.00	- 0 -	3,000.00
OPERATORS AND CHAUFFEURS LICENSE FUND 099:			
405 Department of Public Safety	88,500.00	31,500.00	120,000.00
REAL ESTATE LICENSE FUND 114:			
329 Real Estate Commission	25.00	- 0 -	25.00
AIRCRAFT FUEL TAX FUND 150:			
481 Aeronautic Commission	100.00	- 0 -	100.00
DEPARTMENT OF PUBLIC SAFETY FEDERAL FUND 222			
405 Department of Public Safety	- 0 -	20,000.00	20,000.00
PAN AMERICAN UNIVERSITY CURRENT FUND 226:			
736 Pan American University	15,000.00	- 0 -	15,000.00

TABLE 32 (continued)
 MISCELLANEOUS
 PETTY CASH FUNDS
 Year Ended August 31, 1977

	BALANCE 9-1-76	INCREASE (DECREASE)	BALANCE 8-31-77
TEXAS STATE TECHNICAL INSTITUTE FUND 237:			
719 Texas State Technical Institute	\$ 120,000.00	\$ - 0 -	\$ 120,000.00
TEXAS SOUTHERN UNIVERSITY CURRENT FUND 247:			
717 Texas Southern University	15,000.00	15,000.00	30,000.00
UT AT SAN ANTONIO CURRENT FUND 249:			
743 University of Texas at San Antonio	20,000.00	- 0 -	20,000.00
TEXAS A & I UNIVERSITY CURRENT FUND 254:			
732 Texas A & I University	33,250.00	- 0 -	33,250.00
LAMAR UNIVERSITY CURRENT FUND 256:			
734 Lamar University	3,500.00	- 0 -	3,500.00
NORTH TEXAS STATE UNIVERSITY CURRENT FUND 258:			
752 North Texas State University	25,000.00	- 0 -	25,000.00
STEPHEN F. AUSTIN STATE UNIVERSITY CURRENT FUND 261:			
755 Stephen F. Austin State University	25,000.00	- 0 -	25,000.00
SUL ROSS STATE UNIVERSITY CURRENT FUND 262:			
756 Sul Ross State University	20,750.00	- 0 -	20,750.00
WEST TEXAS STATE UNIVERSITY CURRENT FUND 263:			
757 West Texas State University	<u>225,000.00</u>	<u>- 0 -</u>	<u>225,000.00</u>
 TOTAL PETTY CASH FUNDS	 <u>\$ 800,295.00</u>	 <u>\$ 48,850.00</u>	 <u>\$ 849,145.00</u>

TABLE 33
TRAVEL CASH ADVANCE
PETTY CASH FUNDS
Year Ended August 31, 1977

	BALANCE 9-1-76	INCREASE (DECREASE)	BALANCE 8-31-77
GENERAL REVENUE FUND 001:			
101 Senate	\$ 5,000.00	\$ (5,000.00)	\$ - 0 -
103 Legislative Council	2,000.00	- 0 -	2,000.00
302 Attorney General	8,500.00	- 0 -	8,500.00
303 State Board of Control	1,500.00	- 0 -	1,500.00
332 Community Affairs	3,500.00	500.00	4,000.00
453 Industrial Accident Board	3,000.00	- 0 -	3,000.00
465 Industrial Commission	9,000.00	- 0 -	9,000.00
552 Water Rights Commission	4,100.00	- 0 -	4,100.00
580 Water Development Board	- 0 -	10,000.00	10,000.00
585 Texas Coastal and Marine Council	2,000.00	1,000.00	3,000.00
655 Department of Mental Health and Mental Retardation	8,000.00	- 0 -	8,000.00
657 Amarillo State Center for Human Development	900.00	1,000.00	1,900.00
658 Beaumont State Center for Human Development	2,000.00	- 0 -	2,000.00
660 Denton State School	1,500.00	- 0 -	1,500.00
661 Texas Confederate Homes	800.00	- 0 -	800.00
668 Richmond State School	1,200.00	- 0 -	1,200.00
669 Lufkin State School	500.00	- 0 -	500.00
672 Mexia State School	1,000.00	- 0 -	1,000.00
674 Kerville State Hospital	1,800.00	- 0 -	1,800.00
675 Travis State School	2,000.00	- 0 -	2,000.00
676 Abilene State School	1,500.00	500.00	2,000.00
678 Austin State School	1,800.00	- 0 -	1,800.00
679 Rusk State Hospital	1,300.00	1,700.00	3,000.00
681 San Antonio State Hospital	- 0 -	4,000.00	4,000.00
682 Terrell State Hospital	1,175.00	4,158.00	5,333.00
687 Lubbock State School	800.00	600.00	1,400.00
696 Department of Corrections	10,000.00	- 0 -	10,000.00
750 Tyler State College	5,000.00	2,500.00	7,500.00
751 East Texas State University	22,000.00	- 0 -	22,000.00
763 Texas College of Osteopathic Medicine	3,200.00	- 0 -	3,200.00
802 Parks and Wildlife Department	- 0 -	2,500.00	2,500.00
TOTAL, GENERAL REVENUE FUND	\$ 105,075.00	\$ 23,458.00	\$ 128,533.00
SPECIAL GAME AND FISH FUND 009:			
802 Parks and Wildlife Department	- 0 -	2,500.00	2,500.00
UNEMPLOYMENT COMPENSATION FUND 026:			
322 Employment Commission	- 0 -	10,000.00	10,000.00
TEXAS PARKS FUND 031:			
802 Parks and Wildlife Department	- 0 -	2,500.00	2,500.00

TABLE 33 (continued)
 TRAVEL CASH ADVANCE
 PETTY CASH FUNDS
 Year Ended August 31, 1977

	BALANCE 9-1-76	INCREASE (DECREASE)	BALANCE 8-31-77
INSURANCE BOARD OPERATING FUND 036:			
454 Board of Insurance	\$ 10,000.00	\$ - 0 -	\$ 10,000.00
SPECIAL BOAT FUND 059:			
802 Parks and Wildlife Department	- 0 -	2,500.00	2,500.00
COMPTROLLER'S OPERATING FUND 062:			
304 Comptroller of Public Accounts	5,000.00	- 0 -	5,000.00
BOARD OF LANDSCAPE ARCHITECTS AND IRRIGATORS FUND 069:			
468 Board of Landscape Architects	375.00	- 0 -	375.00
ATTORNEY GENERAL OPERATING FUND 072:			
302 Attorney General	2,000.00	- 0 -	2,000.00
OPERATORS AND CHAUFFEURS LICENSE FUND 099:			
405 Department of Public Safety	10,000.00	- 0 -	10,000.00
COMMUNITY AFFAIRS FEDERAL FUND 127:			
332 Community Affairs	2,000.00	200.00	2,200.00
BASIC SCIENCE EXAMINATION FUND 220:			
510 Board of Examiners in Basic Science	- 0 -	480.00	480.00
ANGELO STATE UNIVERSITY CURRENT FUND 227:			
737 Angelo State University	2,850.00	- 0 -	2,850.00
NORTH TEXAS STATE UNIVERSITY CURRENT FUND 258:			
752 North Texas State University	20,000.00	- 0 -	20,000.00
FEDERAL HEALTH FUND 273:			
501 Department of Health Resources	10,000.00	- 0 -	10,000.00
PARKS AND WILDLIFE OPERATING FUND 420:			
802 Parks and Wildlife Department	<u>10,000.00</u>	<u>(10,000.00)</u>	<u>- 0 -</u>
TOTAL, TRAVEL CASH ADVANCES	<u>\$ 177,300.00</u>	<u>\$ 31,638.00</u>	<u>\$ 208,938.00</u>

TAX CLEARANCE FUNDS

Highway Motor Fuel Tax Fund 060

Table 34 presents the receipts and allocations of Fund 060, the Highway Motor Fuel Tax Fund, for the 1977 fiscal year. All motor fuel gasoline tax and special motor fuels tax revenues are deposited to this fund for clearance to other funds. Allocations from Fund 060 occur on the first and fifth working day of each month (except August, when allocations are made on the last working day instead of the first working day of September).

Of the gross receipts to Fund 060, 1 percent is transferred to the Comptroller's Operating Fund 062 as an enforcement fee. An estimated sum is retained in Fund 060 to pay refund claims. Fund 062 also receives a filing fee of 50¢ per refund claim. Twenty-five percent of the estimated unclaimed aircraft fuel and motorboat fuel refunds are transferred to the Available School Fund 002. The remaining 75 percent of unclaimed aircraft fuel refunds and 75 percent of unclaimed motorboat fuel refunds are transferred to the Aircraft Fuel Tax Fund 150 of the Aeronautics Commission and the Special Boat Fund 059 of the Parks and Wildlife Department.

The net receipts of Fund 060 after the above transfers and allowance for refund claims are allocated as follows: 25 percent to the Available School Fund 002; the amount needed by the Board of County and District Road Indebtedness for administration, grants to counties and principal and interest on bonds to the County and Road District Highway Fund 057; and the balance to State Highway Fund 006.

Omnibus Tax Clearance Fund 120

The Omnibus Fund is the largest of the tax clearance funds. It serves as an accounting entity into which various tax and permit fee revenues are deposited and then "cleared" to other funds from which actual expenditures are made. The clearance funds are one of the methods used to earmark or "dedicate" particular revenues to specific uses. The transfers and allocations made from the Omnibus Tax Clearance Fund fall into three general categories: (1) Enforcement

fees — the Comptroller's Operating Fund 062, the Railroad Commission Operating Fund 155, and the Liquor Act Enforcement Fund 097 each receive transfers to help finance the collection of taxes; (2) Allocation to education — A portion of nearly every revenue collected in Omnibus is dedicated to education, through either the Available School Fund or the Foundation School Fund; (3) Other Priority Programs — Through Statute and the General Appropriations Bill, the Legislature has given special status to a number of programs and has insured their funding by giving them priority access to revenue.

Table 35 presents the receipts and disbursements of revenues in Fund 120, the Omnibus Tax Clearance Fund, for the 1977 fiscal year. Transfers and allocations are made on the first and fifth working days of each month (except August, when allocations are made on the last working day instead of the first working day in September). After the statutory allocations have been made, all remaining monies in Fund 120 are allocated to the Foundation School Fund 193 for the first nine months of the year, and to the General Revenue Fund 001 for the last three months.

College Building Fund 389, 1966-1977

The State levies an ad valorem tax of 10 cents per \$100 valuation on property for "the purpose of acquiring, constructing and initially equipping buildings or other permanent improvements" (Constitution, Article VII, Section 17) at seventeen designated state-supported universities. These tax revenues have been pledged to the payment of principal and interest on several series of State of Texas Ad Valorem Tax Bonds issued for the benefit of the building programs of the participating universities.

Revenues from this tax are deposited to Fund 389, the College Building Fund, 1966-1977, and transferred in August of each year to the Building Bond Sinking Fund of each university according to an allocation formula based on projected enrollment increases and square feet per full time equivalent student. Table 36 details revenues of Fund 389 and transfers to the Building Bond Sinking Funds for the 1977 fiscal year.

TABLE 34
 HIGHWAY MOTOR FUEL TAX FUND 060
 RECEIPTS AND ALLOCATIONS
 Year Ended August 31, 1977

	AMOUNT	
Cash Fund Balance 9-1-76		\$ 29,236,475.58
Actual Gross Receipts	\$ 456,906,908.06	
Less: 1% Enforcement on Gross Receipts	<u>4,561,262.87</u>	
Adjusted Gross Receipts	452,345,645.19	
Less: Refunds	12,808,547.61	
Plus Voided Warrants	7,145.35	
Less Transfers:		
Refund Filing Fees: Fund 062	21,940.00	
3/4 Unclaimed Aircraft Fuel Refunds: Fund 150	584,772.16	
1/4 Unclaimed Aircraft Fuel Refunds: Fund 002	194,924.09	
3/4 Unclaimed Motorboat Fuel Refunds: Fund 059	2,245,869.39	
1/4 Unclaimed Motorboat Fuel Refunds: Fund 002	<u>748,623.15</u>	
Total Receipts		435,748,114.14
Allocated as Follows:		
One-Fourth Available School Fund	108,935,027.38	
Board of County and District Road Indebtedness		
Administration	\$ - 0 -	
Grants to Counties	<u>7,300,000.00</u>	
Total to the Board	7,300,000.00	
Balance to Highway Fund 006	<u>318,974,900.29</u>	
Total Allocations		435,209,927.67
Cash Fund Balance 8-31-77		<u>\$ 29,774,662.05</u>

TABLE 35
OMNIBUS TAX CLEARANCE FUND 120
RECEIPTS AND ALLOCATIONS
Year Ended August 31, 1977

	Amount	Enforcement	Fund 002	Fund 120	Fund 001	Other
Cash Fund Balance 9-1-76:	\$ 39,595,793.88					
020 Oil Production	426,434,361.22	\$2,136,267.26				
022 Natural and Casinghead Gas	474,754,397.06	2,331,157.93				
024 Sulphur	4,479,734.12					
040 Cement	4,030,941.04					
042 Utilities	58,483,751.22					
044 Telephone	39,671,905.34					
046 Oil and Gas Well Servicing	3,736,079.67					
052 Carline Companies	37,698.30					
056 Admissions	1,208,383.85					
080 Liquor	33,814,414.93					
082 Wine	3,018,153.20					
084 Ale	1,120,078.03					
087 Telegraph	99,232.92					
090 Beer	47,665,776.15					
095 Motor Vehicle Tax - Rental	6,937,555.11					
096 Motor Vehicle Tax - Sales	321,303,393.39					
153 Stock Transfer Tax	- 0 -					
155 Insurance Occupation Tax	118,302,327.35					
172 Coin Device Machine Tax	1,376,969.90				\$ 25,000.00	
180 Miscellaneous Occupation Tax	46,796.59					
565 Warrants Voided by Statute of Limitations	446.64					
199 Revenue Refunds Applied	(10,938,486.74)					
Subtotal	\$1,535,583,909.29	\$4,467,425.19	\$382,820,150.78	\$1,148,271,333.32	\$ 25,000.00	
210 Liquor Permit Fees	5,997,902.39					
211 Wine and Beer Permits	1,164,486.71					
Subtotal	7,162,389.10			7,162,389.10		
074 Cigarette Tax	277,691,637.80					
207 Cigarette and Tobacco Permits	280,992.76					
199 Revenue Refunds Applied	(175.40)					
Subtotal	277,972,455.16	1,118,656.29	11,000,912.54	175,000.00	250,762,009.51	14,915,876.82
026 Oil and Gas Regulation Tax	2,110,175.85			(14,714.07)		2,124,889.92
199 Revenue Refunds Applied	10,938,662.14			10,938,662.14		
Total to Allocate	\$ 1,833,767,591.54	\$ 5,586,081.48	\$393,821,063.32	\$ 1,166,532,670.49	\$ 250,787,009.51	\$ 17,040,766.74
Total Allocations	<u>1,804,880,415.35</u>					
Unallocated Balance	28,887,176.19			(28,887,176.19)		
Cash Fund Balance 8-31-77:	\$ <u>68,482,970.07</u>					

TABLE 35 (continued)
 OMNIBUS TAX CLEARANCE FUND 120
 RECEIPTS AND ALLOCATIONS
 Year Ended August 31, 1977

	Amount	Enforcement	Fund 002	Fund 120	Fund 001	Other
Cash Fund Balance 9-1-76:	\$ 39,595,793.88					
<u>ENFORCEMENT FEES AND TRANSFERS:</u>						
Comptroller Operating Fund 062:						
Crude Oil	2,136,267.26	\$ 2,136,267.26				
Natural Gas	2,331,157.93	2,331,157.93				
Cigarette Tax	1,118,656.29	1,118,656.29				
Oil and Gas Enforcement Fund 155	2,124,889.92					\$ 2,124,889.92
Texas Parks Fund 031	14,915,876.82					14,915,876.82
Available School Fund 002	393,821,063.32		\$ 393,821,063.32			
General Revenue Fund 001	250,762,009.51				\$ 250,762,009.51	
<u>ALLOCATION OF OMNIBUS:</u>						
To Priority Funds:						
Farm to Market Road Fund 189	15,000,000.00			\$ 15,000,000.00		
Medical Assistance Fund 166	207,133,791.00			207,133,791.00		
Children's Assistance Fund 167	38,616,329.00			38,616,329.00		
Teachers Retirement Program	221,631,444.10			221,631,444.10		
Foundation School Fund 193	473,240,770.15			473,240,770.15		
Excess Priority to General Revenue Fund 001	171,084,497.91			171,084,497.91		
Coin Machine Enforcement Fund 001	25,000.00				25,000.00	
Revenue Refunds Applied	10,938,662.14			10,938,662.14		
TOTAL ALLOCATIONS	<u>\$ 1,804,880,415.35</u>	<u>\$ 5,586,081.48</u>	<u>\$ 393,821,063.32</u>	<u>\$ 1,137,645,494.30</u>	<u>\$ 250,787,009.51</u>	<u>\$ 17,040,766.74</u>
Unallocated Balance	28,887,176.19					
Cash Fund Balance 8-31-77:	<u>\$ 68,482,970.07</u>					

TABLE 36
COLLEGE BUILDING FUND 389, 1966-1977
REVENUES AND TRANSFERS
Year Ended August 31, 1977

Revenues:

Ad Valorem Tax	\$ 35,414,588.12
Interest on State Deposits	732,983.71
Interest on County Deposits	<u>269.08</u>
 Total Revenues	 <u>\$ 36,147,840.91</u>

Transferred as follows:

1966-1977 Building Bond Sinking Fund No.

390	University of Texas at Arlington	\$ 4,321,089.41
391	Texas Tech University	4,418,890.64
392	North Texas State University	3,847,994.24
393	Lamar University	2,987,829.61
394	Texas A & I University at Kingsville	1,395,611.20
395	Texas Women's University	856,190.71
396	Texas Southern University	1,034,036.64
397	Midwestern University	925,570.17
398	University of Houston	5,429,488.12
399	Pan American University	1,036,843.34
400	East Texas State University	1,471,687.05
401	Sam Houston State University ^a	1,913,216.48
402	Southwest Texas State University ^a	2,129,717.82
403	West Texas State University	1,162,325.51
404	Stephen F. Austin State University	2,067,242.43
405	Sul Ross State University ^a	344,402.35
406	Angelo State University ^a	<u>805,705.19</u>
 Total Transfers		 <u>\$ 36,147,840.91</u>

^a Transfers totaling \$5,211,662.76 were made from Funds 401, 402, 405, and 406 to Fund 407, State Senior Colleges 1966-1977 Building Bond Sinking Fund. Debt service for State of Texas Ad Valorem Tax Bonds issued for Sam Houston State University, Southwest Texas State University, Sul Ross State University, and Angelo State University is paid from Fund 407.

THE FOUNDATION SCHOOL PROGRAM

The Foundation School Program (FSP) is the basis of public school finance in Texas, with both the State's share and local school districts' share being determined by statutory formulas. Approximately 80-90 percent of the biennial appropriation for the FSP consists of estimated sums for the various program components. Therefore, the Foundation School Fund Budget Committee, consisting of the State Commissioner of Education, the State Auditor, and the State Comptroller of Public Accounts, was established by Article 7083a(VACS) to oversee expenditures for the FSP. The Committee is required to meet in the fall preceding each regular session of the Legislature to certify the estimated cost of the FSP to the State for the coming biennium. Since the FSP has priority status in the state financial structure, the estimated cost has a direct impact on funds available for other state programs and plays a key role in the appropriations process. In addition, the Committee meets periodically to modify the certification when required by legislative changes or to revise the certified cost estimates of the FSP which are prepared by the Texas Education Agency.

Expenditures for support of the FSP are made from three state funds. The Available School Fund 002 receives the investment income of the Permanent School Fund and allocations from the Omnibus Tax Fund and the Highway

Motor Fuel Tax Fund. It is distributed to school districts on a per capita basis. The remaining portion of the State's share of the cost of the FSP is paid from the Foundation School Fund 193 and from the General Revenue Fund 001. The principal source of income for the Foundation School Fund is the Omnibus Tax Clearance Fund 120. For the first nine months of the fiscal year, all monies remaining in the Omnibus Tax Fund after all other priority allocations are transferred to the Foundation School Fund. If there are not sufficient monies available in the Available School Fund and the Foundation School Fund, the General Revenue Fund is used to meet the State's share of the FSP.

Table 37 presents the FSP budget estimate for the year ended August 31, 1977, as certified by the Committee on June 20, 1977. Actual state expenditures by fund for the 1977 FSP budget also are shown in Table 37. Out of total 1977 FSP expenditures of \$1,619,040,094, 34.6 percent was supplied by the Available School Fund, 28.9 percent by the Foundation School Fund, and 36.5 percent by the General Fund. Approximately 25 percent of all expenditures from state funds during 1977 were used to support the Foundation School Program.

TABLE 37
 FOUNDATION SCHOOL PROGRAM
 BUDGET ESTIMATE AND STATE EXPENDITURES
 Year Ended August 31, 1977

<u>Program</u>	<u>6-20-77 Cost Estimate</u>
Regular	\$ 1,651,325,000
Vocational-Technical Education	111,550,000
Special Education	226,534,000
Bilingual Education	8,700,000
Regional Day Schools for the Deaf	11,772,000
Other Programs	111,130,000
Agency Administration	<u>4,818,000</u>
Total Foundation School Program Cost, estimated	\$ 2,125,829,000
Less: Total Local Funds, estimated	<u>488,821,000</u>
Balance to be Paid from State Funds	<u>\$ 1,637,008,000</u>
<u>State Expenditures</u>	
Available School Fund	559,399,405 ^a
Foundation School Fund	468,375,726
General Fund	<u>591,264,963</u>
Total State Expenditures, Foundation School Program	<u>\$ 1,619,040,094</u>

^a Exclusive of \$23,127,686 expended in September 1977 for fiscal 1976 Foundation School Program budget.

